

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70848; File No. SR-NSCC-2013-10)

November 12, 2013

Self-Regulatory Organizations; National Securities Clearing Corporation; Order
Approving Proposed Rule Change to Decommission Its Trade Risk Pro Service

I. Introduction

On September 16, 2013, the National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-NSCC-2013-10 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder.² The proposed rule change was published for comment in the Federal Register on October 3, 2013.³ The Commission did not receive comments on the proposed rule change. This order approves the proposed rule change.

II. Description

The proposed rule change consists of amendments to the Rules and Procedures (“Rules”) of NSCC to decommission the DTCC Trade Risk Pro service (“Trade Risk Pro”), as more fully described below. Trade Risk Pro was designed to allow NSCC Members to monitor intraday trading activity of their organizations and/or their

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 34-70544 (Sept. 27, 2013), 78 FR 61424 (Oct. 3, 2013) (SR-NSCC-2013-10).

correspondent firms through review of post-trade data.⁴ While several firms participated in a pilot of Trade Risk Pro, no Members are currently enrolled in Trade Risk Pro and NSCC believes it is not currently cost-effective to maintain the service. As a result, NSCC is revising its Rules by deleting the current Rule 54 (Trade Risk Pro) and Procedure XVII (Trade Risk Pro). The effective date of the proposed rule change will be announced via an NSCC Important Notice.

III. Discussion

Section 19(b)(2)(C) of the Act⁵ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act⁶ requires that rules of a clearing agency to be designed to, among other things, “promote the prompt and accurate clearance and settlement of securities transactions and ... to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.”⁷ The Commission finds that NSCC’s proposed rule change is consistent with these requirements by discontinuing an underutilized service, which will enable NSCC to allocate its resources among other core clearing agency functions.

⁴ See Securities Exchange Act Release No. 66068 (Dec. 29, 2011), 77 FR 528 (Jan. 5, 2012) (File No. SR-DTC-2011-10).

⁵ 15 U.S.C. 78s(b)(2)(C).

⁶ 12 U.S.C. 78q-1(b)(3)(F).

⁷ 15 U.S.C. 78q-1(b)(3)(F).

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act⁸ and the rules and regulations thereunder.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-NSCC-2013-10) be, and it hereby is, APPROVED.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Kevin M. O'Neill
Deputy Secretary

⁸ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁹ 17 CFR 200.30-3(a)(12).