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Assistant Secretary
United States
Securities and Exchange Commission

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In the fall of 2013, NSCC proposed to increase the minimum capital requirements for broker dealers from \$500,000 to \$7.5 million for self-clearing firms and from \$1 million to \$15 million for firms that clear for other broker dealers. At the time, this would have had the effect of putting approximately 20% of DTCC's participants out of business or some 40 small broker dealers. NSCC's participants and other stakeholders were almost unanimous in their response to the proposal, which was considered discriminatory and anti-competitive. As a result, the proposal was shelved.

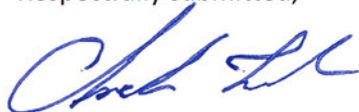
In the fall of 2019, NSCC circulated a whitepaper again proposing to increase capital requirements. This time the proposal sought to raise the capital requirement for self-clearing firms from \$500,000 to \$5 million and for firms that clear for other from \$1 million to \$10 million. Once again, the reaction to the proposal was almost unanimously negative. It was widely argued that small firms that traditionally do not trade for their own accounts pose little risk for NSCC, and that NSCC, which is a systemically important financial market utility ("SIFMU") would be better served to concentrate on systemic risks posed by its large members. Once again, given the negative reaction, it appeared that the proposal was off the table.

However, with little or no notice to its members, some two years later, just before Christmas, on December 22, 2021, NSCC turned its 2019 whitepaper into a proposed rule and filed it with the Commission. In addition to proposing an anti-competitive tenfold capital increase on its broker dealer members, the rule-filing contains other anti-competitive measure and barriers to entry for other types of participants. For example, US securities exchanges will be required to maintain at least \$100 million in equity capital. This will almost certainly prevent the creation of any new exchange and impede innovation of new trade-matching technologies.

NSCC's proposal has been in the making for almost nine years and has been widely criticized by the public. However, probably due to the fact the actual rule filing was little publicized, there have been no public comments posted on the Commission's website. We nevertheless believe that there will be many interested parties, including ourselves.

For the reasons stated above it is suggested that the Commission extend the time to submit comments on the proposal.

Respectfully submitted,



Charles F. Lek