

V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the Amended Proposal prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 1 in the **Federal Register**. Amendment No. 1 does not change the original purpose of the proposal, which was, and remains under Amendment No. 1, to permit the trading of GTH-eligible, expiring A.M.-settled non-Volatility index options and Volatility Index options during the GTH session immediately preceding the expiration date. In addition, the original proposal was published for comment in the **Federal Register**,³⁹ and no comments have been received.

Amendment No. 1 sets forth additional support for and detail regarding the original filing and clarifies certain rule text provisions. Specifically, Amendment No. 1: (i) revises the proposed rule text to maintain current rule language related to the last day of trading for A.M.-settled non-Volatility index options and Volatility Index options that are not eligible for trading during GTH; (ii) revises the proposed rule text to specify that, on expiration day, GTH-eligible, A.M.-settled non-Volatility Index options may trade through the end of the GTH trading session, and GTH-eligible, A.M.-settled Volatility Index options may trade until 9:00 a.m.; and (iii) adds information and support to the proposal, including representations regarding the proposal's consistency with Section 11A of the Act. The Commission believes that Amendment No. 1, without altering the original proposal's purpose, strengthens the original proposal by providing additional clarity and justification for the proposal's consistency with the Act.

The Commission therefore finds that Amendment No. 1 raises no novel regulatory issues that have not previously been subject to comment and is reasonably designed to promote just and equitable principles of trade, 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. Accordingly, pursuant to Section 19(b)(2) of the Act,⁴⁰ the Commission finds good cause to approve the Amended Proposal on an accelerated basis prior to the 30th day after publication of notice of the filing of Amendment No. 1 in the **Federal Register**.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,⁴¹ that the proposed rule change (SR-CBOE-2025-011), as modified by Amendment No. 1, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴²

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-10876 Filed 6-13-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103221; File Nos. SR-DTC-2025-007; SR-FICC-2025-010; SR-NSCC-2025-007]

Self-Regulatory Organizations; The Depository Trust Company; Fixed Income Clearing Corporation; National Securities Corporation; Order Approving a Proposed Rule Changes To Amend the Recovery and Wind-Down Plan To Satisfy the Requirements of Exchange Act Rule 17ad-26

June 10, 2025.

On April 16, 2025, the Depository Trust Company ("DTC"), Fixed Income Clearing Corporation ("FICC"), and National Securities Clearing Corporation ("NSCC," each a subsidiary of The Depository Trust & Clearing Corporation ("DTCC") and each a "Clearing Agency," and collectively, the "Clearing Agencies") filed with the Securities and Exchange Commission ("Commission") proposed rule changes SR-DTC-2025-007, SR-FICC-2025-010, and SR-NSCC-2025-007 ("Proposed Rule Changes") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act")¹ and Rule 19b-4 thereunder² to amend the Clearing Agencies' recovery and wind-down plans ("R&W Plans"). The Proposed Rule Changes were published for comment in the **Federal Register** on April 28 and April 29, 2025.³ The Commission did not receive any comments on the Proposed Rule Changes. For the reasons discussed

below, the Commission is approving the Proposed Rule Changes.

I. Background

The Clearing Agencies adopted the R&W Plans in August 2018 and have amended them over time to reflect changes since adoption.⁴ The Clearing Agencies state that they maintain the R&W Plans for compliance with Rule 17ad-22(e)(3)(ii) under the Act.⁵ This rule requires covered clearing agencies to establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency, which, among other things, includes plans for the recovery and orderly wind-down of covered clearing agencies necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses. The Clearing Agencies state that the R&W Plans are intended for use by the Board and the Clearing Agencies' management when the Clearing Agencies encounter scenarios that could potentially prevent it from being able to provide its critical services to the marketplace as a going concern.⁶

Each Clearing Agency's R&W Plan is comprised of two primary sections: (i) the "Recovery Plan," which sets out the tools and strategies to enable the Clearing Agency to recover when experiencing losses that exceed its prefunded resources, and (ii) the "Wind-down Plan," which describes the tools and strategies for conducting an orderly wind-down of the Clearing Agency's business in a manner designed to permit the continuation of its critical services if recovery efforts are not successful.

