

whole. Without receipt of full payment for its dispositions, the nonparticipating FFI Member would not have sufficient assets to fund its client accounts.

- These rule changes should not create business issues or be onerous to NSCC's membership because requiring FFIs to certify (and to periodically recertify) their FATCA status, and imposing the costs of non-compliance on them, are becoming standard market practice in the United States, separate and apart from membership in NSCC.

Rule Changes

NSCC states that managing the risks inherent in executing securities transactions is a key component of NSCC's business. NSCC's risk tolerances (i.e., the levels of risk NSCC is prepared to confront, under a range of possible scenarios, in carrying out its business functions) are determined by the Board of Directors, in consultation with the Group Chief Risk Officer. NSCC uses a combination of risk management tools, including strict criteria for membership, to mitigate the risks inherent in its business.

In line with its risk management focus, NSCC has determined that compliance with FATCA, so that NSCC shall not be responsible for FATCA Withholding, should be a general membership requirement (A) for all applicants that are treated as non-U.S. entities for federal income tax purposes, and (B) for all existing FFI Members.¹¹ NSCC is amending its rules as follows:

- *Rule 1:* adding "FFI Member," "FATCA," "FATCA Certification," "FATCA Compliance Date"¹² and "FATCA Compliant" as defined terms;

- *Rule 2, Section 4:* requiring that all FFI Members (both new and existing), in general: (i) Agree not to conduct any transaction or activity through NSCC if such FFI Member is not FATCA Compliant, (ii) certify and, as required under the timelines set forth under FATCA, periodically recertify, to NSCC that they are FATCA Compliant, and (iii) indemnify NSCC for any losses sustained by NSCC resulting from such FFI Member's failure to be FATCA Compliant;

¹¹ NSCC may grant a waiver under certain circumstances, provided, however, that NSCC will not grant a waiver if it causes NSCC to be obligated to withhold under FATCA on gross proceeds from the sale or other disposition of any property.

¹² Although Income Withholding with regard to FFI Members approved for membership by NSCC prior to January 1, 2014 is first required under FATCA beginning July, 1 2014, the proposed amendments to NSCC rules would require such existing FFI Members to be FATCA compliant approximately 60 days prior to July 1, 2014 in order for NSCC to comply with its disciplinary and notice processes as set forth in NSCC rules.

- *Rule 2A, Section 1.B.:* adding FATCA Compliance as a qualification requirement for any applicant that will be an FFI Member;

- *Rule 2A, Section 1.B., Foot Note 1:* making a technical clarification to expressly include the policy statement set forth in Addendum O as other qualification standards that NSCC has promulgated with regard to certain applicants;

- *Rule 2A, Section 1.C.:* adding that each applicant must complete and deliver a FATCA Certification to NSCC as part of its membership application unless NSCC has waived this requirement with regard to membership type;

- *Rule 2B, Section 1:* making a technical clarification by adding a footnote to expressly include the policy statement set forth in Addendum O as qualifications and standards which are continuing membership requirements;

- *Rule 2B, Section 2.B:* specifying that failure to be FATCA Compliant creates a duty upon an FFI Member (both new and existing) to inform NSCC;

- *Addendum O:* requiring applicants that are subject to this Policy Statement (i) to be FATCA Compliant, (ii) to deliver to NSCC a FATCA Certification, and to periodically recertify such FATCA Certification, (iii) to agree not to submit any order for processing through NSCC if the applicant fails to be FATCA Compliant at any time, and (iv) to agree to indemnify NSCC for any losses sustained by NSCC resulting from the applicant's failure to be FATCA Compliant, as conditions to admission and continued membership.

II. Discussion

Section 19(b)(2)(C) of the Act¹³ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act¹⁴ requires the rules of a clearing agency to be designed to, among other things, promote the prompt and accurate clearance and settlement of securities transactions, assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, and protect investors and the public interest. The Commission finds that NSCC's proposed rule change is consistent with these requirements because it is designed to comply with FATCA while eliminating

¹³ 15 U.S.C. 78s(b)(2)(C).

¹⁴ 12 U.S.C. 78q-1(b)(3)(F).

uncertainty in funds settlement. Specifically, based on NSCC's representations, the Commission understands that the proposed rule change is designed codify NSCC's rules in a way that will allow NSCC to comply with FACTA without developing and maintaining a complex FATCA Withholding system and, as a result, it will eliminate uncertainty in funds settlement that NSCC believes will arise if NSCC is subject to FATCA Withholding.

