

Memorandum

To: SR-NSCC-2020-802

From: Office of Clearance and Settlement, Division of Trading and Markets

Re: Commission's Request for Additional Information

On March 16, 2020, the National Securities Clearing Corporation ("NSCC") filed advance notice SR-NSCC-2020-802 ("Advance Notice") with the U.S. Securities and Exchange Commission ("Commission"), pursuant to Section 806(e)(1)(A) of the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act")¹ and Rule 19b-4(n)(1)(i) of the Securities Exchange Act of 1934,² to revise the definition of Illiquid Securities, and enhance haircut-based volatility charge applicable to Illiquid Securities and Unit Investment Trusts. The Advance Notice was published for comment in the Federal Register on April 15, 2020.³

On May 15, 2020, the Commission requested additional information from NSCC pursuant to Section 806(e)(1)(D) of the Clearing Supervision Act.⁴

Pursuant to Section 806(e)(1) of the Clearing Supervision Act,⁵ the Commission's period of review of the Advance Notice is tolled and shall be 60 days from the date the information requested is received by the Commission absent an additional information request.

¹ 12 U.S.C. 5465(e)(1)(A).

² 17 CFR 240.19b-4(n)(1)(i).

³ Securities Exchange Act Release No. 88615 (April 9, 2020), 85 Fed. Reg. 21037 (April 15, 2020) (SR-NSCC-2020-802).

⁴ 12 U.S.C. 5465(e)(1)(D).

⁵ See 12 U.S.C. 5465(e)(1)(E) and (G).