The Clearing Agencies state that these Proposed Rule Changes amend the R&W Plans to satisfy the requirements of new Exchange Act Rule 17ad-26⁷ ("Rule

⁴ See DTC Notice of Filing, *supra* note 3, at 17669 n.4; FICC Notice of Filing, *supra* note 3, at 17644 n.4; NSCC Notice of Filing, *supra* note 3, at 17840 n.4.

⁵ See DTC Notice of Filing, *supra* note 3, at 17669; FICC Notice of Filing, *supra* note 3, at 17644; NSCC Notice of Filing, *supra* note 3, at 17840. 17 CFR 240.17ad-22(e)(3)(ii). Each of the Clearing Agencies is a "covered clearing agency" as defined in Rule 17ad-22(a)(5) under the Act and must comply with paragraph (e) of Rule 17ad-22. In 2012, each of the Clearing Agencies was designated a systemically important financial market utility ("SIFMU") by the Financial Stability Oversight Council.

⁶ See DTC Notice of Filing, *supra* note 3, at 17669-70; FICC Notice of Filing, *supra* note 3, at 17644; NSCC Notice of Filing, *supra* note 3, at 17840.

⁷ See Covered Clearing Agency Resilience and Recovery and Orderly Wind-down Plan, Exchange

³⁹ See Notice, *supra* note 3.

⁴⁰ 15 U.S.C. 78s(b)(2).

⁴¹ *Id.*

⁴² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release Nos. 102908 (Apr. 22, 2025), 90 FR 17669 (Apr. 28, 2025) (SR-DTC-2025-007) ("DTC Notice of Filing"); 102910 (Apr. 22, 2025), 90 FR 17644 (Apr. 28, 2025) (SR-FICC-2025-007) ("FICC Notice of Filing"); 102919 (Apr. 23, 2025), 90 FR 17840 (Apr. 29, 2025) (SR-NSCC-2025-007) ("NSCC Notice of Filing").

17ad–26”), which codifies the definitions of “Recovery”⁸ and “Orderly wind-down,”⁹ and requires that plans for the recovery and orderly wind-down of a covered clearing agency, such as the Clearing Agencies, identify and include certain specific elements.¹⁰ In addition to incorporating the required elements into the R&W Plans, the Proposed Rule Changes make conforming updates and technical revisions consistent with Rule 17ad–26, including incorporating key terms as defined in the Rule. The Clearing Agencies state that the Proposed Rule Changes will help ensure that during extreme market stress, the R&W Plans will help ensure continuity of the Clearing Agencies’ critical services and enable Members, Participants, and Pledges to maintain access to the Clearing Agencies’ services through membership transfer if one of the Clearing Agencies defaults or the Wind-down Plan is triggered.¹¹

II. Description of the Proposed Rule Change

A. Proposed Changes To Reflect the Requirements of Rule 17ad–26

The Clearing Agencies propose changes to incorporate a series of attachments addressing the Rule 17ad–26 requirements that are not otherwise

covered by the current R&W Plan.¹² The Clearing Agencies would also add Section 9 (Compliance with SEC Rule 17ad–26: Recovery and Orderly Wind-down Plans of Covered Clearing Agencies) describing each of the attachments.

The following are the required elements of Rule 17ad–26 with descriptions of the proposed new attachments to the R&W Plans or, where applicable, the relevant section of the R&W Plans in which the element is already addressed.

