



Important Notice
National Securities Clearing Corporation

A #: 8003
P&S#: 7578
DATE: MARCH 20, 2015
TO: ALL PARTICIPANTS
ATTENTION: MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER,
COMPLIANCE OFFICER
FROM: ENTERPRISE RISK MANAGEMENT
SUBJECT: MUNICIPAL BOND HAIRCUT ADJUSTMENTS

Further to the important notice A#7946, P&S#7521 dated January 2, 2015 this important notice announces the implementation of the Municipal Bond Haircut Adjustment. NSCC will increase the haircut amounts for low-rated municipal bonds. Low-rated municipal bonds will receive higher haircuts based on sector risk factors, in addition to the current tenor based methodology.

The parallel test period for this initiative began on January 5, 2015 and will conclude on March 27, 2015. This change will be reflected in Members' NSCC Clearing Fund Requirement on **March 30, 2015** along with the elimination of ID Offset Phase 4.

Please contact your Relationship Manager if you have any questions or for further information about this Important Notice.

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