

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-74639; File No. SR-NSCC-2015-001)

April 2, 2015

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Addendum A (Fee Structure) with Respect to the Alternative Investment Product Services

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 23, 2015, 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 by NSCC. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A)<sup>3</sup> of the Act and Rule 19b-4(f)(2)<sup>4</sup> thereunder. The proposed rule change was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of an amendment to Addendum A (Fee Structure) of NSCC’s Rules & Procedures (“Rules”) to establish certain fees applicable to the Alternative Investment Product services (“AIP” or the “Service”), as more fully described below. The text of the proposed rule change is available on NSCC’s website

---

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

<sup>2</sup> 17 CFR 240.19b-4.

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

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

at <http://www.dtcc.com/legal/sec-rule-filings.aspx>, at the principal office of NSCC, and at the Commission's Public Reference Room.

II. Clearing Agency'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.

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

(1) Statement of Purpose

AIP was initially approved by the Commission on May 12, 2008<sup>5</sup> as a new processing platform for alternative investment products such as hedge funds, funds of hedge funds, commodities pools, managed futures, and real estate investment trusts (collectively, "Eligible AIP Products"). AIP links global market participants, including broker/dealers, fund managers, fund administrators and custodians (collectively, "AIP Members"), to provide one standard end-to-end process for Eligible AIP Products.

As set forth in NSCC's Rules, "AIP Data transmitted through the AIP Service may include data relating to subscriptions and purchases; redemptions, withdrawals and tender offers; exchange transactions; *transfers*; . . . and such other data as may be

---

<sup>5</sup> Securities Exchange Act Release No. 57813 (May 12, 2008), 73 FR 28539 (May 16, 2008) (SR-NSCC-2007-12).

established by [NSCC] from time to time.”<sup>6</sup>

NSCC recently enhanced the AIP platform to better process transfer instructions submitted by AIP Members. In connection with these enhancements, NSCC proposes to amend Addendum A to establish the fees applicable to the processing of transfers, such as for example, internal transfers. Internal transfers occur within an AIP Member that is a broker/dealer when such AIP Member re-registers a customer account in the name of a different customer due to, for example, the death of the previously registered customer. NSCC proposes to establish the following fees for AIP transfers:

- \$1.50 per transfer for higher volume Eligible AIP Products
- \$5.00 per transfer for lower volume Eligible AIP Products

NSCC will implement the new transfer fees beginning March 26, 2015, or such later date as NSCC may announce through Important Notice.

(2) Statutory Basis

NSCC believes that the proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder applicable to NSCC. In particular, the proposed rule change is consistent with Section 17A(b)(3)(D)<sup>7</sup> of the Act because it establishes NSCC’s fees for the processing of transfer instructions submitted by AIP Members, which helps to provide for the equitable allocation of reasonable dues, fees and other charges among members in connection with use of the Service.

---

<sup>6</sup> See, [sic] NSCC Rule 53 (Alternative Investment Product Services and Members), Section 6 (Transmission of AIP Data) [emphasis added].

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(D).

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.

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) of the Act<sup>8</sup> and paragraph (f) of Rule 19b-4<sup>9</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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:

---

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f).

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NSCC-2015-001 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC, 20549-1090.

All submissions should refer to File Number SR-NSCC-2015-001. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of NSCC and on DTCC's website at (<http://www.dtcc.com/legal/sec-rule-filings.aspx>). 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-2015-001 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Brent J. Fields  
Secretary

---

<sup>10</sup> 17 CFR 200.30-3(a)(12).