

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-80260; File No. SR-NSCC-2017-001)

March 16, 2017

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of a Proposed Rule Change to Describe the Illiquid Charge that May Be Imposed on Members

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, as amended (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 13, 2017, National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the clearing agency. 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 amendments to NSCC’s Rules & Procedures (“Rules”)³ in order to provide transparency in the Rules with respect to an existing margin charge described below (“Illiquid Charge”) and to codify NSCC’s current practices with respect to the assessment and collection of the Illiquid Charge. The Illiquid Charge is currently imposed on Members’ Net Unsettled Positions in certain securities that are not traded on or subject to the rules of an exchange and that exceed

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Capitalized terms used herein and not otherwise defined herein are defined in the Rules, available at www.dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf

applicable volume thresholds, when all conditions to the application of the charge, described below, are met. Such securities, to be defined in the Rules as “Illiquid Securities,” lack marketability, based on insufficient access to a trading venue, and may have low and volatile share prices. Therefore, the Illiquid Charge is designed to mitigate the risk that NSCC may face when liquidating Illiquid Securities following a Member default and such liquidation is difficult or delayed due to a lack of interest in a particular Illiquid Security or limitations on the share price of the Illiquid Security.

In order to provide transparency in the Rules with respect to the existing Illiquid Charge, and to codify NSCC’s existing practices with respect to the charge, NSCC is proposing to amend (i) Rule 1 (Definitions and Descriptions) to add certain defined terms associated with the Illiquid Charge, and (ii) Procedure XV (Clearing Fund Formula and Other Matters) to clarify the circumstances and manner in which NSCC calculates and imposes the Illiquid Charge. The proposed rule change also would make a technical change to Procedure XV to define the “Market Maker Domination Charge,” to create additional clarity and ease of reference in the Rules, as further described below.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change would provide transparency in the Rules with respect to the existing Illiquid Charge, which NSCC currently may impose on Members,⁴ as part of each Member's Required Deposit to the NSCC Clearing Fund when all conditions to the application of the charge, described below, are met. NSCC imposes the Illiquid Charge on Members with Net Unsettled Positions in Illiquid Securities, defined below, that exceed applicable volume thresholds. The Illiquid Charge is designed to mitigate the additional risk presented to NSCC resulting from these securities' lack of marketability and/or insufficient access to a trading venue. The Illiquid Charge is charged in addition to, and separately from, an existing haircut margin charge that NSCC may also currently impose on positions in classes of securities that are less amenable to statistical analysis, which include Illiquid Securities.⁵ When all conditions to the application of the Illiquid Charge are met, the charge is applied as part of a Member's start of day Required Deposit, which is due each business day.

1. The Required Deposit and the Illiquid Charge

NSCC uses a risk-based margin methodology to assess Required Deposits from all Members. The Required Deposit is composed of a number of risk-based component charges (as margin), including the Illiquid Charge, which are calculated and assessed

⁴ The Illiquid Charge is currently imposed pursuant to Procedure XV, Sections I.(A)(1)(e) and I.(A)(2)(d). Id.

⁵ The haircut margin charge of the Clearing Fund formula for CNS trades and Balance Order trades is described in Procedure XV, Sections I.(A)(1)(a)(ii) and I.(A)(2)(a)(ii), respectively. Supra note 3.

daily. The objective of the Required Deposit is to mitigate potential losses to NSCC associated with the liquidation of the Member's portfolio if NSCC ceases to act for a Member (hereinafter referred to as a "default"). NSCC considers a number of risks when evaluating the effectiveness of its margining methodology.

NSCC is presented with certain risks when it clears and settles larger volumes of its Members' Net Unsettled Positions in securities that are generally considered illiquid. In order to add further clarity to its Rules, NSCC is proposing to define "Illiquid Security" in Rule 1 (Definitions) as a security, other than a family-issued security,⁶ that is either (i) not traded on or subject to the rules of a national securities exchange registered under the Act; or (ii) is an OTC Bulletin Board or OTC Link issue.

Because Illiquid Securities are not traded on or subject to the rules of any exchange, these securities have limited access to a trading venue, lack marketability, and may have low or volatile share prices. Therefore, net sell positions in Illiquid Securities present NSCC with a risk that liquidation of positions in these securities may be difficult or delayed, increasing NSCC's exposure, and this risk is greater when a Member's portfolio contains larger volumes of Illiquid Securities, which could contribute to a prolonged or impaired liquidation. Additionally, net buy positions in Illiquid Securities that have a share price below a penny pose specific risks to NSCC, described below.

