

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2018 - * 010 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"/>			<input type="checkbox"/> 19b-4(f)(1)	<input checked="" type="checkbox"/> 19b-4(f)(4)	
Date Expires * <input type="text"/>			<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 <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 \*).

Enhance the Mutual Fund Profile Service to Provide for the Transmission of Event Notifications through a New Feature Called MF Info Xchange

**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 \* (813) 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 11/13/2018  
 By Nikki Poulos  
 (Name \*)  
 Managing Director and Deputy General Counsel  
 npoulos@dtcc.com

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.

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**

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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**

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**

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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 proposed rule change of National Securities Clearing Corporation (“NSCC”) is annexed hereto as Exhibit 5 and consists of modifications to NSCC’s Rules & Procedures (“Rules”) in order to reflect proposed enhancements to NSCC’s Mutual Fund Services.<sup>1</sup> The proposed rule change would enhance the Mutual Fund Profile Service (“MFPS”)<sup>2</sup> of NSCC to provide for the delivery and receipt of event notifications relating to funds and pooled investment entities through a new feature called MF Info Xchange, as described in greater detail below.

(b) Not applicable.

(c) Not applicable.

## **2. Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by the Deputy General Counsel of NSCC on November 1, 2018.

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

### **(a) Purpose**

The proposed rule change consists of modifications to the Rules in order to reflect proposed enhancements to NSCC’s Mutual Fund Services. The proposed rule change would enhance MFPS to provide for the delivery and receipt of event notifications relating to funds and pooled investment entities through a new feature called MF Info Xchange, as described in greater detail below.

### **(i) Background**

In 1996, NSCC launched MFPS, providing participating Members with an automated method of transmitting and receiving daily price and rate information pertaining to funds and other pooled investment entities (collectively referred hereto as “Funds”) through a centralized and standardized facility.<sup>3</sup> In 1998, NSCC implemented three new databases as part of MFPS, (i) the participant profile database, (ii) the security issue profile database and (iii) the distribution

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<sup>1</sup> Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Rules, available at [http://dtcc.com/~media/Files/Downloads/legal/rules/nscc\\_rules.pdf](http://dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf).

<sup>2</sup> Section D of Rule 52, supra note 1.

<sup>3</sup> Securities Exchange Act Release No. 37171 (May 8, 1996), 61 FR 24343 (May 14, 1996) (SR-NSCC-1996-04).

declaration information profile database,<sup>4</sup> through which NSCC offers the Funds industry a centralized repository for prospectus and operational information relating to Fund securities, Fund distributions and Fund processing capabilities.

MF Info Xchange would be a new feature of MFPS that would facilitate communication of event notifications among Funds, their principal underwriters or other entities authorized to process transactions on behalf of Funds, that are Members, Mutual Fund/Insurance Services Members, Investment Manager/Agent Members, TPP Members, TPA Members, Data Services Only Members and Fund Members (“data providers”), on the one hand, and the distribution partners of the Funds, such as broker-dealers and banks that are NSCC Members<sup>5</sup> and other third parties identified by the data providers to receive event notifications (“data receivers”), on the other hand. On a daily basis, data providers and data receivers exchange a number of event notifications via email, fax and phone call outside of NSCC relating to events affecting the Funds. Such event notifications include corporate actions, such as Fund name changes, mergers, acquisitions and closures, and other events, such as expense ratio changes and benchmark changes. These event notifications are not standardized across the industry, and data receivers do not currently have an efficient standardized method to view and manage past and upcoming Fund events.

The mutual fund industry has requested that NSCC deliver a data sharing solution for participants in the Fund industry to exchange such event notifications, and create standardization to the event notification process. The current event notification process is inconsistent among data providers and data receivers, with data providers sending event notifications using various methods without standardized formats across the industry. The existing methods of sending event notifications are often time consuming manual processes that add risk and complexity by increasing the chance of manual errors and leaving event notifications open to interpretation because of the lack of standardized formats. MF Info Xchange has been developed with the active participation of an industry working group to streamline the delivery and receipt of various types of Fund event notifications to provide a standardized method of sending event notifications.

