

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71155; File No. SR-NSCC-2013-14]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Its Fee Schedule

December 20, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b-4 thereunder, ² notice is hereby given that on December 17, 2013, 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 by NSCC. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) ³ of the Act and Rule 19b-4(f)(2) ⁴ thereunder; 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 consist [sic] of amendments to the Rules & Procedures (“Rules”) of NSCC to modify its fee schedule, as more fully 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, 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.

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

(i) Introduction

The purpose of the proposed rule change is to revise NSCC’s fee schedule (as listed in Addendum A of the Rules)

in connection with the recent approval of additional alternative investment products eligible for processing through the Alternative Investment Product Services (“AIP”) of NSCC, as well as to eliminate the fee cap currently applicable to AIP Distributors ⁵ processing Registered Hedge Fund transactions through AIP. In general, AIP fees are grouped by volume—higher volume alternative investment products are charged reduced fees, while lower volume alternative investment products are charged higher fees. The newly approved additional alternative investment products eligible for AIP processing are being added to the higher volume category. Under the current AIP fee structure, AIP Distributors are eligible for a fee cap of \$50,000 annually (“Fee Cap”) on higher volume alternative investment products, such as Non-Traded REITs and Managed Futures. Currently, Registered Hedge Funds are included within the annual Fee Cap. NSCC is amending the existing fee structure to eliminate this Fee Cap as applicable to Registered Hedge Fund transactions and to include the newly added alternative investment products within the Fee Cap.

Additionally, NSCC is proposing to revise its fee schedule with respect to its trade clearance fees in order to align these fees with the costs of delivering services.

Implementation Timeframe

The proposed fee changes will take effect on January 1, 2014.

Proposed Rule Changes

These proposed rule changes are marked on Exhibit 5 to this proposed rule change. No other changes to the Rules are contemplated by this proposed rule change.

(ii) Statutory Basis

The proposed rule change will align NSCC’s fees with the costs of delivering services, and will allocate those fees equitably among the NSCC members that use those services. Therefore, NSCC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to NSCC, in particular Section 17A(b)(3)(D) of the Act, which requires that NSCC’s Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

(B) Clearing Agency’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. As stated above, the proposed changes will align NSCC’s fees with the costs of delivering services to its members, and will not disproportionately impact any NSCC members.

(C) Clearing Agency’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 ⁶ and Rule 19b-4(f)(2) ⁷ thereunder. At any time within 60 days of the filing of the proposed 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 email to rule-comments@sec.gov. Please include File No. SR-NSCC-2013-14 on the subject line.

Paper Comments

- Send in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File No. SR-NSCC-2013-14. This file number should be included on the subject line if email is used. To help the Commission process and review your

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ AIP Distributors are generally broker/dealers, or otherwise, the buy-side of an AIP transaction.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<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 Web site 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 such filings will also be available for inspection and copying at the principal office of NSCC and on NSCC's Web site at (http://dtcc.com/legal/rule_filings/nscc/2013.php).

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 No. SR-NSCC-2013-14 and should be submitted on or before January 17, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71153; File No. SR-ISE-2013-67]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make Non-Controversial Changes to ISE Rules

December 20, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that, on December 5, 2013, the International Securities Exchange, LLC (the "Exchange" or the "ISE") 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 by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to make a number of non-controversial changes and technical corrections to its rules. Examples of such corrections include updating ISE rule number citations and cross references, correcting typographical errors, deleting obsolete rule text, and updating the table of contents. The text of the proposed rule change is available on the Exchange's Internet Web site at <http://www.ise.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization 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 self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange is proposing to make a number of non-controversial and technical changes to its rules. Examples of such corrections include updating ISE rule number citations and cross-references, correcting typographical errors, and deleting obsolete rule text. Following is a narrative description of each of the corrections:

- The Table of Contents to the ISE Rules is being amended to correct a typo in the title of Rule 311 and to reflect the adoption of ISE Rule 703A (Trading During Limit Up-Limit Down States in Underlying Securities), since this rule

was not added to the Table of Contents when this rule was initially adopted.³

- ISE Rule 413 (Exemptions from Position Limits) is being amended to update an incorrect rule cross-reference numbers in paragraphs (a), (a)(7)(A) and (a)(7)(F). The cross-references are incorrect due to amendments to the cross-referenced rules which changed the numbering and therefore made the cross-reference incorrect.

- ISE Rule 701 (Trading Rotations) is being amended to make a non-substantive change to correct a typographical error in paragraph (b)(2) and to remove the first sentence in paragraph (c), which states that trading in options will close 2 minutes after the primary market on which the underlying stock trades closes for trading. This reference to a 4:02 p.m. closing should have been removed when the hours of trading on the Exchange were amended,⁴ but was inadvertently overlooked.

- ISE Rule 705 (Limitation of Liability) is being amended to change a non-substantive word to update the sentence structure of paragraph (a).

- ISE Rule 715 (Types of Orders) is being amended to delete the duplicate definition of "Minimum Quantity Orders" in paragraph (l) and replace it with the defined term of "Day Order." Paragraph (r) is being added to define the term "Good-Till-Cancelled Order (GTC Order)." The addition of these two order types qualify for non-controversial treatment as there is nothing new or novel with respect to these types of orders because they already exist on other exchanges, for example, the Chicago Board Options Exchange has identical order types.⁵

- Supplementary Material .08 to ISE Rule 716 (Block Trades) is being amended to make a non-substantive change to delete the term "Indications" and replace it with the term "Responses" for consistency throughout the rule.

- ISE Rule 802 (Appointment of Market Makers) is being amended to insert a non-substantive word to correct the sentence structure of paragraph (c)(3).

- ISE Rules 803, 810 and 811 are being amended to remove cross-references to Rule 803(c)(2) and replace them with the correct cross-references, where applicable.

³ See Securities Exchange Act Release No. 69148 (March 15, 2013), 78 FR 17462 (March 21, 2013) (SR-ISE-2013-20).

⁴ See Securities Exchange Act Release No. 53248 (February 7, 2006), 71 FR 8015 (February 15, 2006) (SR-ISE-2005-58).

⁵ See CBOE Rule 43.2(5) and (7).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.