



B #:	1658-13
Date:	September 18, 2013
To:	Participants of The Depository Trust Company (“DTC”), National Securities Clearing Corporation (“NSCC”) and Fixed Income Clearing Corporation (“FICC”)
From:	Noel B. Donohoe, Executive Managing Director & Group Chief Risk Officer
Attention:	Director of Operations, Chief Risk Officer, Treasurer
Subject:	Creation of DTCC Clearing Agency Liquidity Council and nomination process

The Depository Trust & Clearing Corporation is forming a standing member-based advisory group called the Clearing Agency Liquidity Council (the “CALC”). The CALC is being created to facilitate a two-way dialogue between DTCC’s clearing agency subsidiaries—DTC, NSCC and FICC-- and their relevant membership, and provide a forum for the discussion of liquidity and liquidity-related financing issues and trends. As a designated Systemically Important Financial Market Utility (“SIFMU”), each of NSCC, DTC and FICC is subject to heightened prudential supervision and, under applicable regulatory requirements, must maintain minimum liquidity resources. Given the criticality of liquidity and its systemic importance in the safe operation of DTCC’s clearing agency subsidiaries, the CALC is intended to underline the importance of this topic to DTCC and the membership. As such, the CALC is intended to be the forum through which DTCC can share and discuss the complex nature of a SIFMU’s liquidity provisioning program and the potential funding obligations liquidity solutions may impose on members. CALC members will have the opportunity to engage and assist DTCC staff in the development and evaluation of various liquidity solutions. The CALC Charter is attached.

The CALC will have between 12-15 members, and be composed of individuals providing a broad and balanced representation of the clearing subsidiaries’ membership. DTCC will consider possible nominations on its own initiative, and it also invites suggestions from participants of each of NSCC, DTC and FICC’s GSD and MBSD divisions. CALC members will be selected to achieve a diverse representation in terms of industry segment and member impact across the clearing agency subsidiaries.

The CALC will meet on an ad-hoc basis, but not less than three times per year. However, given the importance of the liquidity initiatives currently being considered by NSCC to enable it to meet its ongoing needs for maintenance of sufficient resources to cover the failure of the member family that would cause it the largest liquidity need, the initial CALC meetings will focus on this topic. We anticipate holding several meetings during the months of October and November this year to address items raised by commenters to NSCC’s 2013 rule filing on liquidity provisioning.

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

Please note that CALC members (or their delegates as agreed by DTCC) are expected to attend all meetings. All attendees will be required to complete DTCC's standard CALC appointment letter, which includes terms governing the use of confidential information.

In selecting individuals to serve as CALC members, DTCC is seeking individuals who satisfy the following criteria:

1. Relevant expertise and experience in such areas as: (a) risk management; (b) treasury/finance; (c) liquidity management; (d) capital planning; and (e) clearance and settlement;
2. Substantial seniority within their own firms; and
3. Familiarity with applicable regulatory standards and guidance, including CPSS/IOSCO principles.

Individuals will also be selected so that the collective CALC membership will, to the extent possible, represent a cross section of DTCC customers including: (a) custodian banks; (b) investment banks; (c) retail broker-dealers; (d) clearing firms; (e) government securities dealers; and (f) mortgage-backed securities dealers.

All suggestions for CALC membership must be received by us no later than Friday, October 3, 2013, and should include the title, business address, biographical information and brief eligibility qualifications of the individual concerned. Please send suggestions and related information to the DTCC Corporate Secretary's Office [CorporateSecretary@dtcc.com].

