



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 \***

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

**Exhibit 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**

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Exhibit Sent As Paper Document

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

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

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

**Partial Amendment**

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

**1. Text of the Proposed Rule Change**

(a) The proposed rule change is filed by National Securities Clearing Corporation (“NSCC”) and consists of modifications to Addendum A (Fee Structure) of NSCC’s Rules & Procedures (“Rules”).

(b) Not applicable.

(c) Not applicable.

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

(a) The proposed rule change has been approved by NSCC management pursuant to delegated authority from NSCC’s Board of Directors.

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

(a) The purpose of the proposed rule change is to revise NSCC’s fee schedule (as listed in Addendum A of the Rules) in order to implement a fee for a new service being added to NSCC’s Obligation Warehouse (“OW”). The new service, which will be implemented in March 2014, will pair off and close certain open, pending obligations, reducing the number of open obligations in OW (“OW Pair Off service”).<sup>1</sup> NSCC is proposing to revise Addendum A of the Rules in order to include a fee for this new service, as shown on Exhibit 5 hereto.

Implementation Timeframe

The proposed rules change will be implemented on a date announced by an NSCC Important Notice, to coincide with the effective date of the OW Pair Off service.

Proposed Rule Changes

NSCC proposes to amend Addendum A as marked on Exhibit 5 hereto. No other changes to the Rules are contemplated by this proposed rule change.

(b) The proposed rule change will align NSCC’s fees with the costs of delivering the OW Pair Off service, and will be applied equitably to the NSCC members that use that service. Therefore, NSCC believes the proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (“Act”) and the rules and regulations thereunder applicable to NSCC, in particular Section 17A(b)(3)(D) of the Act,<sup>2</sup> which requires that NSCC’s Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

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<sup>1</sup> See Release No. 34-71251 (January 7, 2014), 79 FR 8 (January 7, 2014).

<sup>2</sup> 5 U.S.C. 78q-1(b)(3)(D).

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

NSCC does not believe that the proposed rule change will have any impact, or impose any burden, on competition. As stated above, the proposed change will be applied equitably to the NSCC members that use the OW Pair Off service, and will not disproportionately impact any NSCC members.

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

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

**6. Extension of Time Period for Commission Action**

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

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

(a) The proposed rule change is to take effect pursuant to paragraph A of Section 19(b)(3) of the Act.

(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**

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

**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 NSCC's Rules

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_\_]; File No. SR-NSCC-2014-01

[DATE]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change to Modify its Fee Schedule

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 February \_\_, 2014, the National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Item I, II and III below, which Items have been prepared primarily 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 the Rules & Procedures (“Rules”) of NSCC to modify its fee schedule, as more fully described below.

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

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at

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

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

the places specified in Item IV below. NSCC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

(i) Proposed Rule Change

The purpose of the proposed rule change is to revise NSCC's fee schedule (as listed in Addendum A of the Rules) in order to implement a fee for a new service being added to NSCC's Obligation Warehouse ("OW"). The new service, which will be implemented in March 2014, will pair off and close certain open, pending obligations, reducing the number of open obligations in OW ("OW Pair Off service").<sup>3</sup> NSCC is proposing to revise Addendum A of the Rules in order to include a fee for this new service, as shown on Exhibit 5 hereto.

Implementation Timeframe

The proposed rules change will be implemented on a date announced by an NSCC Important Notice, to coincide with the effective date of the OW Pair Off service.

Proposed Rule Changes

NSCC proposes to amend Addendum A as marked on Exhibit 5 hereto. No other changes to the Rules are contemplated by this proposed rule change.

(ii) Statutory Basis

The proposed rule change will align NSCC's fees with the costs of delivering the OW Pair Off service, and will be applied equitably to the NSCC members that use that service. Therefore, NSCC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to NSCC, in

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<sup>3</sup> See Release No. 34-71251 (January 7, 2014), 79 FR 8 (January 7, 2014).

particular Section 17A(b)(3)(D) of the Act,<sup>4</sup> which requires that NSCC's Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

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

NSCC does not believe that the proposed rule change will have any impact, or impose any burden, on competition. As stated above, the proposed change will be applied equitably to the NSCC members that use the OW Pair Off service, and will not disproportionately impact any NSCC members.

