

undue burden on intra-market competition because Market Makers' risk management practices and capital adequacy requirements are designed to mitigate their credit risk. Further, as discussed herein, Market Makers are subject to mandatory Activity-Based Risk Controls designed to dynamically manage their exposure in the high-frequency, high-volume options market. The Exchange believes these mandatory real-time risk controls neutralize the need to offer the Gross Credit Risk Limit to Market Makers.

Finally, the Exchange believes the proposed (non-substantive) technical changes do not raise competitive issues but instead will benefit investors and the investing public by adding clarity and transparency to the Rule.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act²⁶ and Rule 19b-4(f)(6) thereunder.²⁷ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.²⁸

A proposed rule change filed under Rule 19b-4(f)(6)²⁹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),³⁰ the Commission may designate a shorter time if such action is consistent with the

protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that it may offer the proposed Gross Credit Risk Limits immediately. The Commission believes that waiver of the operative delay would be consistent with the protection of investors and the public interest because the proposal raises no novel issues and would assist Entering Firms in managing their financial exposure which, in turn, could enhance the integrity of trading on the securities markets. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.³¹

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)³² of the Act to determine whether the proposed rule change should be approved or disapproved.

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

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2025-42 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-NYSEARCA-2025-42. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use

³¹ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³² 15 U.S.C. 78s(b)(2)(B).

only one method. The Commission will post all comments on the Commission's internet website (<https://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 website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEARCA-2025-42 and should be submitted on or before July 9, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-11182 Filed 6-17-25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103252; File No. SR-NYSEAMER-2025-32]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change To Amend Rule 928NYP

June 13, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on June 10, 2025, NYSE American LLC ("NYSE American" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have

³³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

²⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁷ 17 CFR 240.19b-4(f)(6).

²⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²⁹ 17 CFR 240.19b-4(f)(6).

³⁰ 17 CFR 240.19b-4(f)(6)(iii).

been prepared by the self-regulatory organization. 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 Exchange proposes to amend Rule 928NYP (Pre-Trade and Activity-Based Risk Controls) to adopt "Gross Risk Credit Limits," which optional pre-trade risk control will be available to Entering Firms. The proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization 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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to amend Rule 928NYP (Pre-Trade and Activity-Based Risk Controls) to adopt "Gross Risk Credit Limits," which optional pre-trade risk control will be available to Entering Firms.⁴

Background and Proposal

In 2023, in connection with the Exchange's migration to Pillar and to better assist ATP Holders in managing their risk, the Exchange adopted Rule 928NYP (the "Rule"), which included pre-trade risk controls, among other activity-based controls, wherein an Entering Firm had the option of establishing limits or restrictions on certain of its trading behavior on the Exchange and authorizing the Exchange

to take action if those limits or restrictions were exceeded.⁵

The Exchange has recently received requests from market participants to adopt Gross Credit Limits, which would provide ATP Holders with additional pre-trade risk controls. As detailed below, each of the proposed additional risk controls is based on risk settings that are already available on the Exchange's equity platform and its affiliated equities exchanges, including NYSE Arca, Inc. ("NYSE Arca").⁶ The Exchange notes that similar risk controls are offered on at least one other option exchange, Cboe EDGX Exchange, Inc. ("Cboe EDGX"). Cboe EDGX offers its members optional risk settings to monitor their credit exposure, including a "Gross Credit Risk Limit—Executed Only", which is calculated based solely on executed orders, and an "Aggregate Gross Credit Exposure Limit", which is calculated based on both executed and unexecuted orders.⁷ As such, market participants are already familiar with these various gross credit risk checks, such that the ones proposed by the Exchange in this filing are not novel.

In light of these requests, the Exchange proposes to modify Rule 928NYP to adopt three "Gross Credit Risk Limits," each of which would allow Entering Firms to set pre-established maximum daily dollar amounts for purchases and sales across all symbols where both buy and sell orders are counted as positive values, which limits would not apply to Market Maker interest.⁸ "Market Maker

interest" refers solely to interest submitted by a Market Maker acting in its registered capacity (*i.e.*, for its own account and in fulfillment of its quoting obligations).⁹

As described below, an Entering Firm will receive notifications if it is approaching or has breached its limit.