Rule 17ad–26(a)(1) (Core Services): This element of Rule 17ad–26 requires, among other things, that the covered clearing agency identify and describe its core payment, clearing, and settlement services.¹³ The Clearing Agencies’ current R&W Plans already include the necessary information. Therefore, other than the relevant name changes needed to replace the term “Critical” with “Core,” consistent with Rule 17ad–26,¹⁴ the Proposed Rule Changes would not amend this portion of the R&W Plans. Section 3 (Critical Services) would continue to define the criteria for classifying certain Clearing Agency services as “critical,” and identify such critical services and the rationale for their classification. Table 3–B (Critical Services) would continue to list each of the services, functions or activities that each Clearing Agency has identified as “critical” based on the applicability of the criteria.¹⁵

Rule 17ad–26(a)(1)(i) (Staffing): Attachment A–1 to the R&W Plans would address the Rule 17ad–26(a)(1)(i) requirement that covered clearing agencies identify the staffing roles necessary to support their core services during recovery and orderly wind-down.¹⁶ Attachment A–1 would include an Excel spreadsheet identifying core services and the staffing roles necessary to support those core services during a recovery and orderly wind-down. The necessary staffing roles would be broken out by the number of managers and performers required within the relevant department (for example, Operations,

IT). It would also include whether the number of roles would be equal to the current business as usual staffing or less and explain why.

Rule 17ad–26(a)(1)(ii) (Staffing Analysis): Attachment A–2 would address the requirement in Rule 17ad–26(a)(1)(ii)¹⁷ that covered clearing agencies analyze how the staffing roles necessary to support the core services would continue during a recovery and orderly wind-down. It would include an analysis identifying potential staff retention challenges during a recovery or wind-down event and mitigation strategies to address those challenges so that the core services can continue uninterrupted. The attachment would also clarify that, while DTCC cannot guarantee staff retention since retaining staff can be particularly challenging during recovery or orderly wind-down periods, the Clearing Agencies have developed tools to mitigate potential challenges, including succession planning, retention agreements, and cross-training.

Rule 17ad–26(a)(2)(i) (Service Providers for Core Services): Attachment B–1 would address the Rule 17ad–26(a)(2)(i) requirements that covered clearing agencies identify and describe any service providers for core services (“CSPs”)¹⁸ and specify which core services each service provider supports. Attachment B–1 would include a table identifying each third-party service provider for core service(s) (“TCSP”), describing the service performed by the TCSP, and describing the relevant Clearing Agency core service(s) which the TCSP supports. The Rule 17ad–26 requirement that the Clearing Agencies identify and describe its affiliated service providers of core services is already addressed in the current R&W Plans in the section covering “Intercompany Arrangements.”¹⁹

Rule 17ad–26(a)(2)(ii) (Ensure Continued Performance of Service

Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (S7–10–23).

⁸ *Id.* Pursuant to Rule 17ad–26, “Recovery” means “the actions of a covered clearing agency, consistent with its rules, procedures, and other *ex ante* contractual arrangements, to address any uncovered loss, liquidity shortfall, or capital inadequacy, whether arising from member or participant default or other causes (such as business, operational, or other structural weaknesses), including actions to replenish any depleted prefunded financial resources and liquidity arrangements, as necessary to maintain the covered clearing agency’s viability as a going concern and to continue its provision of core services, as identified by the covered clearing agency pursuant to (a)(1) of this section.”

⁹ *Id.* Pursuant to Rule 17ad–26, “Orderly wind-down” means “the actions of a covered clearing agency to effect the permanent cessation, sale, or transfer of one or more of its core services, as identified by the covered clearing agency pursuant to paragraph (a)(1) of this section, in a manner that would not increase the risk of significant liquidity, credit, or operational problems spreading among financial institutions or markets and thereby threaten the stability of the U.S. financial system.”

¹⁰ DTC Notice of Filing, *supra* note 3, at 17670; FICC Notice of Filing, *supra* note 3, at 17644–45; NSCC Notice of Filing, *supra* note 3, at 17840. Rule 17ad–26 identifies the elements that a covered clearing agency’s RWP must contain, including: (i) elements related to planning, including the identification and use of scenarios, triggers, tools, staffing and services providers, and (ii) testing and board approval of the plans.

¹¹ See DTC Notice of Filing, *supra* note 3, at 17670; FICC Notice of Filing, *supra* note 3, at 17645; NSCC Notice of Filing, *supra* note 3, at 17840.

