

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-89949; File No. SR-NSCC-2020-003)

September 22, 2020

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Enhance National Securities Clearing Corporation's Haircut-Based Volatility Charge Applicable to Illiquid Securities and UITs and Make Certain Other Changes to Procedure XV

On March 16, 2020, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-NSCC-2020-003 ("Proposed Rule Change") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² The Proposed Rule Change was published for comment in the Federal Register on March 31, 2020.³ The Commission received comment letters on the Proposed Rule Change.⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 88474 (March 25, 2020), 85 Fed. Reg. 17910 (March 31, 2020) (SR-NSCC-2020-003) ("Notice"). NSCC also filed the proposal contained in the Proposed Rule Change as advance notice SR-FICC-2020-802 ("Advance Notice") with the Commission pursuant to Section 806(e)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act"). 12 U.S.C. 5465(e)(1); 17 CFR 240.19b-4(n)(1)(i). Notice of filing of the Advance Notice was published for comment in the Federal Register on April 15, 2020. Securities Exchange Act Release No. 88615 (April 9, 2020), 85 Fed. Reg. 21037 (April 15, 2020) (SR-NSCC-2020-802). The proposal contained in the Proposed Rule Change and the Advance Notice shall not take effect until all regulatory actions required with respect to the proposal are completed.

⁴ Letter from Christopher R. Doubek, CEO, Alpine Securities Corporation (April 21, 2020); Letter from John Busacca, Founder, Securities Industry Professional Association (April 23, 2020); Letter from Charles F. Lek, Lek Securities Corporation (April 30, 2020); Letter from James C. Snow, President/CCO,

On May 21, 2020, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the Proposed Rule Change.⁶ On June 24, 2020, the Commission instituted proceedings pursuant to Section 19(b)(2)(B) of the Act,⁷ to determine whether to approve or disapprove the Proposed Rule Change.⁸ The Commission received additional comment letters on the Proposed Rule Change.⁹

Section 19(b)(2) of the Act¹⁰ provides that proceedings to determine whether to approve or disapprove a proposed rule change must be concluded within 180 days of the date of publication of notice of filing of the proposed rule change. The time for conclusion of the proceedings may be extended for up to 60 days if the Commission

Wilson-Davis & Co., Inc. (May 1, 2020), all available at <https://www.sec.gov/comments/sr-nsec-2020-003/srnsec2020003.htm>.

⁵ 15 U.S.C. 78s(b)(2).

⁶ Securities Exchange Act Release No. 88885 (May 15, 2020), 85 Fed. Reg. 31007 (May 21, 2020) (SR-NSCC-2020-003).

⁷ 15 U.S.C. 78s(b)(2)(B).

⁸ Securities Exchange Act Release No. 89145 (June 24, 2020), 85 Fed. Reg. 39244 (June 30, 2020) (SR-NSCC-2020-003).

⁹ Letter from Daniel Zinn, General Counsel, and Cass Sanford, Associate General Counsel, OTC Markets Group Inc. (June 26, 2020); Letter from Kim Unger, CEO/Executive Director, The Security Traders Association of New York, Inc. (June 30, 2020); Letter from Daniel Zinn, General Counsel, and Cass Sanford, Associate General Counsel, OTC Markets Group Inc. (July 21, 2020); Letter from James C. Snow, CCO, Wilson-Davis & Co., Inc. (July 29, 2020); Letter from Timothy J. Cuddihy, Managing Director, DTCC Financial Risk Management (September 3, 2020) all available at <https://www.sec.gov/comments/sr-nsec-2020-003/srnsec2020003.htm>.

¹⁰ 15 U.S.C. 78s(b)(2).

determines that a longer period is appropriate and publishes the reasons for such determination.¹¹ The 180th day after publication of the Notice in the Federal Register is September 27, 2020.

The Commission is extending the period for Commission action on the Proposed Rule Change. The Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change so that the Commission has sufficient time to consider the issues raised by the Proposed Rule Change and to take action on the Proposed Rule Change. Accordingly, pursuant to Section 19(b)(2)(B)(ii)(II) of the Act,¹² the Commission designates November 26, 2020, as the date by which the Commission should either approve or disapprove the Proposed Rule Change SR-NSCC-2020-003.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

J. Matthew DeLesDernier
Assistant Secretary

¹¹ 15 U.S.C. 78s(b)(2)(B)(ii)(II).

¹² Id.

¹³ 17 CFR 200.30-3(a)(57).