

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2016 - * 001
 WASHINGTON, D.C. 20549 Form 19b-4 Amendment No. (req. for Amendments *)

Filing by National Securities Clearing Corporation
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document Exhibit 3 Sent As Paper Document

Description
 Provide a brief description of the action (limit 250 characters, required when Initial is checked *).
 To remove from DTCC Limit Monitoring the 50 percent early warning alert and to make technical revisions.

Contact Information
 Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Jacqueline Last Name * Farinella
 Title * Executive Director and Associate General Counsel
 E-mail * jfarinella@dtcc.com
 Telephone * (212) 855-3216 Fax

Signature
 Pursuant to the requirements of the Securities Exchange Act of 1934,
 has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.
 (Title *)
 Date 04/18/2016 Managing Director
 By Nikki Poulos
 (Name *)
 NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.
 Persona Not Validated - 1459960765550,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

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 *

Add Remove View

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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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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, security-based swap submission, or advance notice 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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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 proposed rule change is annexed hereto as Exhibit 5 and consists of amendments to the Rules and Procedures (“Rules”) of National Securities Clearing Corporation (“NSCC”) to remove from the DTCC Limit Monitoring tool the alert that is sent to Members when trading activity in any of their Risk Entities reaches 50% of the pre-set trading limits for that Risk Entity and to make technical revisions, as described in greater detail below.¹

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The proposed rule change was approved by the Businesses, Technology and Operations Committee of the Board of Directors on February 9, 2016.

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

(a) Purpose

(i) Reasons for Adopting the Proposed Rule Change

NSCC provides its Members with a risk management tool called DTCC Limit Monitoring, for which certain types of Members are required to register.² DTCC Limit Monitoring enables Members that use the tool to monitor post-trade activity and to be notified when pre-set trading limits are reached. To use the tool, Members must (1) define one or more “Risk Entities,” which may include (i) the trading activity of a single trading desk within the firm; (ii) for Members that clear trades for other firms, i.e. their correspondents, the trading activity of a correspondent firm; (iii) for Members acting as a Special Representative or a QSR, as such terms are defined in the Rules,³ the trading activity of a firm with which it has a clearing relationship; (iv) the trading activity of a single clearing number within the Member’s NSCC account structure; or (v) all trading activity of the Member submitted to NSCC for clearing; and (2) set a trading limit, at a net notional value, for each Risk Entity. DTCC Limit Monitoring then

¹ Terms not defined herein are defined in the Rules, available at http://dtcc.com/~//media/Files/Downloads/legal/rules/nscc_rules.pdf.

² Rule 54 (DTCC Limit Monitoring) and Procedure XVII (DTCC Limit Monitoring), supra note 1; see Securities Exchange Act Release No. 71637 (February 28, 2014), 79 FR 12708 (March 6, 2014) (File No. SR-NSCC-2013-12).

³ Rule 7 (Comparison and Trade Recording Operation) and Procedure IV (Special Representative Service), supra note 1.

sets early warning limits at 50%, 75%, and 90% of those trading limits.⁴ Members receive alerts when trading activity for their Risk Entities reaches each of these early warning limits, as well as the pre-set trading limits.

Since the implementation of DTCC Limit Monitoring in 2014, NSCC has periodically met with a working group of its Members to discuss the functioning of the tool and to confirm it provides Members with effective post-trade surveillance as intended. In response to Member feedback provided during these discussions, NSCC is proposing to remove the 50% early warning alert for the reasons described below.

Additionally, NSCC is proposing to make technical revisions to Procedure XVII (DTCC Limit Monitoring Procedure) primarily to revise the verb tense and add clarity regarding use of the tool.

(ii) Issues the Proposed Rule Change Is Intended to Address

The proposed rule change would address concerns that (1) the 50% early warning alert is set too low and, thus, may not provide Members with useful information for purposes of effective post-trade monitoring; (2) the frequency of the 50% early warning alert could have a negative impact on Member responsiveness to more critical alerts; and (3) the verb tense and certain other language in the Rule may be unclear and/or technically inaccurate.

(iii) Manner in which the Proposed Rule Change Would Operate to Resolve the Issues

The proposed rule change would remove the 50% early warning alert from DTCC Limit Monitoring. DTCC Limit Monitoring would retain the 75% and 90% early warning alerts, which continue to provide Members with valuable notice of changes in their post-trade activity for purposes of effective risk management.

Additionally, the proposed rule change would make certain technical changes that would clarify the Rule, primarily by updating the verb tense from future tense to present tense to reflect the present applicability of the Rule and by making certain other technical clarifications to language used in the Rule.

(iv) Manner in which the Proposed Rule Change Would Affect Various Persons

Members that use DTCC Limit Monitoring would no longer receive the 50% early warning alert, but they would continue to receive alerts when their trading activity in each Risk

⁴ Rule 54 (DTCC Limit Monitoring) and Procedure XVII (DTCC Limit Monitoring), supra note 1.

