

Memorandum

To: SR-NSCC-2021-803

From: Office of Clearance and Settlement, Division of Trading and Markets

Re: Response to the Commission's Request for Additional Information

Date: December 13, 2021

On July 22, 2021, the National Securities Clearing Corporation ("NSCC") filed advance notice SR-NSCC-2021-803 ("Advance Notice") with the U.S. Securities and Exchange Commission ("Commission"), pursuant to Section 806(e)(1)(A) of the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act")¹ and Rule 19b-4(n)(1)(i) of the Securities Exchange Act of 1934,² to (i) establish new membership categories and requirements for sponsoring members and sponsored members, (ii) establish a new membership category and requirements for agent clearing members, (iii) establish the securities financing transaction clearing service to make central clearing available at NSCC for equity securities financing transactions, and (iv) make other amendments and clarifications to the Rules.³ The Advance Notice was published for comment in the Federal Register on August 12, 2021.⁴

On August 30, 2021, the Commission, by the Division of Trading and Markets, pursuant to delegated authority,⁵ requested additional information from NSCC pursuant to Section 806(e)(1)(D) of the Clearing Supervision Act.⁶

¹ 12 U.S.C. 5465(e)(1)(A).

² 17 CFR 240.19b-4(n)(1)(i).

³ NSCC also filed the proposal contained in the Advance Notice as proposed rule change SR-NSCC-2021-010 ("Proposed Rule Change") under Section 19(b)(1) of the Securities Exchange Act of 1934 and Rule 19b-4, thereunder 12 U.S.C 78s(b)(1) and 17 CFR 240.19b-4. The Proposed Rule Change was published in the Federal Register on August 12, 2021. Securities Exchange Act Release No. 92570 (August 5, 2021), 86 Fed. Reg. 44482 (August 12, 2021) (SR-NSCC-2021-010).

⁴ Securities Exchange Act Release No. 92568 (August 5, 2021), 86 Fed. Reg. 44530 (August 12, 2021) (SR-NSCC-2021-803).

⁵ 17 CFR 200.30-3(a)(93).

⁶ 12 U.S.C. 5465(e)(1)(D).

Pursuant to Section 806(e)(1) of the Clearing Supervision Act,⁷ the Commission's period of review of the Advance Notice is tolled and shall be 60 days from the date the information requested is received by the Commission absent an additional information request.

On December 13, 2021, the Commission received NSCC's response to the Commission's request for additional information. Accordingly, February 11, 2022 is the date by which the Commission shall notify NSCC of any objection regarding the Advance Notice, unless the Commission requests further information for consideration of the Advance Notice.

⁷ See 12 U.S.C. 5465(e)(1)(E) and (G).