



*Important Notice*  
**National Securities Clearing Corporation**

P&S #: 7711  
A#: 8136  
DATE: DECEMBER 16, 2015  
TO: ALL PARTICIPANTS  
ATTENTION: MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER,  
COMPLIANCE OFFICER  
FROM: ENTERPRISE RISK MANAGEMENT  
SUBJECT: FAMILY-ISSUED SECURITIES – ANNOUNCEMENT OF NSCC’S  
UPCOMING PARALLEL PERIOD

On August 14, 2015, National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission proposed rule change SR-NSCC-2015-003 to enhance the margin methodology with respect to a Member’s positions in securities that are issued by such Member or its affiliate (i.e. “family-issued securities” or “FIS”) by excluding these securities from the volatility component, or “VaR” charge when the Member is on NSCC’s Watch List, and then charging an amount calculated by multiplying the market value of the long net unsettled positions in that Member’s family-issued securities by a percentage that is no less than 40%.

On October 5, 2015, the Commission approved the proposed rule change. As described in the filing, NSCC plans to run these changes in a test environment for a three-month parallel period prior to implementation.

Parallel Period

The parallel period will begin on **December 21, 2015** and end on **March 18, 2016**. Each day during this parallel period, Members can review the impact of the new FIS component to their current Clearing Fund Requirement. For Members who have obtained access to NSCC Risk Management Reporting Function (NCR) in PBS-U, as previously advised in NSCC Important Notice A#7333, P&S# 6903, dated December 6, 2011, additional CUSIP level information will be available.

Please contact your Relationship Manager for more information or with questions about the information provided in this Important Notice.