In approving this proposed rule change, the Commission is mindful of the IRS's jurisdiction respecting FATCA. This Order does not interpret FATCA. The Commission's approval of the proposed rule change in no way constitutes a determination or finding by the Commission that the proposed rule change complies with FATCA, which is under the purview of the IRS.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act¹⁵ and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-NSCC-2013-04) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2013-14392 Filed 6-17-13; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13586 and #13587]

Oklahoma Disaster Number OK-00071

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 2.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for the State of Oklahoma (FEMA-4117-DR), dated 05/20/2013.

Incident: Severe Storms, Tornadoes and Flooding.

Incident Period: 05/18/2013 and continuing through 06/02/2013.

Effective Date: 06/11/2013.

¹⁵ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁶ 17 CFR 200.30-3(a)(12).

Physical Loan Application Deadline Date: 07/19/2013.

EIDL Loan Application Deadline Date: 02/20/2014.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration Processing, And Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: Alan Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: The notice of the President's major disaster declaration for the State of OKLAHOMA, dated 05/20/2013 is hereby amended to re-establish the incident period for this disaster as beginning 05/18/2013 and continuing through 06/02/2013 and expand the incident to include flooding.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

Jerome Edwards,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2013-14471 Filed 6-17-13; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13616 and #13617]

Texas Disaster #TX-00408

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an Administrative declaration of a disaster for the State of Texas dated 06/12/2013.

Incident: Severe Weather and Flooding.

Incident Period: 05/25/2013 through 05/27/2013.

Effective Date: 06/12/2013.

Physical Loan Application Deadline Date: 08/12/2013.

Economic Injury (EIDL) Loan Application Deadline Date: 03/12/2014.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the

Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Bexar.

Contiguous Counties:

Texas: Atascosa, Bandera, Comal, Guadalupe, Kendall, Medina, Wilson.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners With Credit Available Elsewhere	3.750
Homeowners Without Credit Available Elsewhere	1.875
Businesses With Credit Available Elsewhere	6.000
Businesses Without Credit Available Elsewhere	4.000
Non-Profit Organizations With Credit Available Elsewhere ...	2.875
Non-Profit Organizations Without Credit Available Elsewhere	2.875
<i>For Economic Injury:</i>	
Businesses & Small Agricultural Cooperatives Without Credit Available Elsewhere	4.000
Non-Profit Organizations Without Credit Available Elsewhere	2.875

The number assigned to this disaster for physical damage is 13616 6 and for economic injury is 13617 0.

The States which received an EIDL Declaration # are Texas.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

Dated: June 12, 2013.

Karen G. Mills,

Administrator.

[FR Doc. 2013-14475 Filed 6-17-13; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13618 and #13619]

Michigan Disaster #MI-00039

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an Administrative declaration of a disaster for the State of Michigan dated 06/12/2013.

Incident: Severe Storms and Flooding.

Incident Period: 04/07/2013 through 04/20/2013.

Effective Date: 06/12/2013.

Physical Loan Application Deadline Date: 08/12/2013.

Economic Injury (EIDL) Loan Application Deadline Date: 03/12/2014.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Kent.

Contiguous Counties:

Michigan: Allegan, Barry, Ionia, Montcalm, Muskegon, Newaygo, Ottawa.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners With Credit Available Elsewhere	3.375
Homeowners Without Credit Available Elsewhere	1.688
Businesses With Credit Available Elsewhere	6.000
Businesses Without Credit Available Elsewhere	4.000
Non-Profit Organizations With Credit Available Elsewhere ...	2.875
Non-Profit Organizations Without Credit Available Elsewhere	2.875
<i>For Economic Injury:</i>	
Businesses & Small Agricultural Cooperatives Without Credit Available Elsewhere	4.000
Non-Profit Organizations Without Credit Available Elsewhere	2.875

The number assigned to this disaster for physical damage is 13618 6 and for economic injury is 13619 0.

The States which received an EIDL Declaration # are Michigan.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

Dated: June 12, 2013.

Karen G. Mills,

Administrator.

[FR Doc. 2013-14474 Filed 6-17-13; 8:45 am]

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