In order to address the risks presented by larger volumes of Net Unsettled Positions in Illiquid Securities, NSCC currently calculates and collects the Illiquid

⁶ "Family issued securities" are defined in Procedure XV, Section I.(B). Supra note 3.

Charge. The Illiquid Charge is a component of the Required Deposit and, as described in greater detail below, is calculated to address these risks.

The Illiquid Charge is charged in addition to and separate from a haircut charge that NSCC also currently applies to Illiquid Securities that are traded over-the-counter. The Rules currently permit it to collect a margin charge calculated as a haircut of at least 10 percent of the absolute value of Net Unsettled Positions in classes of securities whose volatility is less amenable to statistical analysis, which include, but are not limited to, Illiquid Securities.⁷ This haircut is designed to cover the uncertain effect of market price volatility on portfolios that contain Illiquid Securities that are traded over-the-counter. However, because the haircut is a flat charge (calculated as a percentage of the absolute value of such positions), it does not completely address the lack of liquidity and marketability that are characteristic of Illiquid Securities. As such, the haircut charge on its own may not fully mitigate all of the risks presented by positions in these securities. Therefore, to account for the difference between the risk coverage provided by the haircut charge, which primarily addresses market price volatility of Illiquid Securities, and the remaining risk presented by such securities, including their lack of liquidity and marketability, NSCC also applies the Illiquid Charge.

This proposed rule change would amend the Rules to add transparency with respect to the existing Illiquid Charge and, in doing so, would codify NSCC's current practices with respect to the calculation and collection of the this margin charge.

⁷ Supra note 5.

The volume thresholds that must be met in order for the charge to be applied, the methodology for calculating the Illiquid Charge, and the exceptions to and application of the Illiquid Charge are each described below.⁸

2. *Net Buy Illiquid Positions and Net Sell Illiquid Positions*

Subject to the exceptions to the Illiquid Charge, described later in this filing, NSCC calculates an Illiquid Charge for each “Illiquid Position.” The term “Illiquid Position” means a Net Unsettled Position in an Illiquid Security that exceeds applicable volume thresholds, as described below. For NSCC Members that transact in Illiquid Positions, NSCC applies different volume thresholds and Illiquid Charge calculation methods for net buy Illiquid Positions or net sell Illiquid Positions, in order to address the different risk profiles of these positions.⁹

a. Net Buy Illiquid Positions

The Illiquid Charge only applies to a Member’s net buy position in Illiquid Securities with a share price below one cent that meets the applicable volume threshold, as described below, such that it is an Illiquid Position.

⁸ The methodology for calculating the Illiquid Charge has been effective for many years. NSCC evaluates the effectiveness of this methodology as part of its regular review of its margin calculations and any future changes would be subject to a separate proposed rule change pursuant to Section 19(b)(1) of the Act, and the rules thereunder, and advance notice pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010, and the rules thereunder. 15 U.S.C. 78s(b)(1); 12 U.S.C. 5465(e)(1).

⁹ In the event of a Member default, NSCC would complete the liquidation of an Illiquid Position by buying or selling that position into the market. The different risk profiles of net buy positions and net sell positions are based on, in part, the difference in the potential responsiveness of prices change to quantity that may occur when NSCC is liquidating a net buy position in an Illiquid Security, compared to when it is liquidating a net sell position in an Illiquid Security.

NSCC assesses the Illiquid Charge on a Member's net buy position if that position meets a volume threshold of greater than 100 million shares for a Member with a rating on NSCC's credit risk matrix ("CRRM rating")¹⁰ of 1-4, and a volume threshold of greater than 10 million shares for a Member with a CRRM rating of 5-7. A Member with a stronger CRRM rating would be assessed an Illiquid Charge on net buy Illiquid Positions at a higher volume threshold because NSCC believes these Members pose a lower risk of default.¹¹

If the volume threshold is met, the net buy position in Illiquid Securities is an Illiquid Position and is subject to the Illiquid Charge. The Illiquid Charge only applies to net buy Illiquid Positions in Illiquid Securities with a share price below one cent. If a transaction in any security, including an Illiquid Security, with a share price below one cent is entered into NSCC's Continuous Net Settlement system or Balance Order Accounting Operation, NSCC rounds up the price of the security to one cent. Therefore, when a Member holds a buy position in a sub-penny security, NSCC records the position's value at a higher price than the actual per share price of the position. The difference may reduce the Member's Required Deposit, particularly for a large quantity of buy positions in a sub-penny security.

