



Important Notice
National Securities Clearing Corporation

A#: 7689
P&S #: 7359
DATE: FEBRUARY 26, 2014
TO: ALL PARTICIPANTS
ATTENTION: MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER,
COMPLIANCE OFFICER
FROM: GENERAL COUNSEL'S OFFICE
SUBJECT: ADVANCE NOTICE (SR-NSCC-2014-802) – ENHANCEMENT TO NSCC'S
PARAMETRIC VAR MODEL TO BETTER ADDRESS FAT TAIL RISK

On February 26, 2014, National Securities Clearing Corporation (“NSCC”) filed an advance notice (SR-NSCC-2014-802) (the “Filing”) with the Securities and Exchange Commission (“SEC”) pursuant to Section 806(e) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The proposed change will enhance NSCC’s existing parametric Value-at-Risk (“VaR”) margining model in order to better account for the tail risk caused by extreme market events (“fat tail” risk), as more fully described in the Filing.

The full text of the proposed change (SR-NSCC-2014-802) may be obtained by visiting the DTCC website at www.dtcc.com. Written comments on the proposed change may be addressed to Jacqueline Farinella, Director and Senior Associate Counsel, National Securities Clearing Corporation, 55 Water Street, New York, New York 10041, and your comments will be forwarded to the SEC. You may also address your written comments to the Secretary of the Commission, Securities and Exchange Commission, 100 F Street NE, Washington DC 20549-1090. We request that you provide NSCC with a copy of your comments.

Questions regarding the Filing or this Important Notice may be addressed to Jacqueline Farinella, Director and Senior Associate Counsel, at jfarinella@dtcc.com or 212-855-3216.

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