

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-60765; File No. SR-NSCC-2009-08)

October 1, 2009

Self-Regulatory Organizations; The National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Revise Fees for Certain Insurance and Retirement Processing Services

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> notice is hereby given that on September 10, 2009, the National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to revise fees for certain retirement and insurance processing services.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> The Commission has modified the text of the summaries prepared by NSCC.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

The purpose of the proposed rule change is to revise fees for certain insurance and retirement processing services provided by NSCC to better align fees with the costs of delivering services.<sup>3</sup>

Effective October 1, 2009, NSCC is adopting an incentive discount for Registered Representative (“REP”) and Brokerage Identification Number (“BIN”) transactions, a subset of In-Force Transaction types that are formally called “Brokerage Identification Number Change Requests,” “Brokerage Identification Number Change Confirms,” “Registered Representative Change Requests”, and “Registered Representative Change Confirms.” The first \$350 dollars that NSCC charges to a member each month for such transactions shall be waived. Further, effective October 1, 2009, a member that submits any of these transaction types will receive a credit equaling 30% of its monthly fee for BIN and REP transactions.<sup>4</sup> The 30% credit will then be applied against fees that are charged to a member for NSCC’s established Insurance and Retirement Products (called “Core Products”). Established products that are designated as Core Products are Positions, Commissions, Financial Activity Reporting, Applications/Subsequent Premiums, and Asset Pricing. The purpose of bundling products in this fashion and providing a credit in connection with usage of new products is to compensate members for the programming and other costs associated with new product adoption.

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<sup>3</sup> This proposed rule change filing replaces proposed rule change filing SR-NSCC-2009-06, which was withdrawn by NSCC on September 9, 2009.

<sup>4</sup> The credit will be calculated by subtracting the \$350 dollar discount from the member’s total monthly BIN and REP fees and then multiplying that resulting amount by 30%.

In addition, effective October 1, 2009, NSCC is adopting a reduction in fees that may be incurred by a member due to extraordinary events, such as mergers or mass reconciliations, that generate unusually high transaction volume for a limited duration. A member must arrange with NSCC in advance for the appropriate reduction in fees in such circumstances. With respect to transaction types for which the member has no history of prior usage, the credit will be 85% of the transaction fees chargeable for the transaction type. There will be an additional credit of 5% if the member continues use of the transaction type in its usual processing flows after the event. With respect to transaction types for which the member has a history of prior usage, the credit will be in an amount sufficient to produce an aggregate fee that is no more than 120% of the average amount charged to the member for such transactions in the prior three months.

NSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act<sup>5</sup> and the rules and regulations thereunder applicable to NSCC because the proposed rule change updates NSCC's fee schedule and provides for equitable allocation of fees among its members.

(B) Self-Regulatory Organization's Statement on Burden on Competition.

NSCC does not believe that the proposed rule change will have any impact or impose any burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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<sup>5</sup> 15 U.S.C. 78q-1.

### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>6</sup> and Rule 19b-4(f)(2)<sup>7</sup> thereunder because the proposed rule change is establishing or changing a due, fee, or other charge applicable only to a member. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### Electronic comments:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or
- Send an e-mail to [rule-comment@sec.gov](mailto:rule-comment@sec.gov). Please include File No. SR-NSCC-2009-08 on the subject line.

#### Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549-1090.

All submissions should refer to File Number SR-NSCC-2009-08. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>7</sup> 17 CFR 240.19b-4(f)(2).

comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Section, 100 F Street, NE, Washington DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filings also will be available for inspection and copying at the principal office of NSCC and on NSCC's Web site at [http://www.dtcc.com/legal/rule\\_filings/nsc/2009.php](http://www.dtcc.com/legal/rule_filings/nsc/2009.php). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to file number SR-NSCC-2009-08 and should be submitted on or before [insert 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(12).