

OMB APPROVAL

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Page 1 of 14

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No. SR - 2005 - 09
 Amendment No. []

Proposed Rule Change by National Securities Clearing Corporation
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input type="checkbox"/>	Section 19(b)(3)(A) <input checked="" type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Date Expires <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input checked="" type="checkbox"/> 19b-4(f)(4)	
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document Exhibit 3 Sent As Paper Document

Description
 Provide a brief description of the proposed rule change (limit 250 characters).
 The proposed rule filing is to describe additional types of IPS Data that may be transmitted through NSCC pursuant to Rule 57 and modifies Addendum A (Fee Structure) of NSCC's Rules & Procedures.

Contact Information
 Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name: Lisa Last Name: Siebold
 Title: Assistant Corporate Secretary and Director
 E-mail: lsiebold@dtcc.com
 Telephone: (212) 855-3206 Fax: (212) 855-3214

Signature
 Pursuant to the requirements of the Securities Exchange Act of 1934,
 has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date: 08/10/2005
 By: Larry Thompson (Name) General Counsel (Title)
 NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.
 Larry Thompson

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change.

(a) The proposed rule change is annexed hereto as Exhibit 5 and consists of 1) a description of additional types of IPS Data that may be transmitted through National Securities Clearing Corporation (“NSCC” or the “Corporation”) under Rule 57 (Insurance Processing Service) and 2) revisions to Addendum A (Fee Schedule) of NSCC’s Rules & Procedures.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

(a) The proposed change has been approved by the Board of Directors of NSCC.

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

(a) The purpose of the proposed rule filing is to describe additional types of IPS Data that may be transmitted through NSCC pursuant to Rule 57 (Insurance Processing Service (“IPS”)) and to amend Addendum A (Fee Schedule) of NSCC’s Rules & Procedures (the “Rules”), establishing additional IPS fees.

On May 27, 2005, the Commission approved NSCC rule filing SR-NSCC-2005-02¹ (*see* Release No. 34-51753). The rule filing enhanced NSCC’s Automated Customer Account Transfer Service (“ACATS”) and IPS rules to provide for Inforce Transactions (“IFT”), a new IPS service. The enhancements permit delivering and receiving broker/dealers to communicate information relating to a change in broker/dealer of record for applicable insurance products through ACATS. ACATS then communicates the information via a link to IFT, which in turn communicates the information to the insurance company that issued the Eligible Insurance Product. IFT also communicates to ACATS whether the insurance company has confirmed the change, has rejected the change, or has requested a modification to the request.

In addition to establishing fees for the above, this filing provides for additional IFT administrative account maintenance capabilities that may be used outside of ACATS to perform changes that do not require firm-to-firm account transfers. Initially these functions will be with respect to changing the registered representatives and changing the brokerage account number

¹ Filed April 4, 2005, amended on April 12, 2005.

associated with an applicable insurance product, although NSCC intends to make additional account maintenance capabilities available to participants through IFT.

These fees and functions are as follows:

Customer Account Transfer Output (“CAT Output”) - Provides ACATS generated insurance registration information to insurance carriers. (\$0.95 per transaction, charged to insurance carrier only.)

Customer Account Transfer Confirm (“CAT Confirm”) – Allows insurance carriers to confirm insurance registration changes received back to the broker/dealer. (\$0.40 per transaction, charged to insurance carrier and receiving broker/dealer.)

Time Expired Transaction (“TEX”) – If either the insurance carrier or broker/dealer has not completed its transaction within 20 business days, IPS will generate a TEX transaction to inform both sides that the ACATS transaction has expired. (\$0.95 per transaction, charged to insurance carrier and receiving broker/dealer.)

Beneficiary Update Request (“BEN Request”) – Allows broker/dealer to provide beneficiary information on an insurance policy when the policy contains multiple beneficiaries. (No Charge)

Beneficiary Confirm (“BEN Confirm”) – Allows the insurance carrier to confirm BEN Request transactions back to the broker/dealer. (No Charge.)

²**Registered Representative Change Request (“REP Request”)** – Allows broker/dealer to change the registered representative on an insurance policy. (\$0.70 per transaction, charged to insurance carrier and broker/dealer.)

²**Registered Representative Change Confirm (“REP Confirm”)** – Allows insurance carriers to confirm REP Request transactions back to the broker/dealer. (\$0.30 per transaction, charged to insurance carrier and broker/dealer)

³**Brokerage Identification Number Change Request (“BIN Request”)** – Allows broker/dealer to change the brokerage account number affiliated with an insurance policy held at an insurance carrier. (\$0.50 per transaction, charged to insurance carrier and broker/dealer.)

³**Brokerage Identification Number Change Confirm (“BIN Confirm”)** – Allows the insurance carrier to confirm BIN Request transactions back to the

² May be used both in conjunction with ACATS and as a stand-alone IPS/IFT function

³ Stand-alone IPS/IFT function

broker/dealer. (\$0.20 per transaction, charged to insurance carrier and broker/dealer.)

The above fees apply to both test and production transactions. Fees for production transactions will be effective on September 1, 2005. Fees for test transactions will not be applicable until January 1, 2006.

