

Bold and underlined text indicates proposed added language.

~~Bold and strikethrough text~~ indicates proposed deleted language.

**NATIONAL SECURITIES CLEARING CORPORATION
RULES & PROCEDURES**

NATIONAL SECURITIES CLEARING CORPORATION RULES

RULE 1. DEFINITIONS AND DESCRIPTIONS

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[Changes to this Rule, as amended by File No. SR-NSCC-2024-004, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. On November 15, 2024, these changes will be implemented and this legend will automatically be removed from this Rule.]

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~~*LM Member-provided Data*~~

~~The term “LM Member-provided Data” has the meaning specified in Rule 54.~~

~~*LM Trade Date Data*~~

~~The term “LM Trade Date Data” has the meaning specified in Rule 54.~~

~~*LM Transaction Data*~~

~~The term “LM Transaction Data” has the meaning specified in Rule 54.~~

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~~*RP Member-provided Data*~~

~~The term “RP Member-provided Data” has the meaning specified in Rule 54.~~

~~*RP Trade Date Data*~~

~~The term “RP Trade Date Data” has the meaning specified in Rule 54.~~

~~*RP Transaction Data*~~

~~The term “RP Transaction Data” has the meaning specified in Rule 54.~~

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RULE 54. DTCC LIMIT MONITORING RISK MANAGEMENT TOOL (RULE NUMBER RESERVED FOR FUTURE USE)

[Changes to this Rule, as amended by File No. SR-NSCC-2024-004, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. On November 15, 2024, these changes will be implemented and this legend will automatically be removed from this Rule.]

SEC. 1. General

~~NSCC may provide its Members with a risk management tool called DTCC Limit Monitoring that will enable Members to monitor trading activity on an intraday basis of their organizations and/or their correspondent firms through review of post-trade data. DTCC Limit Monitoring will be available to all Members.~~

~~DTCC Limit Monitoring will provide Members with: (i) post-trade data relating to unsettled equity and debt securities trades for a given day that have been compared or recorded through the Corporation's trade capture mechanisms on that day ("LM Trade Date Data"), and (ii) other information as provided in this Rule and the DTCC Limit Monitoring Procedure. The trade capture mechanisms utilized in the production of LM Trade Date Data shall be as determined by the Corporation from time to time.~~

~~A Member is able to access LM Trade Date Data and other information through DTCC Limit Monitoring only with respect to its own account(s) at the Corporation. Through the utilization of filtering criteria known as "Risk Entities", a Member can define activity it seeks to monitor through the risk management tool, including that of its correspondents, or other entities or groups for which LM Trade Date Data is processed through the Members' account, including relating to subgroups within its own business.⁴~~

~~Members using the tool will have the ability to input or load start of day and/or intra-day position data representing open activity from prior days into DTCC Limit Monitoring on their own ("LM Member-provided Data") (LM Trade Date Data and LM Member-provided Data shall collectively be referred to as "LM Transaction Data"). Through its definition of Risk Entities, and as otherwise provided in the Procedures, a Member may create rules for the aggregation of LM Transaction Data, set parameters for the monitoring of each Risk Entities' activity in relation to LM Transaction Data, and receive alerts for the display of parameter brakes relating to the LM Transaction Data. These functions, and the responsibilities of the Corporation and Members with respect to DTCC Limit~~

⁴~~The Corporation does not distinguish a Member's overall activity from that of the Member's customers or other groups. Therefore, a Member's ability to receive LM Trade Date Data organized by Risk Entity is entirely dependent upon the Member's provision of defining criteria in accordance with this Rule and the DTCC Limit Monitoring Procedure.~~

~~Monitoring are further described in the DTCC Limit Monitoring Procedure (Procedure XVII).~~

~~SEC. 2. No Impact on Trade Guaranty and Other Provisions~~

~~Neither reports nor data supplied to Members through DTCC Limit Monitoring, nor the timing of their distribution, will impact the timing, status, or effectiveness of a trade guaranty, or lack thereof, of any transaction in CNS Securities or Balance Order Securities. Furthermore, the provision of information or data to Members, or lack thereof, through DTCC Limit Monitoring will not be deemed to indicate or have any bearing on the status of any transaction, including, but not limited to, as compared, locked-in, validated, guaranteed, or not guaranteed. Any Member that registers for DTCC Limit Monitoring shall indemnify the Corporation, and any of its employees, officers, directors, shareholders, agents, and participants who may sustain any loss, liability, or expense as a result of any act or omission by the Member made in reliance upon data or information furnished through DTCC Limit Monitoring to the Member (whether derived from LM Trade Date Data, LM Member-provided Data, or LM Transaction Data).~~

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RULE 58. LIMITATIONS ON LIABILITY

[Changes to this Rule, as amended by File No. SR-NSCC-2024-004, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. On November 15, 2024, these changes will be implemented and this legend will automatically be removed from this Rule.]

