

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 17	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 009 Amendment No. (req. for Amendments *)
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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 type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" 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 <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Modify Addendum A (Fee Schedule) to adjust fees relating to NSCC's Settlement Processing for Insurance.

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 * James Last Name * Nygard
Title * Director and Assistant General Counsel
E-mail * jnygard@dtcc.com
Telephone * (212) 470-1898 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 12/28/2016 Managing Director and Deputy General Counsel
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 *

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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 *

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 *

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, 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

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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

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 Proposed Rule Change

(a) The proposed rule change is attached hereto as Exhibit 5 and consists of modifications to Addendum A (Fee Structure) of the Rules & Procedures (“Rules”) of National Securities Clearing Corporation (“NSCC”) to implement a tiered pricing structure for the Settlement Processing for Insurance (“STL”) SM feature of NSCC’s Insurance and Retirement Processing Services (“I&RS”), as described below.¹

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The proposed rule change was approved by NSCC management pursuant to delegated authority from NSCC’s Board of Directors on November 18, 2016.

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

(a) Purpose

The proposed rule change would adjust the fee schedule associated with NSCC’s I&RS.² Specifically, NSCC proposes to implement a tiered pricing structure for the STL feature.³ Currently, NSCC charges a flat rate of \$0.65 per transaction per side for the STL feature.⁴ The proposed tiered structure would reduce the monthly fees for increased STL volumes. Therefore, under the proposed tiered pricing structure, a monthly transaction volume between 0 – 20,000 items would be charged a fee of \$0.65 per transaction, per side; a monthly transaction volume between 20,001 – 30,000 items would be charged a fee of \$0.35 per transaction, per side; a

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

² I&RS is a suite of non-guaranteed services that enables NSCC members using I&RS to exchange information and settle payments with respect to insurance products, retirement plans or programs, and other benefit plans or programs. See Rule 57 (Insurance and Retirement Processing Services), supra note 1.

³ STL automates and centralizes the settlement of money/funding activities between insurance companies and their intermediaries, such as broker-dealers, banks, and insurance agencies, that distribute participating insurance products. STL is a service within the In Force Transaction suite of services within I&RS. See Section 9 of Rule 57 (Insurance and Retirement Processing Services), supra note 1.

⁴ See Section IV(K)(3), TIER 4 of Addendum A of the Rules, supra note 1.

monthly transaction volume between 30,001 – 40,000 items would be charged a fee of \$0.25 per transaction, per side; and a monthly transaction volume over 40,000 items would be charged a fee of \$0.15 per transaction, per side. As with all I&RS products, volume would be calculated on an aggregate basis among qualified insurance carrier members or qualified distributor members, as applicable.⁵

The proposed fee structure is intended to incentivize use of the STL feature by discounting transaction fees for members that reach the defined transaction tier volume thresholds. In addition, by basing the fee on each member's utilization of the STL feature, the proposed rule change would reduce STL fees to further align these fees with the costs of providing the service because, as volumes increase the cost of providing this service decreases.

The proposed changes would take effect on January 1, 2017.

(b) Statutory Basis

Section 17A(b)(3)(D) of the Securities Exchange Act of 1934, as amended ("Act"),⁶ requires that NSCC's Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its members. The proposed fee is equitably allocated among members because it is based on each member's utilization of the STL feature, as measured by their monthly STL volume.

In addition, NSCC believes that the proposed fee is reasonable because it would enable NSCC to better align its revenue for STL with the costs and expenses required for NSCC to provide this service to its members, while also providing this service to members at a lower cost. Specifically, as STL volumes increase, the costs of providing the STL feature decreases. NSCC has determined that reducing the fees as volumes increase would better align the revenue from STL to the cost of providing this service to members.

Therefore, NSCC believes the proposed rule change is consistent with Section 17A(b)(3)(D).⁷

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

NSCC believes that the proposed rule change could have an impact on competition because the proposed rule change would charge a lower fee for higher STL volumes. NSCC believes, however, that any burden on competition that would be created by the proposed rule change would be necessary and appropriate in furtherance of the Act. Specifically, the proposed rule change is necessary to better align the fees charged for the STL feature with the costs and

⁵ See note 6 to Section IV(K) of Addendum A of the Rules, supra note 1.

⁶ 15 U.S.C. 78q-1(b)(3)(D).

⁷ Id.

expenses required for NSCC to provide this service to its members, because, as volumes increase the cost of providing this service decreases. The proposed rule change is appropriate because, as stated, the proposed fee would be equitably allocated among members based on each member's utilization of the STL feature, as measured by their monthly STL volume.