- Proposed subsection (i) of Rule 928NYP(a)(2)(B) would define the "Gross Credit Risk Limit—Open + Executed" risk check to include unexecuted orders in the Consolidated Book, orders routed on arrival pursuant to Rule 964NYP(k), and executed orders.

- Proposed subsection (ii) of Rule 928NYP(a)(2)(B) would define the "Gross Credit Risk Limit—Open Only" risk check to include unexecuted orders in the Consolidated Book and orders routed on arrival pursuant to Rule 964NYP(k).

- Proposed subsection (iii) of Rule 928NYP(a)(2)(B) would define the "Gross Credit Risk Limit—Executed Only" risk check to include executed orders only.

Consistent with current Pre-Trade Risk Controls, the Entering Firm can set the proposed Gross Credit Risk Limits at the MPID level or at one or more sub-IDs associated with that MPID, or both.¹⁰ The Exchange proposes to add new rule text specifying that, consistent with current functionality, "[i]f a Pre-Trade Risk Control set at the MPID level is breached, the Automated Breach Action specified at the MPID level will be applied to all sub-IDs associated with that MPID."¹¹ The Exchange believes this additional text, which is included in the Exchange's equities rule will add clarity and transparency to the Rule.

Proposed Rule 928NYP(c)(1)(B) would set forth the potential Breach Actions the Entering Firms would authorize the Exchange to take if a designated Gross Credit Risk Limit is breached, which automated action will be applied to its orders in the affected class of options.

risk. Further, options Market Makers are subject to mandatory Activity-Based Risk Controls for their orders and quotes that are tailored to the high-frequency, high-volume nature of options market making. *See, e.g.*, Rule 928NYP(c)(2)(A). The Exchange notes that the Activity-Based and Global Risk Controls are unique to the options market and the Exchange's equities platform does not offer analogous controls.

⁹ A Market Maker is an individual who is registered with the Exchange for the purpose of making transactions as a dealer-specialist. *See* Rule 920NY(a). "Market Maker interest" as used in the proposed Rule does not include interest submitted by a market-making firm for an account other than its own (*i.e.*, on behalf of a client).

¹⁰ *See* Rule 928NYP(b)(2).

¹¹ *See* proposed Rule 928NYP(b)(2) (describing the options for setting and adjusting Pre-Trade Risk Controls). The Exchange notes that this rule text is included in the Exchange's analogous equities rule (*i.e.*, Rule 7.19E(f)(4)).

⁵ *See* Securities Exchange Act Release No. 97869 (July 10, 2023), 88 FR 45730 (July 17, 2023) (Notice of Filing and Immediate Effectiveness of Proposed Rules, including proposed Rule 928NYP) (SR-NYSEAMER-2023-34).

⁶ *See* Rule 7.19E(b)(1)(A)–(C) (providing for Gross Credit Risk Limit—Open + Executed; Gross Credit Risk Limit—Open Only; and Gross Credit Risk Limit—Executed Only) and (f)(1) (allowing firms to set one of the following automated breach actions when such risk limits are breached: Notification Only, Block Only, and Cancel and Block). *See also* NYSE Arca Rule 7.19–E(b)(1) and (f)(3) (offering identical functionality as Exchange Rule 7.19E).

⁷ *See* Cboe EDGX Rule 11.10, Interpretation and Policy .03 paragraphs (a)(1) and (a)(3) (describing the risk limits) and (e) (describing automated breach actions to block all new orders or to both block new orders and cancel open orders). Unlike the Exchange, Cboe EDGX does not offer a risk check for open (*i.e.*, unexecuted) orders only. *See also* MEMX LLC ("MEMX") Rule 21.17, Interpretation and Policy .01(f) (providing optional user-configured credit controls on gross exposure that, when breached, prevent submission of either all new orders or Market Orders only).