¹⁰ See Rule 2B, Section 4, supra note 3. The credit risk matrix applies a 7-point rating system, with "1" being the strongest rating and "7" being the weakest rating. Members with a weaker CRRM rating present a heightened credit risk to NSCC or have demonstrated a higher risk related to their ability to meet settlement. Members that are not rated by the credit risk matrix are not subject to the Illiquid Charge.

¹¹ Id.

To address this risk, NSCC calculates the Illiquid Charge for net buy Illiquid Positions by multiplying the aggregate quantity of shares in such positions by one cent. NSCC assesses and collects the resulting amounts as the Illiquid Charge component of affected Members' Required Deposit.

b. Net Sell Illiquid Positions

The Illiquid Charge only applies to a Member's net sell position in Illiquid Securities if that position meets the applicable volume threshold, as described below, such that it is an Illiquid Position.

When determining if the volume thresholds for net sell positions in Illiquid Securities apply, NSCC first offsets the quantity of shares in a Member's sell position against the number of shares of the same Illiquid Security held by the Member at The Depository Trust Company ("DTC inventory offset"). Consequently, a Member could fall below the applicable volume thresholds after this offset, and therefore, would not be subject to the Illiquid Charge. The DTC inventory offset is not applied to Members with the weakest CRRM rating.¹²

Therefore, subject to the DTC inventory offset, if applicable, NSCC assesses the Illiquid Charge on a Member's net sell position if that position meets a volume threshold that is based on the percentage of the average daily volume ("ADV")¹³ of the position in Illiquid Securities, that Member's CRRM rating, and, in some cases, that Member's excess net capital ("ENC").

¹² Id.

¹³ "ADV" is the average daily volume over the most recent twenty business days as determined by NSCC.

The volume threshold is 1 million shares for Members with a CRRM rating between 1-4, when the net sell position in Illiquid Securities represents more than or equal to 25 percent of the ADV. The volume threshold is 500,000 shares for Members with a CRRM rating between 5-7, when the net sell position in Illiquid Securities represents more than or equal to 25 percent of the ADV and the Member's ENC is greater than \$10 million. The volume threshold is 100,000 shares for Members with a CRRM rating between 5-7, when the net sell position in Illiquid Securities represents more than or equal to 25 percent of the ADV and the Member's ENC is less than or equal to \$10 million.

If the volume threshold is met, the net sell position in Illiquid Securities is an Illiquid Position and is subject to the Illiquid Charge. To calculate the Illiquid Charge for net sell Illiquid Positions, NSCC considers (a) the Current Market Price¹⁴ of the subject Illiquid Security and (b) the quantity of shares in such position compared to the ADV of that Illiquid Security, as set forth below. Additionally, the Illiquid Charge is substituted by minimum price per share if certain conditions are met, as described below.

(A) If the Illiquid Position has a Current Market Price equal to or below \$1.00, NSCC calculates the Illiquid Charge as the product of the aggregate quantity of shares in the Illiquid Position and either (i) the highest market price of the Illiquid Security during the preceding 20 trading days ("One Month High Price")¹⁵ or (ii)

¹⁴ The term "Current Market Price" is defined in Rule 1. Supra note 3.

¹⁵ The "One Month High Price" means the highest of all NSCC observed market prices over the most recent 20 trading day period for purposes of the Illiquid Charge.

the Current Market Price of the Illiquid Security multiplied by a factor between 2 and 10, depending on the market price.¹⁶

(B) If the Illiquid Position has a Current Market Price that is greater than \$1.00, NSCC calculates the Illiquid Charge as the product of the aggregate quantity of shares in the Illiquid Position and either (i) the One Month High Price or (ii) the Current Market Price of the Illiquid Security rounded up to the next \$0.50 increment.

In determining whether to use the One Month High Price or the Current Market Price of the Illiquid Security to calculate the Illiquid Charge, NSCC compares the percentage of the ADV to the share quantity in the Illiquid Position. If the share quantity in the Illiquid Position is less than 100 percent of the ADV and more than or equal to 25 percent, then the calculation uses the lesser of the One Month High Price or the Current Market Price of the Illiquid Securities (rounded up to the next \$0.50 increment, if applicable). If the quantity of shares in the Illiquid Position is greater than or equal to 100 percent of the ADV, then the calculation uses the greater of the One Month High Price or the Current Market Price of the Illiquid Security (rounded up to the next \$0.50 increment, if applicable).