Entity reaches 75% and 90% of their pre-set trading limits. No other changes are proposed with respect to the functioning of DTCC Limit Monitoring.

The proposed technical changes are not anticipated to have any effect on Members that use DTCC Limit Monitoring.

(v) Significant Problems Known to the Self-Regulatory Organization that Persons Affected Are Likely to Have in Complying with the Proposed Rule Change

Members that use DTCC Limit Monitoring would not have to take any action as a result of the proposed rule change, and NSCC is not aware of any problems that Members would have in continuing to comply with the Rules⁵ that address DTCC Limit Monitoring after the implementation of the proposed rule change.

As stated above, the proposed technical changes are not anticipated to have any effect on Members that use DTCC Limit Monitoring.

(vi) Description of the Proposed Rule Change

In order to implement this proposed rule change, NSCC would amend Section 4 of Procedure XVII (DTCC Limit Monitoring Procedure) of the Rules to remove reference to the 50% early warning alert and to make certain technical clarifications to language used in the Rule, primarily by updating the verb tense used therein. No other changes to the Rules are contemplated by this proposed rule change.

(b) Statutory Basis

Section 17A(b)(3)(F) of the Securities Exchange Act of 1934, as amended (“Act”) requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions and to protect investors and the public interest.⁶

By removing the 50% early warning limit alert, which may not provide Members with information that is useful for purposes of post-trade monitoring, but, rather, may distract Members from such information, the proposed rule change would make DTCC Limit Monitoring a more effective tool for Members to monitor their post-trade activity and would enhance their ability to manage risks, facilitating the protection of investors and the public interest from such risks.

Additionally, the proposed technical changes to the Rule, which primarily update the verb tense from future tense to present tense, would provide additional clarity to NSCC Members and

⁵ Id.

⁶ 15 U.S.C. 78q-1(b)(3)(F).

would ensure the accuracy of its Rules by reflecting the current, rather than the future, applicability of the DTCC Limit Monitoring Rule.

Therefore, NSCC believes the proposed rule change would protect investors and the public interest, consistent with the requirements of Section 17A(b)(3)(F) of the Act, cited above.

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

NSCC does not believe that the proposed rule change would have any impact on competition because the proposal would apply equally to all Members that use DTCC Limit Monitoring.

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

NSCC has not received any written comments relating to this proposal. 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)

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.

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

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing, and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Not applicable.

Exhibit 1A – Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 – Not applicable.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

Exhibit 5 – Proposed changes to the Rules.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_____]; File No. SR-NSCC-2016-001)

[DATE]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of a Proposed Rule Change to Remove from the DTCC Limit Monitoring Tool the 50% Early Warning Limit Alert and Make Technical Revisions to the Rules

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b-4,² notice is hereby given that on April __, 2016, National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to NSCC’s Rules and Procedures (“Rules”) to remove from the DTCC Limit Monitoring tool the alert that is sent to Members when trading activity in any of their Risk Entities reaches 50% of the pre-set trading limits for that Risk Entity and to make technical revisions, as described in greater detail below.³

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Terms not defined herein are defined in the Rules, available at http://dtcc.com/~media/Files/Downloads/legal/rules/nsc_rules.pdf.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

(i) Reasons for Adopting the Proposed Rule Change

NSCC provides its Members with a risk management tool called DTCC Limit Monitoring, for which certain types of Members are required to register.⁴ DTCC Limit Monitoring enables Members that use the tool to monitor post-trade activity and to be notified when pre-set trading limits are reached. To use the tool, Members must (1) define one or more "Risk Entities," which may include (i) the trading activity of a single trading desk within the firm; (ii) for Members that clear trades for other firms, i.e. their correspondents, the trading activity of a correspondent firm; (iii) for Members acting as a Special Representative or a QSR, as such terms are defined in the Rules,⁵ the trading

⁴ Rule 54 (DTCC Limit Monitoring) and Procedure XVII (DTCC Limit Monitoring), supra note 3; see Securities Exchange Act Release No. 71637 (February 28, 2014), 79 FR 12708 (March 6, 2014) (File No. SR-NSCC-2013-12).

⁵ Rule 7 (Comparison and Trade Recording Operation) and Procedure IV (Special Representative Service), supra note 3.

activity of a firm with which it has a clearing relationship; (iv) the trading activity of a single clearing number within the Member's NSCC account structure; or (v) all trading activity of the Member submitted to NSCC for clearing; and (2) set a trading limit, at a net notional value, for each Risk Entity. DTCC Limit Monitoring then sets early warning limits at 50%, 75%, and 90% of those trading limits.⁶ Members receive alerts when trading activity for their Risk Entities reaches each of these early warning limits, as well as the pre-set trading limits.

