

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-69605; File No. SR-NSCC-2013-802)

May 20, 2013

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Extension of Review Period of Advance Notice, as Modified by Amendment No. 1, to Institute Supplemental Liquidity Deposits to Its Clearing Fund Designed to Increase Liquidity Resources to Meet Its Liquidity Needs

On March 21, 2013, National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) advance notice SR-NSCC-2013-802 (“Advance Notice”) pursuant to Section 806(e)(1) of the Payment, Clearing, and Settlement Supervision Act of 2010 (“Clearing Supervision Act”)<sup>1</sup> and Rule 19b-4(n)(1)(i)<sup>2</sup> thereunder.<sup>3</sup> On April 19, 2013, NSCC filed with the Commission Amendment No. 1 to the Advance Notice.<sup>4</sup> The Advance Notice, as modified by Amendment No. 1, was published for comment in the Federal Register on May 1, 2013.<sup>5</sup> As of May 14, 2013, the Commission has received eight comment letters on the proposal contained in the Advance Notice and its related proposed rule

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<sup>1</sup> 12 U.S.C. 5465(e)(1).

<sup>2</sup> 17 CFR 240.19b-4(n)(1)(i).

<sup>3</sup> NSCC also filed the proposal contained in the Advance Notice as a proposed rule change (File No. SR-NSCC-2013-02) under Section 19(b)(1) of the Securities and Exchange Act of 1934 (“Exchange Act”) and Rule 19b-4 thereunder. Release No. 34-69313 (Apr. 4, 2013), 78 FR 21487 (Apr. 10, 2013). Pursuant to Section 19(b)(2) of the Exchange Act, generally, not later than 45 days after the date of publication of the proposed rule change in the Federal Register or such longer period up to 90 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination or the self-regulatory organization consents, the Commission will either: (i) by order approve or disapprove the proposed rule change, or (ii) institute proceedings to determine whether the proposed rule change should be disapproved. 17 U.S.C. 78s(b)(2)(A). See Release No. 34-69313 (Apr. 4, 2013), 78 FR 21487 (Apr. 10, 2013). The proposal shall not take effect until all regulatory actions required with respect to the proposal are completed.

<sup>4</sup> See Release No. 34-69451 (Apr. 25, 2013), 78 FR 25496 (May 1, 2013).

<sup>5</sup> Id.

change.<sup>6</sup> Additionally, on March 19, 2013, prior to filing the Advance Notice, NSCC received a comment letter on the proposal directly from an NSCC member.<sup>7</sup>

Section 806(e)(1)(G) of the Clearing Supervision Act provides that NSCC may implement the changes if it has not received an objection to the proposed changes within 60 days of the later of (i) the date that the Commission receives the advance notice or (ii) the date that any additional information requested by the Commission is received,<sup>8</sup> unless extended as described below.

Pursuant to Section 806(e)(1)(H) of the Clearing Supervision Act, the Commission may extend the review period of an advance notice for an additional 60 days, if the changes proposed in the advance notice raise novel or complex issues, subject to the Commission providing the clearing agency with prompt written notice of the extension.<sup>9</sup>

Here, as the Commission has not requested any additional information, the date that is 60 days after NSCC filed the Advance Notice with the Commission is May 20, 2013. However, the Commission finds it appropriate to extend the review period of the Advance Notice, as modified

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<sup>6</sup> See Comments Received on File Nos. SR-NSCC-2013-802 (<http://sec.gov/comments/sr-nsc-2013-802/nsc2013802.shtml>) and SR-NSCC-2013-02 (<http://sec.gov/comments/sr-nsc-2013-02/nsc201302.shtml>). Since the proposal contained in the Advance Notice was also filed as a proposed rule change, see Release No. 34-69313, supra note 3, the Commission is considering all public comments received on the proposal regardless of whether the comments are submitted to the Advance Notice or the proposed rule change.

<sup>7</sup> See Exhibit 2 to File No. SR-NSCC-2013-802 (<http://sec.gov/rules/sro/nsc/2013/34-69451-ex2.pdf>).

<sup>8</sup> See 12 U.S.C. 5465(e)(1)(G).

<sup>9</sup> See 12 U.S.C. 5465(e)(1)(H).

by Amendment No. 1, for an additional 60 days under Section 806(e)(1)(H) of the Clearing Supervision Act.<sup>10</sup> The Commission finds the Advance Notice, as modified by Amendment No. 1, both novel and complex because it proposes a rule change that is particularly detailed, intricate, multifaceted, and is the first of its kind for a registered clearing agency.

Accordingly, the Commission, pursuant to Section 806(e)(1)(H) of the Clearing Supervision Act,<sup>11</sup> extends the review period for an additional 60 days so that the Commission shall have until July 19, 2013 to issue an objection or non-objection to the Advance Notice, as modified by Amendment No. 1 (File No. SR-NSCC-2013-802).

By the Commission.

Kevin M. O'Neill  
Deputy Secretary

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<sup>10</sup> Id.

<sup>11</sup> Id.