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

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

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

The forgoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>5</sup> and Rule 19b-4(f)(2)<sup>6</sup> thereunder. 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.

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<sup>4</sup> 5 U.S.C. 78q-1(b)(3)(D).

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>6</sup> 17 CFR 240.19b-4(f)(2).

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-2014-01 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-NSCC-2014-01. 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

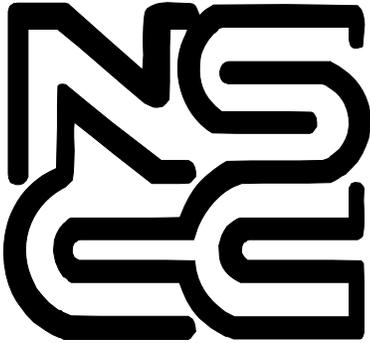
3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of NSCC and on its website (<http://www.dtcc.com>). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NSCC-2014-01 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>7</sup>

Elizabeth M. Murphy  
Secretary

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<sup>7</sup> 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

## 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.

A. Trade Comparison:

1. Each side of each bond trade submitted - \$0.85 per side.

B. Trade Correction Fees:<sup>1</sup>

1. Listed Equity System Correction Fees:

Suggested Name Deletes submitted to the Corporation directly by participants on T+1 - \$.40 to both sides.

2. Bond Correction Fees:

a. All supplemental input after T (Advisory, As Of, Withhold) except for Trades Deleted:

- (1) T+1 - \$.60 to the submitter
- (2) T+2 - \$.90 to the submitter
- (3) after T+2 - \$1.50 to the submitter

b. Trades Deleted:

- (1) T+1 - \$.60 to both sides
- (2) T+2 - \$.90 to both sides
- (3) after T+2 - \$1.50 to both sides

3. Trade Rejection Fee: \$.50 per bond reject.

C. Trade recording fees will be charged as follows on those items originally compared by other parties, but cleared through the Corporation<sup>2</sup>:

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<sup>1</sup> Trade Submission Fees (see I.A. above) will be charged in addition to the Trade Correction Fees detailed in I.B. Trade Correction Fees will not be applied on OCS, IDC and ACT input.

1. Each side of each bond item entered for settlement, but not compared by the Corporation - \$0.85 per side.
2. Each side of a foreign security trade entered for settlement, but not compared by the Corporation - \$.75 per side.

D. OBLIGATION WAREHOUSE

1.	Warehouse Fee for each compared item	\$0.02
2.	Matching Fee for each submission	\$0.75
3a.	Fee for each pending comparison advisory aged 5 days or more (July through September 2011)	\$1.00
3b.	Fee for each pending comparison advisory aged 5 days or more (October through December 2011)	\$2.50
3c.	Fee for each pending comparison advisory aged 5 days or more (January 2012 and forward)	\$5.00
4.	Fee to close an obligation and send to CNS	\$0.20
5.	Fee to withhold an obligation from being closed and sent to CNS	\$0.05
6.	Fee to apply mandatory corporate action events to compared obligations warehoused in Obligation Warehouse	\$2.50
7.	Fee for OW delivery notification request advisories aged 2 days or older	\$1.00
8.	Fee for OW pending cancel request advisories aged 2 days or older	\$1.00
9.	Fee for each obligation closed due to RECAPS (charged per RECAPS cycle)	\$0.20
<b>10.</b>	<b>Fee for each obligation closed due to Pair Off (charged per obligation side)</b>	<b>\$1.50</b>

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<sup>2</sup> Trade recording fees for equities are incorporated into the Clearance Activity Fee set forth in II.A. below.

E. Index Receipts

1. Index Creation and Redemption Units - each side of each Index Creation and Redemption instruction submitted for regular way (T+3) settlement - \$30 per side.
2. Index Creation and Redemption Units – each side of each Index Creation and Redemption instruction submitted for shortened settlement - \$50 per side.

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