Furthermore, depending on the result of the calculation described above, the Illiquid Charge would remain subject to a minimum price per share, which shall not be less than \$0.01. Therefore, when calculating the Illiquid Charge, the One Month High Price or the Current Market Price of the Illiquid Security is substituted by the minimum

¹⁶ Generally, the factor applied would be 10 where the market price is less than \$0.10; the factor applied would be 5 where the market price is between \$0.10 and \$0.20; the factor applied would be 2 where the market price is between \$0.20 and \$1.00. Where the market price is greater than \$1.00, a \$0.50 price increment is applied.

price per share if the One Month High Price or the Current Market Price, as applicable, is below the minimum price per share.

3. *Exceptions and Exclusions from the Illiquid Charge*

In order to avoid duplicate margin charges, NSCC does not apply the Illiquid Charge to Illiquid Positions when a greater Market Maker Domination (“MMD”) charge is also applicable to those positions. The MMD charge applies to a position in a security that is greater than forty percent of the overall unsettled Long Position in that security, if such position is held by the Market Maker in that security.¹⁷ NSCC also excludes family-issued securities from the definition of Illiquid Securities.

a. Market Maker Domination Charge Exception

NSCC assesses and collects an MMD charge as part of a Member’s Required Deposit to address the risk presented by a concentrated position in a security when the Member holding the position is the market maker. There may be instances when a Member’s Illiquid Position triggers both the Illiquid Charge and the MMD charge. Because these margin components are calculated to address duplicative risk concerns, NSCC imposes only the greater of the two charges when both charges are applicable.

Additionally, in order to improve clarity and create ease of reference in the Rules, NSCC would amend the Rules by defining the term “Market Maker Domination Charge” in Procedure XV, Section I.(A)(1)(d) and using the defined term in Section I.(A)(2)(c).¹⁸

¹⁷ For purposes of calculating the MMD charge, the overall unsettled Long Position is calculated as the sum of each Member’s net Long Position. Application and calculation of the MMD charge is described in Procedure XV of the Rules, Sections I.(A)(1)(d) and I.(A)(2)(c). Supra note 3.

¹⁸ Supra note 3.

b. Family-Issued Securities Charge Exception

Additionally, family-issued securities are excluded from the definition of Illiquid Securities and, therefore, are not subject to the Illiquid Charge. Family-issued securities have a different risk profile than other illiquid securities. In particular, these securities expose NSCC to specific wrong-way risk.¹⁹ Therefore, NSCC margins family-issued securities separately, through the margining methodology that currently applies to these securities, in order to address those unique risk characteristics.²⁰

In order to improve clarity and because family-issued securities have a different risk profile than other illiquid securities, NSCC would exclude family-issued securities from the definition of “Illiquid Security” in the proposed rule change.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act, requires, in part, that the Rules be designed to assure the safeguarding of securities and funds that are within the custody or control of the clearing agency.²¹ By incorporating the Illiquid Charge into the Rules, the proposed change helps protect NSCC from potential losses in the event that a Member defaults. Specifically, the Illiquid Charge is calculated and collected by NSCC in order to mitigate the risk that its liquidation of Illiquid Securities, following a Member default, is difficult

¹⁹ See Principles for financial market infrastructures, issued by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions 47n.65 (April 2012), available at <http://www.bis.org/publ/cpps101a.pdf>.

²⁰ The definition of family-issued securities and the margin methodology applicable to positions in these securities is described in Procedure XV of the Rules, Section I.(B)(1). Supra note 3.

²¹ 15 U.S.C. 78q-1(b)(3)(F).

or delayed due to the nature of those securities, as described above. Therefore, by enabling NSCC to better assess and collect funds, as it deems necessary, the Illiquid Charge would promote the safeguarding of securities and funds that are within its custody or control, consistent with the requirements of Section 17(b)(3)(F) of the Act.²²

Rule 17Ad-22(b)(1) under the Act requires, in part, that NSCC establish, implement, maintain and enforce written policies and procedures reasonably designed to limit its exposures to potential losses from defaults by its Members under normal market conditions, so that NSCC's operations would not be disrupted and non-defaulting participants would not be exposed to losses that it cannot anticipate or control.²³ Illiquid Securities lack marketability, may present insufficient access to a trading venue, and may have low and volatile share prices. Therefore, the Illiquid Charge is designed to mitigate the risk that NSCC faces that liquidation of these securities in the event of a Member default could be difficult or delayed as a result of these characteristics. As such, this charge is designed to obtain funds from Members that are sufficient to cover the risks presented by such Illiquid Position. This management of NSCC's credit exposures to its Members is consistent with Rule 17Ad-22(b)(1) under the Act.²⁴

Rule 17Ad-22(b)(2) under the Act requires NSCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to use margin requirements to limit its credit exposures to participants under normal market

²² Id.

