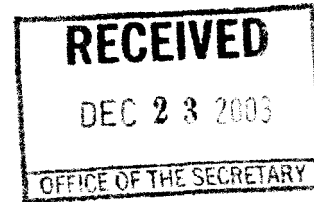


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December 19, 2003

Mr. Jonathan G. Katz  
Secretary  
US Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549

Re: Response to SR-NSCC-2003-21

Dear Mr Katz,

We respectfully submit this letter in response to the request for comments to Release No 34-48846 Notice of Proposed Rule Change Relating to the Separately Managed Accounts Service, SR-NSCC-2003-21 UBS Financial Services Inc fully supports the NSCC's efforts to implement the Separately Managed Accounts Service ("SMAS") for the SMA industry

Managed Accounts has experienced significant growth during the last ten years and by all accounts is expected to continue during the next ten. As this industry has grown, so have the operational challenges for both investment managers and sponsor firms. Inefficiencies, duplicative processes and multiple systems platforms have the potential to result in slower operational timeframes, higher costs (both human and systems), and financial errors. Ultimately, the industry must address these issues in order to support the growth and maintain superior service to our clients. To address this problem, the industry needs both communication standards and a central electronic "hub" to facilitate communication between investment managers and sponsor firms.

UBS Financial Services believes that as a not for profit organization, the NSCC is the best organization to play this role. The NSCC has a history of bringing the investment community together to solve problems through the development of electronic platforms (e.g , mutual fund processing). We believe they can do the same for the managed accounts business . By utilizing a not for profit organization, we believe critical decisions will be made based on what is best for the industry and not influenced by profit considerations an industry vendor may have. Also, we believe that by centralizing communications using a utility such as NSCC's will foster healthy competition among service providers to the SMA industry.

For the reasons stated above, we submit this letter in support of NSCC's proposed rule change for the provision of the SMAS service.

Sincerely,

Marc Zeitoun,  
Senior Vice President  
Director, Managed Accounts

Rick Austin  
Senior Vice President  
Manager, SMA Operations, Trading & Client Reporting

cc: Bob Silver  
James Price  
Bruce Bursey  
Tom Streiff  
Jim Dalton  
Mara Galeano  
  
Ann Bergin (NSCC)  
Carol Jameson (NSCC)