Data providers using MF Info Xchange would be able to submit event notifications for distribution, using data entry, uploads and other input mechanisms, modify previously submitted event notifications, view upcoming and past notifications and manage distribution lists. Upon receipt of the event notification data through MF Info Xchange, NSCC would create a unique ID associated with the event relating to the notification, and track corrections and updates to the same event using the same event ID. NSCC would also store the data in a data repository for retrieval by NSCC Members. In addition, NSCC would distribute the event notifications via email to a defined distribution list provided by the data providers. Data providers could also indicate the NSCC Members on the distribution list that could be given access to the event

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<sup>4</sup> Securities Exchange Act Release No. 40614 (October 28, 1998), 63 FR 59615 (November 4, 1998) (SR-NSCC-1998-09).

<sup>5</sup> For purposes of this filing, “NSCC Members” shall mean Members and Limited Members.

notifications on the data repository. Such NSCC Members that have subscribed to MF Info Xchange would have access to the data repository to retrieve the event notifications and updates to those event notifications from a centralized location.

NSCC Members would be able to use MF Info Xchange to transmit event notifications for certain predefined event types. Upon the initial launch, Fund mergers/acquisitions and Fund closures would be the only event types for which event notifications could be sent using MF Info Xchange. NSCC would announce by Important Notice posted on its website any enhancements of MF Info Xchange that result in new event types available for event notifications. Given the limited number of Fund event types available for event notifications upon the launch of MF Info Xchange, NSCC would not charge fees initially for the use of MF Info Xchange. NSCC would file with the Securities and Exchange Commission (“Commission”) an appropriate rule change proposal to implement any fees for MF Info Xchange if NSCC adds a fee for the feature.

**(ii) Proposed Rule Changes**

The proposed rule change would amend Rule 52 to state that NSCC would provide MF Info Xchange to enable data providers that are Members, Mutual Fund/Insurance Services Members, Investment Manager/Agent Members, TPP Members, TPA Members, Data Services Only Members and Fund Members to transmit event notifications relating to Funds to other NSCC Members and to other third parties identified by the data providers to receive the event notifications, or to otherwise supply and provide access to event notifications directly to or from NSCC through a data repository. The proposed rule change would provide that NSCC may determine from time to time, and would announce by Important Notice, which types of event notifications may be transmitted using MF Info Xchange. The proposed rule change would provide that NSCC would not be responsible for the completeness or accuracy of any event notifications transmitted using MF Info Xchange nor for any errors, omissions or delays that may occur relating to the event notifications.

**(iii) Implementation Timeframe**

NSCC expects to implement MF Info Xchange on November 29, 2018. As proposed, a legend would be added to Rule 52 stating there are changes that became effective upon filing with the Commission but have not yet been implemented. The proposed legend also would include a date on which such changes would be implemented and the file number of this proposal, and state that, once this proposal is implemented, the legend would automatically be removed from Rule 52.

**(b) Statutory Basis**

Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 (“Act”)<sup>6</sup> requires, in part, that the Rules be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. NSCC believes that the proposed rule change would enhance the ability of data providers to send, and for data receivers to access and retrieve, Fund event notification data in a standardized format and in a centralized location. Currently,

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<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

there is not an industry-wide structured method of providing such event notification data, and data providers send, and data receivers receive, such event notifications in an inefficient and non-standardized manner across the industry. NSCC believes that the proposed rule change would provide the Fund industry a more efficient and streamlined method for data providers to communicate Fund event notification data to data receivers. As such, NSCC believes that the proposed rule change would foster cooperation and coordination among persons engaged in the clearance and settlement of securities, consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>7</sup>

In addition, the proposed rule change is designed to be consistent with Rule 17Ad-22(e)(21) promulgated under the Act.<sup>8</sup> Rule 17Ad-22(e)(21) requires NSCC to, inter alia, establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves. The proposed rule change would streamline the Fund event notifications process, which would enhance (i) efficiency in making such event notifications by reducing reliance on emails, faxes and phone calls for event notifications, which are inconsistent and a time consuming manual process, and (ii) effectiveness in making such event notifications by providing a standardized format to send such event notifications, which NSCC believes would reduce errors in the event notification process that occur as a result of the current inconsistent and unstructured event notification process. Therefore, by establishing a more efficient and effective process for data providers to deliver, and data receivers to receive, Fund event notifications, NSCC believes that the proposed change is consistent with the requirements of Rule 17Ad-22(e)(21), promulgated under the Act.<sup>9</sup>

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

NSCC does not believe that the proposed rule change would have any adverse impact, or impose any burden, on competition because the proposed rule change would add an optional feature to NSCC's services that would provide data providers the ability to send event notification data in a standardized format. As an optional feature available for subscription with no additional fees, the proposed rule change would not disproportionately impact any NSCC participants.