⁸ *See* proposed Rule 928NYP(a)(2)(B). The Exchange notes that Market Maker interest is not excluded from the Gross Credit Risk Limits per Rule 7.19E(b)(1). As discussed *infra*, the Exchange does not believe it is necessary to offer the proposed checks to Market Makers because their risk management practices and capital adequacy requirements are designed to mitigate their credit

⁴ The term "Entering Firm" refers to an ATP Holder (including those acting as Market Makers). *See* Rule 928NYP(a)(1).

As proposed, the Entering Firm would select one of the following automated breach actions that the Exchange would take in the event of a breach:

- “Notification Only.” As set forth in proposed Rule 928NYP(c)(1)(B)(i), if this option is selected, the Exchange would continue to accept new order messages and related instructions and would not cancel any unexecuted orders in the Consolidated Book. Instead, the Exchange would only notify the Entering Firm of the breach.¹²
- “Block Only.” As set forth in proposed Rule 928NYP(c)(1)(B)(ii), if this option is selected, the Exchange would reject new order messages and related instructions. The Exchange would continue to process instructions from the Entering Firm to cancel one or more orders in full (including Auction-Only Orders) or any of the instructions specified in paragraph (e) of this Rule. The Exchange would not, however, take any automated action to cancel orders.¹³
- “Cancel and Block.” As set forth in proposed Rule 928NYP(c)(1)(B)(iii), if this option is selected, in addition to the Block actions described above, the Exchange would also cancel all unexecuted orders in the Consolidated Book other than Auction-Only Orders as well as orders designated as GTC.¹⁴

Current Rule 928NYP(d) describes the requirements for reinstating Entering Firms following the trigger of the “Block Only” or “Cancel and Block” automated breach actions. The Exchange proposes to modify this provision to include the reinstatement of Entering Firms taken out of the market for breach of a Gross Credit Risk Limits, which will add clarity and internal consistency to the Rule.¹⁵

As is the case with the existing Pre-Trade Risk Controls, all orders on the Exchange would pass through these risk checks regardless of whether a firm opts to utilize them. As such, there would be no difference in the latency experienced by ATP Holders who have opted to use

the proposed risk checks versus those who have not. In addition, like the existing Pre-Trade Risk Controls, the Exchange expects that any latency added by the proposed risk controls would be *de minimis*.

Technical Change

The Exchange proposes to modify Rule 928NYP(c)(1)(A) to specify that it describes the breach action applicable to the Single-Order (pre-trade) Risk Controls, which distinguishes it from the breach actions applicable to the new Gross Credit Risk Limits described in proposed Rule 928NYP(c)(1)(B).¹⁶ This proposed change is non-substantive and is meant to add clarity and transparency to the Rule.

Continuing Obligations of ATP Holders Under Rule 15c3–5

Like the existing Pre-Trade Risk Controls, the proposed Gross Credit Risk Limits are meant to supplement, and not replace, the ATP Holders’ own internal systems, monitoring, and procedures related to risk management.¹⁷ As such, the Exchange does not guarantee that these Pre-Trade Controls (including the proposed Credit Risk Limits) will be sufficiently comprehensive to meet all of an ATP Holder’s needs as these controls are not designed to be the sole means of risk management and use of these controls will not necessarily meet an ATP Holder’s obligations required by Exchange or federal rules (including, without limitation, the Rule 15c3–5 under the Act¹⁸ (“Rule 15c3–5”)).¹⁹ Further, as is the case today, use of the Exchange’s Pre-Trade Risk Controls (including the proposed Gross Credit Risk Limits) will not automatically constitute compliance with Exchange or federal rules and responsibility for compliance with all Exchange and SEC rules remains with the ATP Holder.²⁰