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SEC. 2. Notwithstanding any other provision in the Rules:

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~~(i) — The Corporation will not be responsible for the completeness or accuracy of LM Trade Date Data, LM Member-provided Data, LM Transaction Data, or other information or data which it receives from Members or third parties and which is utilized in DTCC Limit Monitoring, nor for any errors, omissions or delays which may occur in the transmission of such data or information.~~

(ji) The Corporation will not be responsible for the completeness or accuracy of the transaction data received from the Approved SFT Submitters, nor shall the Corporation, absent gross negligence on the Corporation's part, be responsible for any errors, omissions or delays that may occur in the transmission of transaction data from any Approved SFT Submitter.

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PROCEDURE XVII. ~~DTCC LIMIT MONITORING PROCEDURE (PROCEDURE NUMBER RESERVED FOR FUTURE USE)~~

[Changes to this Procedure, as amended by File No. SR-NSCC-2024-004, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. On November 15, 2024, these changes will be implemented and this legend will automatically be removed from this Procedure.]

A. ~~Introduction~~

~~DTCC Limit Monitoring is a risk management tool available to Members as provided in Rule 54 and this Procedure.~~

~~Members registered for DTCC Limit Monitoring may create Risk Entities (as defined in Rule 54 and more fully described below) and other parameters that: (1) define the rules for the aggregation of trade data, (2) set parameters for the monitoring of each Risk Entities' activity in relation to such data, and (3) trigger alerts to Members of parameter breaks.~~

B. ~~DTCC Limit Monitoring Processing~~

~~1. Data Capture and Member Input~~

~~a. Data Capture~~

~~On each trade date, the Corporation may, within timeframes it may establish from time to time, populate DTCC Limit Monitoring with LM Trade Date Data which has been compared or recorded through trade capture mechanisms as it determines from time to time.²~~

~~b. Member Input~~

~~Members may, in their sole discretion, input or load LM Member-provided Data to DTCC Limit Monitoring. Such data shall be submitted by Members within such timeframes as determined by the Corporation from time to time and in format(s) deemed acceptable by the Corporation.~~

~~2. Establishing Risk Entities~~

~~Within timeframes as permitted by the Corporation from time to time, Members that are registered for DTCC Limit Monitoring may establish Risk Entities. Members shall define Risk Entities utilizing strings of data elements~~

²~~Such mechanisms include all new settling trades including trades compared and/or recorded by the Real-Time Trade Matching service and the Universal Trade Capture system. Transaction details submitted to the Obligation Warehouse are not forwarded to DTCC Limit Monitoring.~~

~~(referred to as “trade arrays”) according to categories established for this purpose by the Corporation from time to time. Members may utilize multiple trade arrays in the definition of a single Risk Entity. Examples of data elements that a Member may select to be included in a trade array are clearing broker account number (i.e., the Member’s own main account or subaccount number(s)), executing broker symbol, market, and other identifying details as the Corporation may permit.~~

~~3. Processing~~

~~LM Transaction Data for each Member shall be aggregated and sorted by the Corporation by Risk Entity and made available to that Member at the Member’s own convenience. Intraday allocations in the settlement system are not taken into consideration as they are not effective until the Effective Time (as defined in Rule 12). LM Transaction Data may include values on a net notional basis, and as calculated on other bases as determined by the Corporation from time to time. LM Trade Date Data shall be carried at contract amount unless the Corporation otherwise has added a pricing methodology for the relevant security, and LM Member-provided Data shall include pricing as provided by the applicable Member.~~

~~4. Parameter Breach Warnings~~

~~Members registered for DTCC Limit Monitoring may designate parameters to associate with each Risk Entity from certain parameter types that are established or permitted by the Corporation from time to time. DTCC Limit Monitoring then sets “early warning” limits at 75% and 90% of the parameters set by Members for each Risk Entity.~~

~~Members may review reports and alerts on an on-going basis and, as necessary, modify established parameters to reflect current trading activities within each of their Risk Entities. While Members are ultimately responsible for ensuring that the parameters set on trading activity are appropriate, NSCC staff may, in its sole discretion, review trade activity reports and alerts, and may contact Members to discuss any concerns if, for example, the parameters set are not aligned with recent average trading activity.~~

~~The Corporation maintains totals of the relevant information which it compares to the designated parameters. The identification of an early warning or parameter breach triggers an alert by the Corporation to the Member. An alert shall be issued within such timeframe as the Corporation deems reasonable and necessary for it to process, validate, and report the relevant data or information.~~

~~5. End of Day and Monthly Reporting~~

~~The Corporation may provide Members end of day and monthly reports, which include Members’ current Risk Entity definitions, alert history, and other~~

~~data or information as the Corporation determines to make available from time to time.~~

~~6. — Contacts for DTCC Limit Monitoring~~

~~Members may identify primary and secondary contacts within their firm for DTCC Limit Monitoring.~~

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