Moreover, because the proposed rule change would allow data providers to more effectively communicate Fund event notifications, NSCC believes the proposed rule change would have a positive effect on competition among Fund industry participants. The proposed feature would provide data providers with a more efficient method of distributing event notifications to parties that need to see such information in order to facilitate the trading and processing of Fund securities. NSCC believes this would enhance competition among Funds and Fund participants by allowing parties to distribute such information more quickly and in a more streamlined manner.

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<sup>7</sup> Id.

<sup>8</sup> 17 CFR 240.17Ad-22(e)(21).

<sup>9</sup> Id.

**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**

Not applicable.

**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 changes are to take effect immediately upon filing pursuant to paragraph A of Section 19(b)(3)<sup>10</sup> of the Act.

(b) The proposed rule change effects a change in an existing service of a registered clearing agency that: (i) does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible, and (ii) does not significantly affect the respective rights or obligations of the clearing agency or persons using the service, because the proposed rule change would merely enhance MFPS to add an optional feature to provide for the structured delivery of notifications relating to funds and pooled investment entities rather than manual delivery of such notifications.<sup>11</sup>

(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 Notice Filed Pursuant to Section 806(e) of the Payment, Clearing, and Settlement Supervision Act of 2010**

Not applicable.

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<sup>10</sup> 15 U.S.C 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(4).

**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-2018-010)

[DATE]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Enhance the Mutual Fund Profile Service to Provide for the Transmission of Event Notifications through a New Feature Called MF Info Xchange

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November \_\_, 2018, 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) of the Act<sup>3</sup> and Rule 19b-4(f)(4) thereunder.<sup>4</sup> 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 NSCC’s Rules & Procedures (“Rules”) in order to reflect proposed enhancements to NSCC’s Mutual Fund

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(4).

Services.<sup>5</sup> The proposed rule change would enhance the Mutual Fund Profile Service (“MFPS”)<sup>6</sup> of NSCC to provide for the delivery and receipt of event notifications relating to funds and pooled investment entities through a new feature called MF Info Xchange, as described in greater detail below.

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 consists of modifications to the Rules in order to reflect proposed enhancements to NSCC’s Mutual Fund Services. The proposed rule change would enhance MFPS to provide for the delivery and receipt of event notifications relating to funds and pooled investment entities through a new feature called MF Info Xchange, as described in greater detail below.

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<sup>5</sup> Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Rules, available at [http://dtcc.com/~media/Files/Downloads/legal/rules/nscc\\_rules.pdf](http://dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf).

<sup>6</sup> Section D of Rule 52, supra note 5.

(i) **Background**

In 1996, NSCC launched MFPS, providing participating Members with an automated method of transmitting and receiving daily price and rate information pertaining to funds and other pooled investment entities (collectively referred hereto as “Funds”) through a centralized and standardized facility.<sup>7</sup> In 1998, NSCC implemented three new databases as part of MFPS, (i) the participant profile database, (ii) the security issue profile database and (iii) the distribution declaration information profile database,<sup>8</sup> through which NSCC offers the Funds industry a centralized repository for prospectus and operational information relating to Fund securities, Fund distributions and Fund processing capabilities.

MF Info Xchange would be a new feature of MFPS that would facilitate communication of event notifications among Funds, their principal underwriters or other entities authorized to process transactions on behalf of Funds, that are Members, Mutual Fund/Insurance Services Members, Investment Manager/Agent Members, TPP Members, TPA Members, Data Services Only Members and Fund Members (“data providers”), on the one hand, and the distribution partners of the Funds, such as broker-dealers and banks that are NSCC Members<sup>9</sup> and other third parties identified by the data providers to receive event notifications (“data receivers”), on the other hand. On a daily basis, data providers and data receivers exchange a number of event notifications via email, fax and

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<sup>7</sup> Securities Exchange Act Release No. 37171 (May 8, 1996), 61 FR 24343 (May 14, 1996) (SR-NSCC-1996-04).

<sup>8</sup> Securities Exchange Act Release No. 40614 (October 28, 1998), 63 FR 59615 (November 4, 1998) (SR-NSCC-1998-09).