Timing and Implementation

The Exchange anticipates implementing the proposed change in the second quarter of 2025 and, in any event, will implement the proposed rule change no later than the end of September 2025. The Exchange will announce the timing of such changes by Trader Update.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with

Section 6(b) of the Act,²¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,²² in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Specifically, the Exchange believes that the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed additional Gross Credit Risk Limits would provide Entering Firms with enhanced abilities to manage their risk with respect to orders on the Exchange. As noted herein, these new Pre-Trade Risk Controls are not novel; they are based on existing risk settings already in place on the Exchange’s (and its affiliates) equities platform, and similar to those on Cboe EDGX.²³ Accordingly, market participants are already familiar with the types of protections that the proposed risk controls afford. As such, the Exchange believes that the proposed additional Pre-Trade Risk Controls would provide a means to address potentially market-impacting events, helping to ensure the proper functioning of the market. Moreover, the proposed Gross Credit Risk Limits (like the existing Pre-Trade Risk Controls) are optional, and Entering Firms are free to utilize them or not at their discretion. In addition, because all orders on the Exchange would pass through the proposed risk checks, there would be no difference in the latency experienced by ATP Holders that opt to use the proposed Gross Credit Risk Limits versus those that opt not to use them. In addition, the Exchange expects that any latency added by the proposed pre-trade risk controls would be *de minimis*.

The Exchange believes that the proposed rule change will protect investors and the public interest because the proposed Gross Credit Risk Limits are a form of impact mitigation that will aid Entering Firms in minimizing their risk exposure and

¹² This proposed automated breach action is substantially similar to the risk check of the same name on the Exchange’s equities platform. Compare proposed Rule 928NYP(c)(1)(B)(i) with Rule 7.19E(f)(3)(A)(i).

¹³ This proposed automated breach action is substantially similar to the risk check of the same name on the Exchange’s equities platform. Compare proposed Rule 928NYP(c)(1)(B)(ii) with Rule 7.19E(f)(3)(A)(ii).

¹⁴ This proposed automated breach action is substantially similar to the risk check of the same name on the Exchange’s equities platform (except that the proposed Rule includes reference to GTC orders, which order type is not available on the Exchange’s equities platform). Compare proposed Rule 928NYP(c)(1)(B)(iii) with Rule 7.19E(f)(3)(A)(iii).

¹⁵ See proposed Rule 928NYP(d) (adding reference to breach of Gross Credit Risk Limit).

¹⁶ See proposed Rule 928NYP(c)(1)(A) (specifying “Breach Action for Single-Order Risk Controls”).

¹⁷ See Commentary .01 to Rule 928NYP.

¹⁸ See 17 CFR 240.15c3–5.

¹⁹ See *id.*

²⁰ See *id.*

²¹ 15 U.S.C. 78f(b).

²² 15 U.S.C. 78f(b)(5).

²³ See *supra* notes 6–7.

reduce the potential for disruptive, market-wide events. As such, the Exchange believes that the proposed risk checks will help to ensure the proper functioning of the market.

The Exchange believes that excluding Market Maker interest from the proposed Gross Credit Risk Limits will remove impediments to and perfect the mechanism of a free and open market and a national market system because, while they may accumulate credit risk from their trading activities, Market Makers' risk management practices and capital adequacy requirements are designed to mitigate this risk. More importantly, Market Makers must utilize real-time Activity-Based Risk Controls for their orders and quotes that dynamically manage exposure at the transaction level.²⁴ Market Makers often quote across thousands of strikes simultaneously. The Activity-Based Controls are tailored to the high-frequency, high-volume nature of options market making as they allow Market Makers to track (and limit) their exposure across all strikes and sides of the market.²⁵ The Exchange believes these mandatory risk controls offer robust and layered safeguards and thus neutralize the need for Market Makers to avail themselves of the (static) pre-trade Gross Credit Risk Limits.