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

NSCC has not received or solicited 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 Act⁸ 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) The proposed rule change is to take effect on January 1, 2017 pursuant to paragraph A of Section 19(b)(3) of the Act.⁹

(b) The proposed rule change establishes or changes a due, fee, or other charge.

(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.

⁸ 15 U.S.C. 78s(b)(2).

⁹ 15 U.S.C 78s(b)(3)(A).

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 – Text of the proposed change to the Rules.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[_____]; File No. SR-NSCC-2016-009)

[DATE]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adjust Fees Related to Insurance and Retirement Processing Services

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, as amended (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December __, 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. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A)³ of the Act and Rule 19b-4(f)(2) thereunder.⁴ The proposed rule change was effective upon filing with the Commission. 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 modifications to Addendum A (Fee Structure) of Rules & Procedures (“Rules”) of NSCC in order to implement a tiered

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).

pricing structure for the Settlement Processing for Insurance (“STL”)⁵ feature of NSCC’s Insurance and Retirement Processing Services (“I&RS”), as described below.⁵

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

The proposed rule change would adjust the fee schedule associated with NSCC’s I&RS.⁶ Specifically, NSCC proposes to implement a tiered pricing structure for the STL feature.⁷ Currently, NSCC charges a flat rate of \$0.65 per transaction per side for the

⁵ Capitalized terms not defined herein are defined in the Rules, available at http://www.dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf.

⁶ I&RS is a suite of non-guaranteed services that enables NSCC members using I&RS to exchange information and settle payments with respect to insurance products, retirement plans or programs, and other benefit plans or programs. See Rule 57 (Insurance and Retirement Processing Services), supra note 5.

⁷ STL automates and centralizes the settlement of money/funding activities between insurance companies and their intermediaries, such as broker-dealers, banks, and insurance agencies, that distribute participating insurance products. STL is a service within the In Force Transaction suite of services within I&RS. See Section 9 of Rule 57 (Insurance and Retirement Processing Services), supra note 5.

STL feature.⁸ The proposed tiered structure would reduce the monthly fees for increased STL volumes. Therefore, under the proposed tiered pricing structure, a monthly transaction volume between 0 – 20,000 items would be charged a fee of \$0.65 per transaction, per side; a monthly transaction volume between 20,001 – 30,000 items would be charged a fee of \$0.35 per transaction, per side; a monthly transaction volume between 30,001 – 40,000 items would be charged a fee of \$0.25 per transaction, per side; and a monthly transaction volume over 40,000 items would be charged a fee of \$0.15 per transaction, per side. As with all I&RS products, volume would be calculated on an aggregate basis among qualified insurance carrier members or qualified distributor members, as applicable.⁹

The proposed fee structure is intended to incentivize use of the STL feature by discounting transaction fees for members that reach the defined transaction tier volume thresholds. In addition, by basing the fee on each member's utilization of the STL feature, the proposed rule change would reduce STL fees to further align these fees with the costs of providing the service because, as volumes increase the cost of providing this service decreases.

The proposed changes would take effect on January 1, 2017.

⁸ See Section IV(K)(3), TIER 4 of Addendum A of the Rules, supra note 5.

⁹ See note 6 to Section IV(K) of Addendum A of the Rules, supra note 5.

2. Statutory Basis

Section 17A(b)(3)(D) of the Act¹⁰ requires that NSCC's Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its members. The proposed fee is equitably allocated among members because it is based on each member's utilization of the STL feature, as measured by their monthly STL volume.

In addition, NSCC believes that the proposed fee is reasonable because it would enable NSCC to better align its revenue for STL with the costs and expenses required for NSCC to provide this service to its members, while also providing this service to members at a lower cost. Specifically, as STL volumes increase, the costs of providing the STL feature decreases. NSCC has determined that reducing the fees as volumes increase would better align the revenue from STL to the cost of providing this service to members.

Therefore, NSCC believes the proposed rule change is consistent with Section 17A(b)(3)(D).¹¹

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

NSCC believes that the proposed rule change could have an impact on competition because the proposed rule change would charge a lower fee for higher STL volumes. NSCC believes, however, that any burden on competition that would be created by the proposed rule change would be necessary and appropriate in furtherance of the Act. Specifically, the proposed rule change is necessary to better align the fees

¹⁰ 15 U.S.C. 78q-1(b)(3)(D).