- (b) The proposed rule change effects a change in an existing service that will facilitate the transmission of information for annuity and life insurance products in a standardized and automated format, using NSCC's connectivity. In addition, the proposed rule change establishes fees, providing for the equitable allocation of dues, fees and other charges among NSCC participants. Standardization and automation of information related to annuity and life insurance products can be expected to reduce processing errors and delays that are typically associated with manual processes. The proposed rule change is therefore consistent with the provisions of the Securities Exchange Act of 1934 (the "Act"), as amended, and the rules and regulations thereunder.

4. 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.

5. 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.

6. Extension of Time Period for Commission Action.

NSCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D).

- (a) The proposed rule change is to take effect pursuant to paragraph (A) of Section 19(b)(3) of the Act.
- (b) The proposed rule filing effects a change in an existing service that does not adversely affect the safeguarding of securities or funds in the custody or control of NSCC, does not significantly affect the respective rights or obligations of NSCC or persons using the service and provides for the

equitable allocation of dues, fees and other charges among NSCC participants. Therefore, the filing is consistent with the provisions of the Securities Exchange Act of 1934 (the “Act”), as amended, and the rules and regulations thereunder.

(c) Not applicable.

(d) Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

The proposed rule change is not based on the rules of another self-regulatory organization or the Commission.

9. Exhibits

Exhibit 1 - Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 – N/A

Exhibit 3 – N/A

Exhibit 4 – N/A

Exhibit 5 - Proposed Rule Text

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-NSCC-2005-09)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by National Securities Clearing Corporation (“NSCC”) relating to 1) a description of additional types of IPS Data that may be transmitted through NSCC under Rule 57 (Insurance Processing Service) and 2) revisions to Addendum A (Fee Schedule) of NSCC’s Rules & Procedures.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, 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. 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 text of the proposed rule change is attached hereto as Exhibit 5.

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

(1) The purpose of the proposed rule filing is to describe additional types of IPS Data that may be transmitted through NSCC’s pursuant to Rule 57 (Insurance Processing Service (“IPS”)) and to amend Addendum A (Fee Schedule) of NSCC’s Rules & Procedures (the “Rules”), establishing additional IPS fees.

On May 27, 2005, the Commission approved NSCC rule filing SR-NSCC-2005-02¹ (*see* Release No. 34-51753). The rule filing enhanced NSCC's Automated Customer Account Transfer Service ("ACATS") and IPS rules to provide for Inforce Transactions ("IFT"), a new IPS service. The enhancements permit delivering and receiving broker/dealers to communicate information relating to a change in broker/dealer of record for applicable insurance products through ACATS. ACATS then communicates the information via a link to IFT, which in turn communicates the information to the insurance company that issued the Eligible Insurance Product. IFT also communicates to ACATS whether the insurance company has confirmed the change, has rejected the change, or has requested a modification to the request.

In addition to establishing fees for the above, this filing provides for additional IFT administrative account maintenance capabilities that may be used outside of ACATS to perform changes that do not require firm-to-firm account transfers. Initially these functions will be with respect to changing the registered representatives and changing the brokerage account number associated with an applicable insurance product, although NSCC intends to make additional account maintenance capabilities available to participants through IFT.

These fees and functions are as follows:

Customer Account Transfer Output ("CAT Output") - Provides ACATS generated insurance registration information to insurance carriers. (\$0.95 per transaction, charged to insurance carrier only.)

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¹ Filed April 4, 2005, amended on April 12, 2005.

²**Registered Representative Change Request (“REP Request”)** – Allows broker/dealer to change the registered representative on an insurance policy. (\$0.70 per transaction, charged to insurance carrier and broker/dealer.)

²**Registered Representative Change Confirm (“REP Confirm”)** – Allows insurance carriers to confirm REP Request transactions back to the broker/dealer. (\$0.30 per transaction, charged to insurance carrier and broker/dealer)

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³**Brokerage Identification Number Change Confirm (“BIN Confirm”)** – Allows the insurance carrier to confirm BIN Request transactions back to the broker/dealer. (\$0.20 per transaction, charged to insurance carrier and broker/dealer.)

The above fees apply to both test and production transactions. Fees for production transactions will be effective on September 1, 2005. Fees for test transactions will not be applicable until January 1, 2006.

(2) The proposed rule change effects a change in an existing service that will facilitate the transmission of information for annuity and life insurance products in a standardized and automated format, using NSCC’s connectivity. In addition, the proposed rule change establishes fees, providing for the equitable allocation of dues, fees and other charges among NSCC participants. Standardization and automation of information related to annuity and life insurance products can be expected to reduce processing errors and delays that are typically associated with manual processes. The proposed rule change is therefore consistent with the provisions of the Securities Exchange Act of 1934 (the “Act”), as amended, and the rules and regulations thereunder.

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.