The Exchange understands that ATP Holders implement a number of different risk-based controls, including those required by Rule 15c3-5. The controls proposed here will serve as an additional tool for Entering Firms to assist them in identifying any risk exposure. The Exchange believes the proposed additional Pre-Trade Risk Controls will assist Entering Firms in managing their financial exposure which, in turn, could enhance the integrity of trading on the securities markets and help to assure the stability of the financial system.

Finally, the Exchange believes the proposed (non-substantive) technical change to delineate the automated breach actions for Single-Order Risk Controls as opposed to the new Gross Credit Risk Limits will remove impediments to a free and open market because it will add clarity and transparency to the Rule, which benefits investors and the investing public.

²⁴ See Rule 928NYP(c)(2)(A). Market Makers must set limits on transactions, contracts, or market volume percentages for each symbol within a defined interval. See Rule 928NYP(a)(3). If these controls are breached repeatedly, Market Makers are removed from the market to reassess risk. See Rule 928NYP(c)(3)(A).

²⁵ As noted *supra*, Activity-Based and Global Risk Controls are unique to the options market and are not offered on the Exchange's equities platform.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In fact, the Exchange believes that the proposal will have a positive effect on competition because, by providing Entering Firms additional means to monitor and control risk, the proposed rule will increase confidence in the proper functioning of the markets. The Exchange believes the proposed additional Gross Credit Risk Limits will assist Entering Firms in managing their financial exposure which, in turn, could enhance the integrity of trading on the securities markets and help to assure the stability of the financial system. As a result, the level of competition should increase as public confidence in the markets is solidified.

The Exchange believes that excluding Market Makers interest from the proposed risk checks will not impose an undue burden on intra-market competition because Market Makers' risk management practices and capital adequacy requirements are designed to mitigate their credit risk. Further, as discussed herein, Market Makers are subject to mandatory Activity-Based Risk Controls designed to dynamically manage their exposure in the high-frequency, high-volume options market. The Exchange believes these mandatory real-time risk controls neutralize the need to offer the Gross Credit Risk Limit to Market Makers.

Finally, the Exchange believes the proposed (non-substantive) technical change does not raise any competitive issue but instead will benefit investors and the investing public by adding clarity and transparency to the Rule.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act²⁶ and Rule 19b-4(f)(6) thereunder.²⁷ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii)

²⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁷ 17 CFR 240.19b-4(f)(6).

impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.²⁸

A proposed rule change filed under Rule 19b-4(f)(6)²⁹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),³⁰ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that it may offer the proposed Gross Credit Risk Limits immediately. The Commission believes that waiver of the operative delay would be consistent with the protection of investors and the public interest because the proposal raises no novel issues and would assist Entering Firms in managing their financial exposure which, in turn, could enhance the integrity of trading on the securities markets. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.³¹

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)³² of the Act to determine whether the proposed rule change should be approved or disapproved.

²⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²⁹ 17 CFR 240.19b-4(f)(6).

³⁰ 17 CFR 240.19b-4(f)(6)(iii).

³¹ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³² 15 U.S.C. 78s(b)(2)(B).

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

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEAMER-2025-32 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NYSEAMER-2025-32. This file number should be included on the subject line if email 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 website (<https://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 website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEAMER-2025-32 and should be submitted on or before July 9, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-11183 Filed 6-17-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103253; File No. SR-DTC-2025-006; SR-FICC-2025-009; SR-NSCC-2025-006]

Self-Regulatory Organizations; The Depository Trust Company; Fixed Income Clearing Corporation; National Securities Clearing Corporation; Notice of Filing of Partial Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Partial Amendment No. 1, To Update the Clearing Agency Securities Valuation Framework To Include Use of Substantive Inputs

June 13, 2025.

I. Introduction

On April 15, 2025, The Depository Trust Company ("DTC"), Fixed Income Clearing Corporation ("FICC"), and National Securities Clearing Corporation ("NSCC") (collectively, the "Clearing Agencies")¹ filed with the Securities and Exchange Commission ("Commission") proposed rule changes SR-DTC-2025-006, SR-FICC-2025-009, and SR-NSCC-2025-006, respectively, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder.³ The proposed rule changes would update the Clearing Agencies' Securities Valuation Framework ("Framework") concerning the use of timely price data and other substantive inputs by the Clearing Agencies. The proposed rule changes were published for comment in the **Federal Register** on May 2, 2025.⁴ The Commission has received no comments on the proposed rule changes.

