



<b>A #:</b>	8821
<b>P&amp;S:</b>	8394
<b>Date:</b>	March 5, 2020
<b>To:</b>	All Participants
<b>From:</b>	Equity Risk
<b>Attention:</b>	Director of Operations, CFM Contacts
<b>Subject:</b>	NOTICE OF MARCH 9, 2020 IMPLEMENTATION DATE OF NSCC'S ENHANCEMENTS TO THE HAIRCUT-BASED VOLATILITY CHARGE APPLICABLE TO MUNICIPAL BONDS

On March 9th, 2020 NSCC will implement an enhancement to the haircut-based volatility charge applicable to Municipal bonds, pursuant to rule filing SR-NSCC-2019-004 and advance notice SR-NSCC-2019-801. The enhancement primarily replaces the current municipal sector-based risk factor for lower rated municipal bonds with a percentage derived using the historical returns of sector-based, tenor-based and high-yield benchmark indices. The change will result in margin levels that are more commensurate with the risk attributes of those securities.

The full text of the Rule Filing may be obtained by visiting the DTCC website at [www.dtcc.com/legal/sec-rule-filings.aspx](http://www.dtcc.com/legal/sec-rule-filings.aspx).

Any questions related to this notice should be directed to Equity Risk at (212) 855-5770.