Since the implementation of DTCC Limit Monitoring in 2014, NSCC has periodically met with a working group of its Members to discuss the functioning of the tool and to confirm it provides Members with effective post-trade surveillance as intended. In response to Member feedback provided during these discussions, NSCC is proposing to remove the 50% early warning alert for the reasons described below.

Additionally, NSCC is proposing to make technical revisions to Procedure XVII (DTCC Limit Monitoring Procedure) primarily to revise the verb tense and add clarity regarding use of the tool.

(ii) Issues the Proposed Rule Change Is Intended to Address

The proposed rule change would address concerns that (1) the 50% early warning alert is set too low and, thus, may not provide Members with useful information for purposes of effective post-trade monitoring; (2) the frequency of the 50% early warning alert could have a negative impact on Member responsiveness to more critical alerts; and (3) the verb tense and certain other language in the Rule may be unclear and/or technically inaccurate.

⁶ Rule 54 (DTCC Limit Monitoring) and Procedure XVII (DTCC Limit Monitoring, supra note 3.

(iii) Manner in which the Proposed Rule Change Would Operate to Resolve the Issues

The proposed rule change would remove the 50% early warning alert from DTCC Limit Monitoring. DTCC Limit Monitoring would retain the 75% and 90% early warning alerts, which continue to provide Members with valuable notice of changes in their post-trade activity for purposes of effective risk management.

Additionally, the proposed rule change would make certain technical changes that would clarify the Rule, primarily by updating the verb tense from future tense to present tense to reflect the present applicability of the Rule and by making certain other technical clarifications to language used in the Rule.

(iv) Manner in which the Proposed Rule Change Would Affect Various Persons

Members that use DTCC Limit Monitoring would no longer receive the 50% early warning alert, but they would continue to receive alerts when their trading activity in each Risk Entity reaches 75% and 90% of their pre-set trading limits. No other changes are proposed with respect to the functioning of DTCC Limit Monitoring.

The proposed technical changes are not anticipated to have any effect on Members that use DTCC Limit Monitoring.

(v) Significant Problems Known to the Self-Regulatory Organization that Persons Affected Are Likely to Have in Complying with the Proposed Rule Change

Members that use DTCC Limit Monitoring would not have to take any action as a result of the proposed rule change, and NSCC is not aware of any problems that Members

would have in continuing to comply with the Rules⁷ that address DTCC Limit Monitoring after the implementation of the proposed rule change.

As stated above, the proposed technical changes are not anticipated to have any effect on Members that use DTCC Limit Monitoring.

(vi) Description of the Proposed Rule Change

In order to implement this proposed rule change, NSCC would amend Section 4 of Procedure XVII (DTCC Limit Monitoring Procedure) of the Rules to remove reference to the 50% early warning alert and to make certain technical clarifications to language used in the Rule, primarily by updating the verb tense used therein. No other changes to the Rules are contemplated by this proposed rule change.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions and to protect investors and the public interest.⁸

By removing the 50% early warning limit alert, which may not provide Members with information that is useful for purposes of post-trade monitoring, but, rather, may distract Members from such information, the proposed rule change would make DTCC Limit Monitoring a more effective tool for Members to monitor their post-trade activity and would enhance their ability to manage risks, facilitating the protection of investors and the public interest from such risks.

⁷ Id.

⁸ 15 U.S.C. 78q-1(b)(3)(F).

Additionally, the proposed technical changes to the Rule, which primarily update the verb tense from future tense to present tense, would provide additional clarity to NSCC Members and would ensure the accuracy of its Rules by reflecting the current, rather than the future, applicability of the DTCC Limit Monitoring Rule.

Therefore, NSCC believes the proposed rule change would protect investors and the public interest, consistent with the requirements of Section 17A(b)(3)(F) of the Act, cited above.

(B) Clearing Agency's Statement on Burden on Competition

NSCC does not believe that the proposed rule change would have any impact on competition because the proposal would apply equally to all Members that use DTCC Limit Monitoring.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

NSCC has not received any written comments relating to this proposal. NSCC will notify the Commission of any written comments received by NSCC.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate 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 or disapprove 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 Number SR-NSCC-2016-001 on the subject line.

Paper Comments:

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

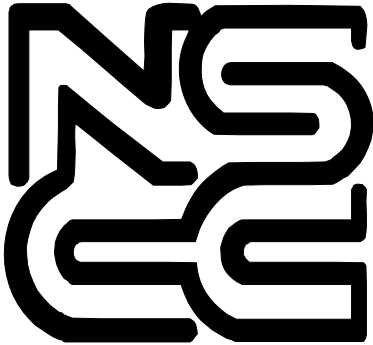
All submissions should refer to File Number SR-NSCC-2016-001. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and

3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of NSCC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). 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 Number SR-NSCC-2016-001 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.⁹

Robert W. Errett
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).