On June 11, 2025, each of the Clearing Agencies filed an identical Partial

Amendment No. 1 to their respective proposed rule changes, to provide supplemental information to assist the Commission in its analysis of the proposed rule changes.⁵ Partial Amendment No. 1 does not substantively change the proposed rule changes. The proposed rule changes, as modified by Partial Amendment No. 1, are hereinafter referred to as the "Proposed Rule Changes." The Commission is publishing this notice to solicit comments on Partial Amendment No. 1 from interested persons, and, for the reasons discussed below, the Commission is approving the Proposed Rule Changes on an accelerated basis.

II. Background

As central counterparties ("CCPs"), FICC and NSCC provide clearance settlement services for the U.S. fixed income markets and equities markets, respectively.⁶ A key tool that the CCPs use to manage the credit exposure to their members is the daily collection of margin from each member. For FICC, the aggregated amount of all GSD and MBSD members' margin constitutes each division's respective mutualized Clearing Fund, which FICC would be able to access in certain member default scenarios if a defaulted member's own margin is insufficient to satisfy losses FICC caused by the liquidation of that member's portfolio.⁷ Similarly, for NSCC, the aggregated amount of its daily collection of margin from members constitutes NSCC's mutualized Clearing Fund, which NSCC would be able to access in certain member default scenarios.⁸

Prior to October 25, 2024, Rule 17ad-22(e)(6)(iv)⁹ set forth requirements for CCPs to, among other things, establish a

⁵ Partial Amendment No. 1 consists of a draft inventory of substantive inputs and related policies and procedures, filed as Exhibit 3 to the proposed rule changes. Partial Amendment No. 1 provides supporting information describing how the Clearing Agencies would implement the proposed rule changes. The Clearing Agencies have requested confidential treatment of Exhibit 3, pursuant to 17 CFR 240.24b-2.

⁶ FICC operates two divisions, the Government Securities Division ("GSD"), which provides clearance and settlement services for U.S. government securities and the Mortgage-Backed Securities Division ("MBSD"), which provides clearance and settlement services for the U.S. mortgage-backed securities market. GSD and MBSD maintain separate sets of rules and margin models. The GSD Rulebook ("GSD Rules"), MBSD Clearing Rules ("MBSD Rules"), NSCC Rules & Procedures ("NSCC Rules") (the "CCP Rules," and together with the DTC Rules, By-Laws and Organization Certificate ("DTC Rules") (the "Clearing Agency Rules")) are available at <https://www.dtcc.com/legal/rules-and-procedures.aspx>.

⁷ See GSD Rule 4 and MBSD Rule 4, *supra* note 6.

⁸ See NSCC Rule 4, *supra* note 6.

⁹ 17 CFR 240.17ad-22(e)(6)(iv).

³³ 17 CFR 200.30-3(a)(12).

¹ The Clearing Agencies are subsidiaries of The Depository Trust & Clearing Corporation ("DTCC").

² 15 U.S.C. 78s(b)(1).

³ 17 CFR 240.19b-4.

⁴ See Securities Exchange Act Release No. 102938 (Apr. 28, 2025), 90 FR 18880 (May 2, 2025) (File No. SR-DTC-2025-006) ("DTC Notice of Filing"); Securities Exchange Act Release No. 102939 (Apr. 28, 2025), 90 FR 18884 (May 2, 2025) (File No. SR-FICC-2025-009) ("FICC Notice of Filing"); Securities Exchange Act Release No. 102940 (Apr. 28, 2025), 90 FR 18875 (May 2, 2025) (File No. SR-NSCC-2025-006) ("NSCC Notice of Filing").