

# IMPORTANT NOTICE

## National Securities Clearing Corporation



**A#:** 6930  
**P&S#** 6500  
**Date:** January 8, 2010  
**To:** ALL PARTICIPANTS  
**Attention:** MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER,  
COMPLIANCE OFFICER  
**From:** GENERAL COUNSEL'S OFFICE  
**Subject:** PAYMENT OF END OF DAY NET MONEY SETTLEMENT (DEBIT)  
BALANCES - SETTLEMENT

**The purpose of this notice is to remind members and limited members of their responsibilities under NSCC's Rules & Procedures (the "Rules") in regards to settlement.** All settling participants are required to timely satisfy their end-of-day net money settlement obligations with NSCC. Every NSCC settling participant is required to settle through a Settling Bank, unless permitted otherwise by NSCC<sup>1</sup>.

Pursuant to NSCC Rule 12, Section 1, a participant will be deemed to have failed to settle when the Corporation receives a Refusal from such participant's Settling Bank and the participant has failed to pay its net debit balance (or it has failed to pay its Net Debit Balance if permitted by the Corporation to settle otherwise than through a Settling Bank (a participant with a Settling Bank exception), or when its Settling Bank has failed to pay the Settling Bank's net-net debit balance by the time specified by the Corporation from time to time.

Pursuant to NSCC Rule 55 Section 5, NSCC may also assess penalties (fines) against a Settling Bank or, in the case of a Refusal, the participant as specified in the Procedures, in the event the Settling Bank or, in the case of a Refusal, the participant, fails to settle.

**In the event that a Settling Bank Refuses to Settle on behalf of a participant, it is the participant's responsibility to timely remit funds to NSCC in satisfaction of its end of day settlement balance. Participants that employ a Settling Bank exception must also ensure that funds are timely remitted to NSCC in satisfaction of their end of day net settlement balance. Failure to do so will result in a fine being imposed upon the participant, in accordance with Addendum P, Section 1, of NSCC's Rules and Procedures.**

Participants are reminded that, as stated in NSCC Important Notice A#6891 (P&S#6461) dated October 21, 2009, Settling Banks have until the later of 4:15 PM (Eastern Time) or 30 minutes from the publishing of the Final Figures to acknowledge or refuse their settlement balance.

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit [http://www.dtcc.com/subscription\\_form.php](http://www.dtcc.com/subscription_form.php).

Participants should be monitoring their end-of-day net settlement obligations and ensuring that timely payment of funds to NSCC takes place.

Questions regarding this notice should be directed to your Relationship Manager.

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<sup>i</sup> Settling Bank exceptions may be approved by NSCC for Insurance Carrier/Retirement Services Members, Mutual Fund/Insurance Services Members, Fund Members or AIP Members, pursuant to Addendum F (Statement of Policy in Relation to Same Day Funds Settlement)