²³ 17 CFR 240.17Ad-22(b)(1).

²⁴ Id.

conditions.²⁵ The Illiquid Charge is a component of Members' Required Deposits, which are calculated to ensure that NSCC covers its credit exposures at a confidence level of at least 99 percent under normal market conditions. Therefore, NSCC believes that the proposed rule change is consistent with Rule 17Ad-22(b)(2) under the Act.²⁶

The proposal is also designed to be consistent with Rules 17Ad-22(e)(4) and (e)(6) under the Act, which were recently adopted by the Commission.²⁷ Rule 17Ad-22(e)(4)(i) will require NSCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to Members and those exposures arising from its payment, clearing, and settlement processes, including by maintaining sufficient financial resources to cover its credit exposure to each Member fully with a high degree of confidence.²⁸ NSCC's Illiquid Charge is calculated and imposed to cover credit exposures estimated by NSCC based on the amount and nature of Illiquid Securities in a Member's portfolio and is designed to obtain from such Member financial resources sufficient to cover those credit exposures posed by such Illiquid Positions with a high

²⁵ 17 CFR 240.17Ad-22(b)(2).

²⁶ Id.

²⁷ The Commission adopted amendments to Rule 17Ad-22, including the addition of new subsection 17Ad-22(e), on September 28, 2016. See Securities Exchange Act Release No. 78961 (September 28, 2016), 81 FR 70786 (October 13, 2016) (S7-03-14). NSCC is a "covered clearing agency" as defined by new Rule 17Ad-22(a)(5) and must comply with new subsection (e) of Rule 17Ad-22 by April 11, 2017. Id.

²⁸ Id.

degree of confidence. NSCC believes that management of its credit exposure to Members in this way is consistent with Rule 17Ad-22(e)(4)(i) under the Act.²⁹

Rule 17Ad-22(e)(6)(v) and (vi) under the Act will require, in part, NSCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to cover its credit exposures to its Members by establishing a risk-based margin system that, at a minimum, uses an appropriate method for measuring credit exposure that accounts for relevant product risk factors and portfolio effects across products and is monitored by management on an ongoing basis and regularly reviewed, tested and verified.³⁰ The Illiquid Charge is determined using a risk-based margin methodology designed to maintain the coverage of NSCC's credit exposures to its Members at a confidence level of at least 99 percent. The charge is calculated to address the unique risk characteristics presented by Illiquid Securities, specifically their lack of marketability and their low and volatile share prices. Therefore, NSCC believes that the proposal is also consistent with Rule 17Ad-22(e)(6)(v) and (vi) under the Act.³¹

(B) Clearing Agency's Statement on Burden on Competition

NSCC does not believe that the Illiquid Charge imposes any burden on competition that is not necessary or appropriate.³² This charge is necessary for NSCC to limit its exposures to potential losses from defaults by Members. The Illiquid Charge is imposed on Members on an individualized basis in an amount reasonably calculated to

²⁹ Id.

³⁰ Id.

³¹ Id.

³² 15 U.S.C. 78q-1(b)(3)(I).

mitigate the risks posed to NSCC by Illiquid Securities. NSCC employs reasonable methods to calculate and impose an individualized charge in an amount designed to address the risk that NSCC's liquidation of Illiquid Securities, following a Member default, is difficult or delayed due to the risk characteristics of these securities, as described above. NSCC believes any burden on competition imposed by the addition of the Illiquid Charge to the Rules would be necessary and appropriate to limit NSCC's exposures to the risks being mitigated by such charge.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

NSCC has not received any written comments relating to this proposal. NSCC will notify the Commission of any written comments it receives.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NSCC-2017-001 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-NSCC-2017-001. 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 (<http://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-2017-001 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.³³

Eduardo A. Aleman
Assistant Secretary

³³ 17 CFR 200.30-3(a)(12).