<sup>9</sup> For purposes of this filing, “NSCC Members” shall mean Members and Limited Members.

phone call outside of NSCC relating to events affecting the Funds. Such event notifications include corporate actions, such as Fund name changes, mergers, acquisitions and closures, and other events, such as expense ratio changes and benchmark changes. These event notifications are not standardized across the industry, and data receivers do not currently have an efficient standardized method to view and manage past and upcoming Fund events.

The mutual fund industry has requested that NSCC deliver a data sharing solution for participants in the Fund industry to exchange such event notifications, and create standardization to the event notification process. The current event notification process is inconsistent among data providers and data receivers, with data providers sending event notifications using various methods without standardized formats across the industry. The existing methods of sending event notifications are often time consuming manual processes that add risk and complexity by increasing the chance of manual errors and leaving event notifications open to interpretation because of the lack of standardized formats. MF Info Xchange has been developed with the active participation of an industry working group to streamline the delivery and receipt of various types of Fund event notifications to provide a standardized method of sending event notifications.

Data providers using MF Info Xchange would be able to submit event notifications for distribution, using data entry, uploads and other input mechanisms, modify previously submitted event notifications, view upcoming and past notifications and manage distribution lists. Upon receipt of the event notification data through MF Info Xchange, NSCC would create a unique ID associated with the event relating to the notification, and track corrections and updates to the same event using the same event ID.

NSCC would also store the data in a data repository for retrieval by NSCC Members. In addition, NSCC would distribute the event notifications via email to a defined distribution list provided by the data providers. Data providers could also indicate the NSCC Members on the distribution list that could be given access to the event notifications on the data repository. Such NSCC Members that have subscribed to MF Info Xchange would have access to the data repository to retrieve the event notifications and updates to those event notifications from a centralized location.

NSCC Members would be able to use MF Info Xchange to transmit event notifications for certain predefined event types. Upon the initial launch, Fund mergers/acquisitions and Fund closures would be the only event types for which event notifications could be sent using MF Info Xchange. NSCC would announce by Important Notice posted on its website any enhancements of MF Info Xchange that result in new event types available for event notifications. Given the limited number of Fund event types available for event notifications upon the launch of MF Info Xchange, NSCC would not charge fees initially for the use of MF Info Xchange. NSCC would file with the Commission an appropriate rule change proposal to implement any fees for MF Info Xchange if NSCC adds a fee for the feature.

(ii) **Proposed Rule Changes**

The proposed rule change would amend Rule 52 to state that NSCC would provide MF Info Xchange to enable data providers that are Members, Mutual Fund/Insurance Services Members, Investment Manager/Agent Members, TPP Members, TPA Members, Data Services Only Members and Fund Members to transmit event notifications relating to Funds to other NSCC Members and to other third parties

identified by the data providers to receive the event notifications, or to otherwise supply and provide access to event notifications directly to or from NSCC through a data repository. The proposed rule change would provide that NSCC may determine from time to time, and would announce by Important Notice, which types of event notifications may be transmitted using MF Info Xchange. The proposed rule change would provide that NSCC would not be responsible for the completeness or accuracy of any event notifications transmitted using MF Info Xchange nor for any errors, omissions or delays that may occur relating to the event notifications.

**(iii) Implementation Timeframe**

NSCC expects to implement MF Info Xchange on November 29, 2018. As proposed, a legend would be added to Rule 52 stating there are changes that became effective upon filing with the Commission but have not yet been implemented. The proposed legend also would include a date on which such changes would be implemented and the file number of this proposal, and state that, once this proposal is implemented, the legend would automatically be removed from Rule 52.

**2. Statutory Basis**

Section 17A(b)(3)(F) of the Act<sup>10</sup> requires, in part, that the Rules be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. NSCC believes that the proposed rule change would enhance the ability of data providers to send, and for data receivers to access and retrieve, Fund event notification data in a standardized format and in a centralized location. Currently, there is not an industry-wide structured method of providing such event notification data,

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<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(F).

and data providers send, and data receivers receive, such event notifications in an inefficient and non-standardized manner across the industry. NSCC believes that the proposed rule change would provide the Fund industry a more efficient and streamlined method for data providers to communicate Fund event notification data to data receivers. As such, NSCC believes that the proposed rule change would foster cooperation and coordination among persons engaged in the clearance and settlement of securities, consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>11</sup>