Noel B. Donohoe
Executive Managing Director & Group Chief Risk Officer

DTCC

Depository Trust & Clearing Corporation

Clearing Agency Liquidity Council

Charter

Date: September 16, 2013

Charter	The Depository Trust & Clearing Corporation (DTCC) Clearing Agency Liquidity Council (CALC) Charter
A. Charter	This charter governs the operation of the CALC.
B. Purpose	<p>The CALC facilitates two-way dialogue between DTCC’s clearing agency subsidiaries and their relevant member firms. The CALC will allow for proactive discussion whereby DTCC will advise CALC members about liquidity and liquidity related financing options being considered by DTCC, including initiatives that may impact participants of the clearing agency subsidiaries. CALC members will have the opportunity to comment and provide input which may assist DTCC in shaping the initiatives. Liquidity and related financing trends may also be discussed as they relate to participants of the clearing agency subsidiaries and their funding obligations. The CALC will have no decision making authority.</p>
C. Members and Qualifications	<p>The CALC is composed of individuals providing a broad and balanced representation of participants of the clearing agency subsidiaries. DTCC will consider possible nominations on its own initiative and invites suggestions from participants of the clearing agency subsidiaries. CALC members will be selected to achieve a diverse representation in terms of industry segment and member impact. It is expected that CALC members will have experience in at least one of the following functions: treasury, liquidity management, capital planning, risk management or clearing regulations. The CALC will have between 12-15 members.</p> <p>It is anticipated that representatives from participant firms generally will serve for a term of three years.</p> <p>Vacancies on the CALC shall be filled by DTCC’s management with input from the CALC members.</p> <p>The CALC may elect from time to time to establish work streams, composed of CALC members and others, to address particular topics of interest to the CALC.</p>
D. Meetings	<p>The CALC will meet on an ad-hoc basis, but not less than three times per year.</p> <p>CALC members (or their delegates as agreed by DTCC) are expected to attend all meetings. All attendees will be required to complete DTCC’s standard CALC appointment letter, which includes terms governing the use of confidential information.</p> <p>It is intended that CALC meetings will provide DTCC an opportunity to present issues and initiatives relating to liquidity management and liquidity-related financing plans and initiatives, while allowing CALC members the opportunity to provide input regarding DTCC’s upcoming decisions, feedback on concept presentations, and the like.</p>

	<p>CALC meetings will generally focus on:</p> <ul style="list-style-type: none"> • Broad industry strategic issues, assessing DTCC’s liquidity and financing plans for the clearing agency subsidiaries against pending industry issues and developments in the near term and over a broader perspective. • CALC members will be asked for ideas on projects for consideration and for feedback on ideas currently being reviewed by DTCC. • As warranted, the CALC can call for special meetings outside the normal meeting schedule (e.g., it may be necessary to maintain a monthly meeting schedule leading up to the annual renewal of the DTC/NSCC Credit Facility).
<p>E. Responsibilities</p>	<p>CALC: In the performance of its responsibilities, the CALC will:</p> <ul style="list-style-type: none"> a. Review DTCC’s liquidity management and liquidity-related financing plans and initiatives for the clearing agency subsidiaries and respond to DTCC management on relevant policy matters. b. Assess significant policy considerations that merit consideration by DTCC’s management and its Board, and refer such matters as appropriate. c. Provide specific expertise and advice to DTCC’s management regarding selected subject matter as is deemed appropriate. d. Provide feedback to DTCC’s management regarding the improvement of initiatives and respective policies currently in effect. e. Interface, as needed, with other appropriate financial services groups and associations. <p>DTCC: In supporting the CALC in the performance of its responsibilities, DTCC will:</p> <ul style="list-style-type: none"> a. Identify issues or topics which it believes warrant discussion by and feedback from the CALC, particularly as it relates to any clearing agency liquidity initiative being considered by DTCC or any industry-wide trends impacting DTCC or participants of the clearing agency subsidiaries. b. Ensure that CALC members are informed regarding issues and topics to be the subject for CALC discussions, through briefing papers or the like. c. Ensure ongoing information exchange between the CALC and DTCC’s other advisory groups, as appropriate. d. DTCC’s management and relevant Board Committees shall retain approval authority for all liquidity/financing initiatives.

F. Meeting Notes /Information Sharing	Meeting notes will list attendees, topics discussed and recommendations made by the CALC and will be distributed to CALC members and DTCC attendees. The Group Chief Risk Officer (GCRO) will determine if any information with respect to CALC meetings, discussions and/or notes warrants escalation to, or sharing with, any DTCC risk committee, council or member of Executive Management.
G. Effectiveness	The GCRO will annually discuss the effectiveness of the CALC with the Executive Chairman and the DTCC Board Risk Committee.