

# IMPORTANT NOTICE

National Securities Clearing Corporation



**A# 6180**

**P&S 5750**

**DATE:** December 29, 2005

**TO:** ALL PARTICIPANTS

**ATTENTION:** MANAGING PARTNER/OFFICER,  
OPERATIONS PARTNER/OFFICER,  
DIRECTOR OF OPERATIONS,  
MANAGER P&S DEPARTMENT

**FROM:** General Counsel's Office

**SUBJECT:** Rule Filing (SR-NSCC-2005-17) - Settlement of Commission Bills

National Securities Clearing Corporation ("NSCC" or "the Corporation") has filed a rule change with the Securities and Exchange Commission ("SEC") pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934, to modify NSCC's Rules and Procedures (the "Rules") with regard to the collection of commission payments pursuant to Rule 16 (Settlement of Commissions).

As part of ongoing efforts to increase processing efficiencies, NSCC has determined to modify its Rules to further standardize and automate the processing of commission bill payments under Rule 16 (Settlement of Commissions).

NSCC proposes to modify Rule 16 to require the use of ACH pre-authorized payments (i.e. "ACH debits") to collect funds from those Non-Clearing Members that are indebted to the Corporation as a result of utilizing the Commission Bill service. Accordingly, upon the SEC's approval of the rule filing, NSCC will debit the bank account designated by each Non-Clearing Member an amount equal to the debit owed to the Non-Clearing Member by NSCC. (Generally, Commission Bill settlement debits and credits take place on the 15<sup>th</sup> day of each month or, if not a business day, on the preceding business day.)

**All Non-Clearing Members will be required to execute appropriate ACH documentation.** Please contact the following personnel to obtain the necessary ACH forms:

NYSE	Steve Fuller	212-656-2071
AMEX	Joe Basso	212-306-1757

**ACH documentation should be remitted to NSCC by March 15, 2006, but not later than June 1, 2006. Non-Clearing Members that do not provide the required ACH documentation to NSCC within the time specified will not be permitted to participate in the service.**

Participants will be advised via subsequent NSCC Important Notice as to the implementation of this change.

The full text of the rule change (SR-NSCC-2005-17) may be obtained by visiting our web site at [www.nsc.com](http://www.nsc.com). Written comments on the proposed rule filing may be addressed to Lisa T. Siebold, Assistant Secretary, National Securities Clearing Corporation, 55 Water Street, New York, New York 10041, and your comments will be forwarded to the SEC. You may also address your written comments to the Secretary of the Commission, Securities and Exchange Commission, 100 F Street NE, Washington DC 20549. We request that you provide NSCC with a copy of your comments.

Questions regarding the above filing should be directed to Lisa T. Siebold, Director and Assistant Secretary at (212) 855-3206, or the undersigned at (212) 855-3208.

Merrie Faye Witkin  
Vice President and Senior Counsel