



A#:	8449
P&S:	8024
Date:	9/19/2017
To:	ALL PARTICIPANTS
From:	FINANCIAL RISK MANAGEMENT
Attention:	MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER, COMPLIANCE OFFICER
Subject:	EXPANDING APPLICATION OF FAMILY-ISSUED SECURITIES MARGIN CHARGE – ANNOUNCEMENT OF NSCC’S UPCOMING PARALLEL PERIOD

On September 7, 2017, the Securities and Exchange Commission approved NSCC’s proposal to expand the application of the Family-Issued Securities margin charge to net unsettled positions in Family-Issued Securities of all NSCC Members.¹

As described in the Filings, a Family-Issued Security is defined in NSCC’s Rules as a security that was issued by a Member or an affiliate of that Member. Net unsettled positions in Family-Issued Securities of all Members will be excluded from the calculation of NSCC’s VaR Charge, and instead subject to the Family-Issued Securities margin charge (calculation of this charge is described in the Filings and will be described in NSCC’s Procedure XV when the proposal is implemented).

NSCC plans to implement this change, and apply the Family-Issued Securities margin charge to all Members, on **October 16, 2017**.

Parallel Period

Prior to implementation, NSCC will complete a parallel period beginning **September 20, 2017**. During this parallel period, Members can review the impact of the change on their current Clearing Fund Requirement on a daily basis.

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

¹ See Securities Exchange Release No. 81550 (September 7, 2017) 82 FR 43061 (September 13, 2017) (SR-NSCC-2017-010); and No. 81545 (September 7, 2017) 82 FR 43054 (September 13, 2017) (SR-NSCC-2017-804) (the “Filings”).

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