

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-68562; File No. SR-NSCC-2012-11)

January 2, 2013

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Revise Its Fee Structure as It Relates to Certain Insurance and Retirement Processing Services and to Remove Reference to and the Fees Related to FundSPEED, a Discontinued Service

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 December 21, 2012, the 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 primarily by NSCC. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii)<sup>3</sup> of the Act and Rule 19b-4(f)(2)<sup>4</sup> thereunder, so that 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 is to revise Addendum A (Fee Structure) of NSCC’s Rules & Procedures (“Rules”) as it relates to certain Insurance and Retirement Services (“I&RS”) fees and remove reference to FundSPEED, a discontinued service.

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<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)(ii).

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

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.<sup>5</sup>

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

(a) Proposal Overview

The purpose of the proposed rule change is to revise NSCC's fee schedule (as listed in Addendum A of the Rules), as it relates to certain I&RS, to replace the current fee structure with a tiered fee structure. This change is being made in order to simplify the fee schedule with respect to these services. In connection with this change, certain I&RS fees have been changed in order to align those fees with the costs of delivering the related services, with the expectation that the fee changes, in the aggregate, will be revenue neutral to NSCC.

The Addendum A I&RS fee schedule changes are:

- eliminating the Business Attachment subpart and associated fees;
- eliminating the Licensing and Appointments subpart and associated fees;
- eliminating the Request for Replacement subpart and associated fees;
- eliminating the Request for Replacement Status (including incremental statuses) subpart and associated fees;
- eliminating the Inforce Transaction Fees section and associated fees; and

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<sup>5</sup> The Commission has modified the text of the summaries prepared by NSCC.

- adding an Other Services Fees section, comprised of the following five tiers and associated fees and services:
  1. **TIER 1** – \$0.05 – All Attachments (per attachment, per side);
  2. **TIER 2** – \$0.15 – Licensing and Appointments (L&A) Periodic Reconciliation (per item);
  3. **TIER 3** – \$0.35 – Licensing and Appointments (L&A) Transaction (per item), Registered Representative Change Confirm (per transaction, per side), Brokerage Identification Number Change Request (per transaction, per side), Brokerage Identification Number Change Confirm (per transaction, per side), Values Inquiry (per inquiry, includes response, per side);
  4. **TIER 4** – \$0.65 – Customer Account Transfer Output (per transaction, charged to Insurance Carrier/Retirement Services Member only), Customer Account Transfer Confirm (per transaction, per side), Settlement Processing (per transaction, per side), Request for Replacement Status (a/k/a Pending Case Status) – Receiving Carrier (per Request for Replacement Status), Request for Replacement Status (a/k/a Pending Case Status) – Deliverer (per Request for Replacement Status), Registered Representative Change Request (per transaction, per side), Time Expired Transaction (per transaction, per side); and
  5. **TIER 5** – \$1.25 – Fund Transfer (per request, per side), Withdrawals (per request, per side), Arrangements (per request, per side), Request for Replacement – Delivering Carrier (per request), Request for Replacement – Receiving Carrier (per request).NSCC is also removing reference to the I&RS

“Beneficiary Update Request” and “Beneficiary Confirm” in Addendum A of the Rules. These functions do not require a line item in the fee schedule because there is no charge for these services.

In addition, NSCC is making a technical change to remove from Addendum A of the Rules reference to and the fees related to FundSPEED, as this service was discontinued.

The above changes took effect on January 1, 2013.

(b) Statutory Basis

NSCC believes the proposed rule is consistent with the requirements of the Act, specifically Section 17A(b)(3)(F),<sup>6</sup> and the rules and regulations thereunder applicable to NSCC because it updates NSCC’s fee schedule to align fees with the costs of delivering services. As such, it provides for the equitable allocation of fees among NSCC’s Members.

(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 forgoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>7</sup> and Rule 19b-4(f)(2)<sup>8</sup> thereunder. At any time within 60 days of the filing of the proposed

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<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

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:

- 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 No. SR-NSCC-2012-11 on the subject line.

##### Paper Comments:

- Send in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C., 20549-1090.

All submissions should refer to File Number SR-NSCC-2012-11. 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, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the principal office of NSCC and on NSCC's website at [http://www.dtcc.com/downloads/legal/rule\\_filings/2012/nsc/SRO-NSCC-2012-11.pdf](http://www.dtcc.com/downloads/legal/rule_filings/2012/nsc/SRO-NSCC-2012-11.pdf).

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-2012-11 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>9</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>9</sup> 17 CFR 200.30-3(a)(12).