¹¹ Id.

charged for the STL feature with the costs and expenses required for NSCC to provide this service to its members, because, as volumes increase the cost of providing this service decreases. The proposed rule change is appropriate because, as stated, the proposed fee would be equitably allocated among members based on each member's utilization of the STL feature, as measured by their monthly STL volume.

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

NSCC has not received or solicited 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and subparagraph (f) of Rule 19b-4 thereunder.¹³ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

¹² 15 U.S.C 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f).

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-2016-009 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-2016-009. 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 a.m.

and 3:00 p.m. 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-2016-009 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.¹⁴

Secretary

¹⁴ 17 CFR 200.30-3(a)(12).



RULES & PROCEDURES

TEXT OF PROPOSED RULE CHANGE

Underlined and boldface text indicates new language

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

ADDENDUM A

NATIONAL SECURITIES CLEARING CORPORATION

FEE STRUCTURE

I. TRADE COMPARISON AND RECORDING SERVICE FEES - represents the fees to enter and correct original trade data.

IV. OTHER SERVICE FEES

K. Insurance and Retirement Processing Services^{6, 7}

1. Membership Fee	\$250.00 per month (will be waived if aggregate Transaction and Other Service Fees in such month equal or exceed \$250.00)
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2. Transaction Fees

f. Financial Activity Report (FAR)	\$0.05 per zero to 100,000 items
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⁶ Unless otherwise noted, all Insurance and Retirement Processing Services transaction fees are per side, and both sides are charged for each item. Volume is calculated on an aggregate basis among qualified carrier members or qualified distributor members, as applicable.

Multiple destination fees apply. Participants directing NSCC to deliver Insurance and Retirement Processing Service files to more than two (2) destinations will be charged an additional monthly fee, per product, as follows: (i) Participants directing NSCC to deliver Insurance and Retirement Processing Service files to three (3) or four (4) destinations will be charged an additional \$50 per month, per product; and (ii) Participants directing NSCC to deliver Insurance and Retirement Processing Service files to five (5) or more destinations will be charged an additional \$100 per month, per product.

⁷ Extraordinary Event Pricing: if arranged in advance with NSCC, a Participant may qualify for a credit on transaction fees incurred due to extraordinary events such as mergers or mass reconciliations that generate unusually high transaction volume for a limited duration. With respect to transaction types for which the participant has no history of prior usage, the credit is in the amount of 85% of the transaction fees chargeable in respect of the transaction type, with an additional credit in the amount of 5% if the participant continues use of the transaction type after the event. With respect to transaction types for which the participant has a history of prior usage, the credit is in an amount sufficient to produce an aggregate fee for the transaction type that is no more than 120% of the average amount charged to the participant in respect of such transactions in the prior three months.

\$0.04 per 100,001 to 150,000 items

\$0.03 per 150,001 to 200,000 items

\$0.02 per 200,001 or greater items

g. Settlement Processing for Insurance

- **0 to 20,000 items/month** **\$0.65 (per transaction / per side)**
- **20,001 to 30,000 items/month** **\$0.35 (per transaction / per side)**
- **30,001 to 40,000 items/month** **\$0.25 (per transaction / per side)**
- **More than 40,000 items/month** **\$0.15 (per transaction / per side)**

gh. Producer Management Portal

For Insurance Company providers of producer training completions

Band	Number of Active Producers Managed	Monthly Fee
1	0-999	\$0
2	1,000-9,999	\$1,000
3	10,000-49,999	\$3,000
4	50,000-99,999	\$4,000
5	100,000-249,999	\$5,000
6	250,000 +	\$5,000, plus \$0.018 per active producer managed

3. Other Service Fees

TIER	FEE	PRODUCT/SERVICE
TIER 1	\$0.05	All Attachments (per attachment, per side)-
TIER 2	\$0.15	Licensing and Appointments (L&A) Periodic Reconciliation (per item)

TIER 3	\$0.35	Licensing and Appointments (L&A) Transaction (per item) Registered Representative Change Confirm (per transaction, per side) Registered Representative Change Request (per transaction, per side) Brokerage Identification Number Change Request (per transaction, per side) Brokerage Identification Number Change Confirm (per transaction, per side)
TIER 4	\$0.65	Customer Account Transfer Output (per transaction, charged to Insurance Carrier/Retirement Services Member only) Customer Account Transfer Confirm (per transaction, per side) Settlement Processing (per transaction, per side) Request for Replacement Status (a/k/a Pending Case Status) – Receiving Carrier (per Request for Replacement Status) Request for Replacement Status (a/k/a Pending Case Status) – Deliverer (per Request for Replacement Status) Time Expired Transaction (per transaction, per side)
