

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) The text of the proposed rule change is attached hereto as Exhibit 5.

In addition to the rule change included as Exhibit 5, the National Securities Clearing Corporation (“NSCC”) is filing the proposed rule change due to the change of certain practices regarding the election of its Board of Directors (the “Board”). Specifically, NSCC’s parent company, the Depository Trust & Clearing Corporation (“DTCC”) intends to consider nominating, in the future, for election to the DTCC Board of Directors, candidates for director that are not employees of DTCC’s clearing corporation subsidiaries’ participants (“non-participant candidates”). Because certain of DTCC’s organizational documents mandate that the directors of DTCC shall be the same as the directors of NSCC, in the future NSCC’s Board may include non-participant directors.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The Board approved the rule change on December 16, 2009.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The rules of NSCC assign to its Board certain administrative responsibilities, including for example, responsibilities related to approving membership applications and other related matters. NSCC is proposing to revise the rules of NSCC to allow its Board to delegate these responsibilities as described in the rule. These changes also conform NSCC’s rules to the rules of the Depository Trust Company.

In addition, DTCC has in the past nominated for election to its Board of Directors employees of its clearing corporation subsidiaries’ participants. DTCC intends to consider nominating, in the future, for election to its Board of Directors non-participant candidates. Because certain of DTCC’s organizational documents mandate that the directors of DTCC shall be the same as the directors of NSCC, in the future NSCC’s Board may include non-participant directors. NSCC believes that non-participant directors may bring additional skills and expertise and introduce different perspectives to the Board.

NSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to NSCC because the rule change should enable NSCC to facilitate the prompt and accurate clearing and settlement of securities transactions.

4. Self-Regulatory Organization’s Statement on Burden on Competition

NSCC does not believe that the proposed rule change will have any impact on or impose any burden on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

6. Extension of Time Period for Commission Action

NSCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) NSCC requests that the Commission accelerate effectiveness of the proposed rule change pursuant to Section 19(b)(2). The Commission's granting of accelerated effectiveness would enable NSCC to include non-participant directors on its Board for the 2010 Board term.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule of another self-regulatory organization or of the Commission.

9. Exhibits

Exhibit 1	Notice of Proposed Ruled Change for publication in the <u>Federal Register</u>
Exhibit 2	N/A
Exhibit 3	N/A
Exhibit 4	N/A
Exhibit 5	Proposed rule text incorporating changes

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_____]; File No. SR-NSCC-2009-10)

December 16, 2009

Self-Regulatory Organizations; National Securities Clearing Corporation; Proposed Rule to Permit the Board of Directors of National Securities Clearing Corporation to Delegate Certain Responsibilities, and Regarding National Securities Clearing Corporation's Board of Directors Election Process

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 16, 2009 the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to amend certain administrative provisions of the rules of NSCC to allow the Board of Directors (the "Board") of NSCC to delegate certain responsibilities that the rules assign to the Board. These changes also conform NSCC's rules to the rules of the Depository Trust Company. The text of the proposed rule change is below. Proposed new language is underlined; proposed deletions are in brackets.

In addition, NSCC's parent company, the Depository Trust & Clearing Corporation ("DTCC") intends to consider nominating for election, in the future, candidates for director that are not employees of its clearing corporation subsidiaries' participants ("non-participant

¹ 15 U.S.C. 78s(b)(1).

candidates”). Because certain of DTCC’s organizational documents mandate that the directors of DTCC shall be the same as the directors of NSCC, in the future NSCC’s Board may include non-participant directors.

* * * * *

NSCC Rule 23

[Except w]Where action [of] by the Board of Directors is [specifically] required by these Rules, the Corporation may act, to the full extent permitted by law, by the Chairman of the Board, the President, or any [Senior] Managing Director or Vice President [, Managing Director or Secretary of the Corporation] or by such other Person or Persons, whether or not employed by the Corporation, as may be designated by the Board of Directors from time to time.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The rules of NSCC assign to its Board certain administrative responsibilities, including for example, responsibilities related to approving membership applications and other related

² The Commission has modified the text of the summaries prepared by NSCC.

matters. NSCC is proposing to revise the rules to allow its Board to delegate these responsibilities as described in the rule. These changes also conform NSCC's rules to the rules of the Depository Trust Company.

In addition, DTCC has in the past nominated for election to its Board of Directors employees of its clearing corporation subsidiaries' participants. DTCC intends to consider nominating, in the future, for election to its Board of Directors non-participant candidates. Because certain of DTCC's organizational documents mandate that the directors of DTCC shall be the same as the directors of NSCC, in the future NSCC's Board may include non-participant directors. NSCC believes that non-participant directors may bring additional skills and expertise and introduce different perspectives to the Board.

NSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act³ and the rules and regulations thereunder applicable to NSCC because the rule change should enable NSCC to facilitate the prompt and accurate clearing and settlement of securities transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

NSCC does not believe that the proposed rule change will have any impact on or impose any burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments relating to the proposed rule change have not yet been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

³ 15 U.S.C. 78q-1.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-NSCC-2009-10 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-NSCC-2009-10. These file numbers should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all

comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filings also will be available for inspection and copying at NSCC's principal office and on its Web site at < http://www.dtcc.com/legal/rule_filings/ >. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-NSCC-2009-10 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁴

⁴ 17 C.F.R. 200.30-3(a)(12)

NSCC Rule 23

Where action by the Board of Directors is required by these Rules, the Corporation may act, to the full extent permitted by law, by the Chairman of the Board, the President, or any Managing Director or Vice President or by such other Person or Persons, whether or not employed by the Corporation, as may be designated by the Board of Directors from time to time.