NATIONAL
SECURITIES
CLEARING
CORPORATION

RULES & PROCEDURES

TEXT OF PROPOSED RULE CHANGE

Underlined and boldface text indicates new text

~~**Strikethrough and boldface**~~ indicates deleted text

PROCEDURE XVII. DTCC LIMIT MONITORING PROCEDURE

A. Introduction

DTCC Limit Monitoring is a risk management tool available to Members as provided in Rule 54 and this Procedure.

Members required to register for DTCC Limit Monitoring include: (1) any NSCC full service Member that clears trades for others; (2) any NSCC full service Member that submits transactions to NSCC's trade capture system either as a Qualified Special Representative (QSR) or Special Representative, pursuant to Procedure IV (Special Representative Service); and (3) any NSCC full service Member that has established a 9A/9B relationship in order to allow another NSCC Member (either a QSR or Special Representative) to submit locked in trade data on its behalf.

Members registered for DTCC Limit Monitoring ~~will be~~ **are** required to create Risk Entities (as defined in Rule 54 and more fully described below) and other parameters ~~which that:~~ **(i1)** define the rules for the aggregation of trade data, **(ii2)** set parameters for the monitoring of each Risk Entities' activity in relation to such data, and **(ii3)** trigger alerts to Members of parameter breaks.

B. DTCC Limit Monitoring Processing

1. Data Capture and Member Input

a. Data Capture

On each trade date, the Corporation may, within timeframes it may establish from time to time, populate DTCC Limit Monitoring with LM Trade Date Data which has been compared or recorded through trade capture mechanisms as it determines from time to time.¹

b. Member Input

Members may, in their sole discretion, input or load LM Member-provided Data to DTCC Limit Monitoring. Such data shall be submitted by Members within such timeframes as determined by the Corporation from time to time and in format(s) deemed acceptable by the Corporation.

¹ Such mechanisms ~~initially will~~ include all new settling trades including trades compared and/or recorded by the Real-Time Trade Matching service and the Universal Trade Capture system. Transaction details submitted to the Obligation Warehouse ~~will are~~ **will are** not ~~be~~ forwarded to DTCC Limit Monitoring.

2. Establishing Risk Entities

Within timeframes as permitted by the Corporation from time to time, Members that are registered for DTCC Limit Monitoring shall establish Risk Entities. Members shall define Risk Entities utilizing strings of data elements (referred to as “trade arrays”) according to categories established for this purpose by the Corporation from time to time. Members may utilize multiple trade arrays in the definition of a single Risk Entity. Examples of data elements that a Member may select to be included in a trade array are clearing broker account number (i.e., the Member’s own main account or sub-account number(s)), executing broker symbol, market, and other identifying details as the Corporation may permit.

3. Processing

LM Transaction Data for each Member shall be aggregated and sorted by the Corporation by Risk Entity and made available to that Member at the Member’s own convenience. Intraday allocations in the settlement system ~~will be~~ are not ~~be~~ taken into consideration as they are not effective until the Effective Time (as defined in Rule 12). LM Transaction Data may include values on a net notional basis, and as calculated on other bases as determined by the Corporation from time to time. LM Trade Date Data shall be carried at contract amount unless the Corporation otherwise has added a pricing methodology for the relevant security, and LM Member-provided Data shall include pricing as provided by the applicable Member.

4. Parameter Breach Warnings

Members registered for DTCC Limit Monitoring ~~will be~~ are required to designate parameters to associate with each Risk Entity from certain parameter types that are established or permitted by the Corporation from time to time. DTCC Limit Monitoring ~~will~~ then sets “early warning” limits at ~~50%,~~ 75%, and 90% of the parameters set by Members for each Risk Entity.

Members shall review reports and alerts on an on-going basis and, as necessary, modify established parameters to reflect current trading activities within each of their Risk Entities. While Members ~~will be~~ are ultimately ~~be~~ responsible for ensuring that the parameters set on trading activity are appropriate, NSCC staff may, in its sole discretion, review trade activity reports and alerts, and may contact Members to discuss any concerns if, for example, the parameters set are not aligned with recent average trading activity.

The Corporation ~~will~~ maintains s totals of the relevant information which it ~~will~~ compares s to the designated parameters. The identification of an early warning or parameter breach ~~will~~ triggers s an alert by the Corporation to the Member. An alert

shall be issued within such timeframe as the Corporation deems reasonable and necessary for it to process, validate, and report the relevant data or information.

5. End of Day and Monthly Reporting

The Corporation may provide Members end of day and monthly reports, which include Members' current Risk Entity definitions, alert history, and other data or information as the Corporation determines to make available from time to time.

6. Contacts for DTCC Limit Monitoring

Members ~~will be~~ are required to identify primary and secondary contacts within their firm for DTCC Limit Monitoring.