² May be used both in conjunction with ACATS and as a stand-alone IPS/IFT function

³ Stand-alone IPS/IFT function

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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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 may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to rule-comment@sec.gov. Please include File No. [XX] on the subject line.
- Paper comments should be sent in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington D.C. 20549-0609

All submissions should refer to File Number [XX]. 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 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 inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW, Washington DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of NSCC. 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 submission should refer to the file number above and should be submitted within _____ days after the date of publication.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz

EXHIBIT 5

Underlined boldface text indicates additions

[Bracketed, boldface strikeout] text indicates deletions

INSURANCE PROCESSING SERVICE

Rule 57. SEC. 1. The Corporation may provide a service to enable (i) Members, Insurance Carrier Members and Data Services Only Members to transmit such data and information as the Corporation may determine from time to time (the "IPS Data"), including, but not limited to, information related to insurance applications and initial premium payments ("Application Information"), subsequent premium payments ("Subsequent Premium Information"), **information and instructions related to insurance products ("Inforce Transactions")** and events and/or transactions occurring in respect of existing insurance contracts ("Financial Activity Information"); and (ii) Members and Insurance Carrier Members to settle payments relating to insurance products between themselves. Such services shall be known as the Insurance Processing Service ("IPS") and will be accomplished in accordance with the provisions of this Rule.

* * *

ADDENDUM A

NATIONAL SECURITIES CLEARING CORPORATION

FEE STRUCTURE

IV. OTHER SERVICE FEES

A. through T (no change)

U. Insurance Processing Service

1. Membership Fee ¹³ :	\$335 per month
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Provided that the Membership Fee for 2-5 qualified¹⁴ Memberships shall

¹³ Payable from the time an applicant is approved as a new participant or, if a current participant, when it is approved for use of the service.

¹⁴ Members are "qualified" if they are related by a common ownership scheme and/or, if there is an

be \$550 per month, and the Membership fee for 6 or more qualified Memberships shall be \$750 per month.

2. Transaction Fees ^{15, 16}:

a. Positions (both Full and Focused)

• From 0 to 500,000 items/month	\$8.00 per 1,000 items
• From 500,001 to 2,000,000 items/month	\$4.50 per 1,000 items
• From 2,000,001 to 4,000,000 items/month	\$3.75 per 1,000 items
• For 4,000,001 or more items/month	\$3.50 per 1,000 items

b. Asset Pricing

• From 0 to 49,999 items/month	\$0.75 per 1,000 items
• From 50,000 to 249,999 items/month	\$0.65 per 1,000 items
• From 250,000 to 999,999 items/month	\$0.55 per 1,000 items
• More than 999,999 items/month	\$0.45 per 1,000 items

c. Commissions

• From 0 to 999 items/month	\$40.00 per 1,000 items
• From 1,000 to 9,999 items/month	\$35.00 per 1,000 items
• From 10,000 to 29,999 items/month	\$30.00 per 1,000 items
• More than 29,999 items/month	\$25.00 per 1,000 items

d. Initial Application Information (APP)

For members for whom settlement is available:

• From 0 to 1,999 items/month	\$3.00 per item
• From 2,000 to 3,499 items/month	\$2.00 per item
• More than 3,499 items/month	\$1.00 per item

For members for whom settlement is not available:

• From 0 to 1,999 items/month	\$1.50 per item
• More than 1,999 items/month	\$1.00 per item

operational support services agreement in existence between entities.

¹⁵ Payable both for test and production transactions, provided that a participant in a pilot test program will not be charged for the transmission of pilot test files for the period from the date the participant commences participation in the pilot program, through the date that is the last business day of the calendar month immediately following the month during which the pilot enhancement or new IPS product is first released by NSCC into production.

¹⁶ All Transaction Fees are per side, and both sides are charged for each item.

e. Subsequent Activity (SUB)	\$0.50 per item
f. Financial Activity Report (FAR)	\$0.05 per item
g. Licensing and Appointments (L&A)	
• L&A Transaction	\$0.35 per item
• Periodic Reconciliation	\$0.15 per item
3. File Fee ^{13, 17} :	\$15.00 per file, per day

4. Inforce Transaction Fees¹⁸

<u>a. Customer Account Transfer Output</u>	<u>\$0.95 per transaction, charged to insurance carrier only</u>
<u>b. Customer Account Transfer Confirm</u>	<u>\$0.40 per transaction, charged to insurance carrier and receiving firm</u>
<u>c. Time Expired Transaction</u>	<u>\$0.95 per transaction, charged to insurance carrier and receiving firm</u>
<u>d. Beneficiary Update Request</u>	<u>No Charge</u>
<u>e. Beneficiary Confirm</u>	<u>No Charge</u>
<u>f. Registered Representative Change Request</u>	<u>\$0.70 per transaction, charged to insurance carrier and firm</u>
<u>g. Registered Representative Change Confirm</u>	<u>\$0.30 per transaction, charged to insurance carrier and firm</u>
<u>h. Brokerage Identification Number Change Request</u>	<u>\$0.50 per transaction,</u>

¹⁷ File Fee is applicable to all files, other than files that contain Licensing and Appointments (L&A) transmissions.

¹⁸ **Payable both for test and production transactions. Fees for test transactions will not be applicable until January 1, 2006.**

**charged to insurance carrier
and firm**

**i. Brokerage Identification Number Change
Confirm**

**\$0.20 per transaction,
charged to insurance carrier
and firm**