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DATE: NOVEMBER 30, 2020
TO: ALL MEMBERS AND LIMITED MEMBERS
ATTENTION: MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER,
COMPLIANCE OFFICER
FROM: GENERAL COUNSEL'S OFFICE
SUBJECT: NSCC PROPOSED RULE CHANGE FILING – AMENDMENTS TO THE
CLEARING AGENCY LIQUIDITY RISK MANAGEMENT FRAMEWORK
(SR-NSCC-2020-021)

On November 30, 2020, National Securities Clearing Corporation (“NSCC”) filed a proposed rule change filing (SR-NSCC-2020-021) (“Rule Filing”) with the Securities and Exchange Commission (“SEC”) proposing to amend the Clearing Agency Liquidity Risk Management Framework (“LRM Framework”). Specifically, the proposed rule changes would (1) reflect that a stress testing team has taken over certain responsibilities related to liquidity risk management; (2) simplify the description of the Fixed Income Clearing Corporation qualifying liquidity resources, which are identical for each of its divisions; (3) reflect the inclusion of the proceeds of NSCC’s issuance and private placement of term debt as an additional NSCC liquidity resource; (4) revise the description of NSCC’s supplemental liquidity deposits to allow for future revisions to this requirement; (5) reflect the reclassification of a stress scenario that assumes the default of multiple participants as an informational stress scenario; and (6) make other revisions in order to clarify and simplify the descriptions within the LRM Framework, as further described in the Rule Filing.

The full text of the Rule Filing may be obtained by visiting the DTCC website at <https://www.dtcc.com/legal/sec-rule-filings>. Written comments on the Rule Filing may be addressed to National Securities Clearing Corporation, c/o General Counsel’s Office, 55 Water Street, New York, New York 10041, Attention: Jacqueline Chezar, Executive Director and Associate General Counsel, and your comments will be forwarded to the SEC.

You may also address your written comments to the Secretary, Securities and Exchange Commission, 100 F Street NE, Washington DC 20549. Electronic comments may be submitted by using the SEC’s Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or by sending an email to rule-comments@sec.gov. Please include File Number SR-NSCC-2020-021 on the subject line. We request that you provide NSCC with a copy of your comments.

Questions regarding this Rule Filing or this Important Notice may be addressed to Jacqueline Chezar, Executive Director and Associate General Counsel, at 212-855-3216.

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