

July 11, 2022

By Electronic Mail (rule-comments@sec.gov)

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Amendment No. 2 to File No. SR-NSCC-2022-005

Dear Ms. Countryman:

National Securities Clearing Corporation filed a partial amendment to File No. SR-NSCC-2022-005 on July 6, 2022, a copy of which is enclosed.

Sincerely,

National Securities Clearing Corporation

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 22

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2022 - * 005

Amendment No. (req. for Amendments *) 2

Filing by National Securities Clearing Corporation

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		
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Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, National Securities Clearing Corporation has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date

(Title *)

By

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Date: 2022.07.06
11:00:24 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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[NSCC ECP Proposal - Partial Amend.](#)

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Amendment No. 2 to SR-NSCC-2022-005

National Securities Clearing Corporation (“NSCC”) is filing this partial amendment (“Amendment No. 2”) to SR-NSCC-2022-005 (“Proposed Rule Change”), which was filed with the Securities and Exchange Commission (“Commission”) on May 20, 2022 and previously amended on June 1, 2022.

The Proposed Rule Change is proposing to revise the Excess Capital Premium (“ECP”) charge by enhancing the methodology for calculating the charge and improve the transparency of the NSCC Rules & Procedures regarding the ECP charge, as described therein.

In describing the proposed amendment to the Proposed Rule Change below, NSCC has marked **bold, underlined text** to represent language proposed to be added by this Amendment No. 2, and **bold, strikethrough text** to represent language proposed to be deleted by this Amendment No. 2.

Please replace the text on pages 12-13 of the Proposed Rule Change with the following text:

NSCC has provided the Commission with the results of an impact study that reviewed the potential impacts of the proposal during the period of June 1, 2020 through December 31, 2021. The study showed that the proposed enhancement would have reduced the number of ECP charges that would have been triggered by the calculation by 65 percent, from ~~327~~ 347 ECP charges triggered for ~~17~~ 19 Members to ~~114~~ 122 ECP charges triggered for 14 Members. The total aggregate amount that would have been triggered by the proposed calculation if the proposal was effective during that time would have been reduced from ~~\$50.95~~ \$1.31 billion (the actual total amount of ECP charges triggered by the current calculation during that period) to approximately \$17.~~22~~ 44 billion (the total amount of ECP charges that would have been triggered during that time by the proposed calculation). The average amount that would have been calculated for each Member would have been reduced from ~~\$155.81~~ \$147.9 million to approximately ~~\$151.11~~ \$143.0 million. The study showed that the proposal would have had no impact to NSCC’s overall, or Member-level, end-of-day Clearing Fund Requirement backtesting coverage.

Over the impact study period, NSCC waived and ~~reduced~~ adjusted calculated ECP charges by \$38.~~46~~ 80 billion. NSCC waived a total of ~~20~~ 33 ECP charges, that totaled approximately ~~\$25.77~~ \$26.12 billion. If the proposal had been in place at that time, ~~15~~ 14 of these charges would have been collected from Members (although the amount would have been reduced), totaling \$6.~~43~~ 46 billion, ~~2~~ 14 charges would not have been triggered as the calculated ECP ratio was below 1.0, and NSCC would have waived ~~3~~ 5 of the ECP charges, mainly following receipt of updated financial information. NSCC ~~reduced~~ adjusted the amount of 16 ECP charges by a total of approximately \$12.69 billion. If the proposal had been in place at that time, ~~6~~ 7 of these charges would have been still collected, totaling \$6.~~35~~ 48 billion, and ~~10~~ 9 charges would not have been triggered as the calculated ECP ratio was below 1.0.

Please replace the text on pages 36-37 of the Proposed Rule Change with the following text:

NSCC has provided the Commission with the results of an impact study that reviewed the potential impacts of the proposal during the period of June 1, 2020 through December 31, 2021. The study showed that the proposed enhancement would have reduced the number of ECP charges that would have been triggered by the calculation by 65 percent, from ~~327~~ 347 ECP charges triggered for ~~17~~ 19 Members to ~~114~~ 122 ECP charges triggered for 14 Members. The total aggregate amount that would have been triggered by the proposed calculation if the proposal was effective during that time would have been reduced from ~~\$50.95~~ \$1.31 billion (the actual total amount of ECP charges triggered by the current calculation during that period) to approximately \$17. ~~2244~~ billion (the total amount of ECP charges that would have been triggered during that time by the proposed calculation). The average amount that would have been calculated for each Member would have been reduced from ~~\$155.81~~ \$147.9 million to approximately ~~\$151.11~~ \$143.0 million. The study showed that the proposal would have had no impact to NSCC's overall, or Member-level, end-of-day Clearing Fund Requirement backtesting coverage.

Over the impact study period, NSCC waived and ~~reduced~~ adjusted calculated ECP charges by \$38. ~~4680~~ billion. NSCC waived a total of ~~20~~ 33 ECP charges, that totaled approximately ~~\$25.77~~ \$26.12 billion. If the proposal had been in place at that time, ~~15~~ 14 of these charges would have been collected from Members (although the amount would have been reduced), totaling \$6. ~~4346~~ billion, ~~2~~ 14 charges would not have been triggered as the calculated ECP ratio was below 1.0, and NSCC would have waived ~~3~~ 5 of the ECP charges,

mainly following receipt of updated financial information. NSCC ~~reduced~~ **adjusted** the amount of 16 ECP charges by a total of approximately \$12.69 billion. If the proposal had been in place at that time, ~~6~~7 of these charges would have been still collected, totaling \$~~6.3548~~ billion, and ~~10~~9 charges would not have been triggered as the calculated ECP ratio was below 1.0.

On pages 47-62 of the Proposed Rule Change, please replace the text of Exhibit 3a (Impact Study Data) of the Proposed Rule Change in its entirety with the following text (The following pages are redacted and filed separately with the Commission. Confidential treatment of such is being requested pursuant to 17 CFR 240.24b-2.):

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