In addition, the proposed rule change is designed to be consistent with Rule 17Ad-22(e)(21) promulgated under the Act.<sup>12</sup> Rule 17Ad-22(e)(21) requires NSCC to, inter alia, establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves. The proposed rule change would streamline the Fund event notifications process, which would enhance (i) efficiency in making such event notifications by reducing reliance on emails, faxes and phone calls for event notifications, which are inconsistent and a time consuming manual process, and (ii) effectiveness in making such event notifications by providing a standardized format to send such event notifications, which NSCC believes would reduce errors in the event notification process that occur as a result of the current inconsistent and unstructured event notification process. Therefore, by establishing a more efficient and effective process for data providers to deliver, and data receivers to receive, Fund event

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<sup>11</sup> Id.

<sup>12</sup> 17 CFR 240.17Ad-22(e)(21).

notifications, NSCC believes that the proposed change is consistent with the requirements of Rule 17Ad-22(e)(21), promulgated under the Act.<sup>13</sup>

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

NSCC does not believe that the proposed rule change would have any adverse impact, or impose any burden, on competition because the proposed rule change would add an optional feature to NSCC's services that would provide data providers the ability to send event notification data in a standardized format. As an optional feature available for subscription with no additional fees, the proposed rule change would not disproportionately impact any NSCC participants.

Moreover, because the proposed rule change would allow data providers to more effectively communicate Fund event notifications, NSCC believes the proposed rule change would have a positive effect on competition among Fund industry participants. The proposed feature would provide data providers with a more efficient method of distributing event notifications to parties that need to see such information in order to facilitate the trading and processing of Fund securities. NSCC believes this would enhance competition among Funds and Fund participants by allowing parties to distribute such information more quickly and in a more streamlined manner.

(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.

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<sup>13</sup>

Id.



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 Act<sup>14</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>15</sup> 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.

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](mailto:rule-comments@sec.gov). Please include File Number SR-NSCC-2018-010 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-2018-010. This file number should be included on the subject line if e-mail is used. To help the Commission process

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<sup>14</sup> 15 U.S.C 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f).

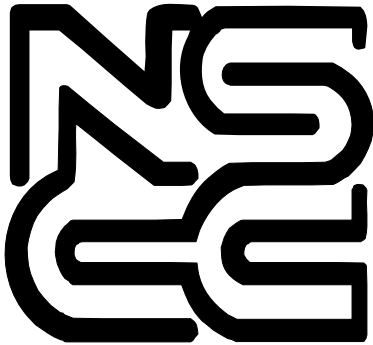
and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NSCC-2018-010 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.<sup>16</sup>

Secretary

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<sup>16</sup> 17 CFR 200.30-3(a)(12).



**NATIONAL  
SECURITIES  
CLEARING  
CORPORATION**

**RULES & PROCEDURES**

TEXT OF PROPOSED RULE CHANGE

**Bold and underlined text** indicates proposed added language

**~~Bold and strikethrough text~~** indicates proposed deleted language

RULE 52. MUTUAL FUND SERVICES

**[Changes to Section D of this Rule 52, as amended by File No. SR-NSCC-2018-010, are available at [dtcc.com/~media/Files/Downloads/legal/rule-filings/2018/NSCC/SR-NSCC-2018-010.pdf](http://dtcc.com/~media/Files/Downloads/legal/rule-filings/2018/NSCC/SR-NSCC-2018-010.pdf). These changes became effective upon filing with the Securities and Exchange Commission but have not yet been implemented. These changes will be implemented on November 29, 2018. Upon implementation, this legend will automatically be removed from this Rule 52.]**

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D. Mutual Fund Profile Service

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**SEC 6. The Corporation shall provide a service (“MF Info Xchange”) to enable Members, Mutual Fund/Insurance Services Members, Investment Manager/Agent Members, TPP Members, TPA Members, Data Services Only Members and Fund Members (“data providers”) to transmit event notifications relating to mutual funds or other pooled investment entities to other Members or Limited Members and to other third parties identified by the data providers to receive the event notifications, or to otherwise supply and provide access to event notification data directly to or from the Corporation through a data repository. The Corporation may determine from time to time, and shall announce by Important Notice, which types of event notifications may be transmitted using MF Info Xchange. The Corporation shall not be responsible for the completeness or accuracy of any event notifications transmitted using MF Info Xchange nor for any errors, omissions or delays that may occur relating to the event notifications.**

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