¹² The Clearing Agencies filed the R&W Plans as confidential exhibits to the Proposed Rule Changes, pursuant to 17 CFR 240.24–b2. The material aspects of the Clearing Agencies’ R&W Plans are described in this approval order and in the Clearing Agencies’ Proposed Rule Changes. See DTC Notice of Filing, *supra* note 3, at 17671–73; FICC Notice of Filing, *supra* note 3, at 17645–48; NSCC Notice of Filing, *supra* note 3, at 17841–44.

¹³ 17 CFR 240.17ad–26(a)(1).

¹⁴ *Supra* note 8.

¹⁵ See DTC Notice of Filing, *supra* note 3, at 17671 n.21; FICC Notice of Filing, *supra* note 3, at 17646 n.21; NSCC Notice of Filing, *supra* note 3, at 17841 n.21.

¹⁶ 17 CFR 240.17ad–26(a)(1)(i).

¹⁷ 17 CFR 240.17ad–26(a)(1)(ii).

¹⁸ *Supra* note 8. Pursuant to Rule 17ad–26(b) (Definitions), “Service provider for core services” means any person, including an affiliate or a third party, that, through a written agreement for services provided to or on behalf of the covered clearing agency, on an ongoing basis, directly supports the delivery of core services, as identified by the covered clearing agency pursuant to paragraph (a)(1) of this section.”

¹⁹ Section 2.4 of the R&W Plans (Intercompany Arrangements) describes how each of the Clearing Agencies receives the majority of its shared or corporate support services from DTCC through intercompany agreements. It describes that services are provided by DTCC, DTCC Europe Limited, DTCC Enterprise Services India Private Limited, and DTCC Singapore Pte. Ltd. The services generally cover enterprise-wide support, including human resources, finance, information technology, credit and quantitative risk, audit, legal, marketing and other services.

Providers for Core Services): Attachment B–2 would address Rule 17ad–26(a)(2)(ii)²⁰ requirements that covered clearing agencies address how they would ensure that CSPs continue performing during a recovery and orderly wind-down, including consideration of written agreements with such service providers and whether the obligations under those agreements would be subject to alteration or termination as a result of initiation of the recovery and orderly wind-down plan. Attachment B–2 would describe, among other things, that by the Rule 17ad–26 compliance date,²¹ the Clearing Agencies would review the written agreements with TCSPs that govern the services provided to the Clearing Agencies²² and evaluate the terms and conditions covering termination and alteration of performance in the event of initiation of the R&W Plan, and the ability of the Clearing Agencies to provide the services to a Transferee in the event of a wind-down.²³ Attachment B–2 would further provide that the Clearing Agencies would endeavor to amend such written agreements, if necessary, to ensure continued performance from such TCSPs.

For affiliated CSPs, each of the relevant written agreements would continue to be designated in the existing R&W Plans. Attachment B–2 would also

provide that the Clearing Agencies would work with internal stakeholders to amend the applicable intercompany agreements to include terms and conditions that address a recovery and orderly wind-down scenario similar to those described above covering TCSPs.

Rule 17ad–26(a)(3) (Scenarios): Attachment C would address the Rule 17ad–26(a)(3) requirement that covered clearing agencies identify and describe scenarios that may potentially prevent it from being able to provide its core services as identified in the R&W Plans as a going concern. Attachment C identifies three of these scenarios: uncovered credit losses, uncovered liquidity shortfalls and general business losses. For example, there is a multi-Member or -Participant default scenario, a scenario involving a significant internal operational incident, and a third-party failure scenario. For each scenario, proposed Attachment C would describe, among other things, (i) the scenario type (e.g., uncovered credit loss, uncovered liquidity loss, general business loss), (ii) the cause of the circumstances, and (iii) the severely adverse market conditions associated with or resulting from the scenario.

Rule 17ad–26(a)(4) (Triggers): The Clearing Agencies' current R&W Plans already include the necessary information to satisfy this aspect of Rule 17ad–26, which requires covered clearing agencies to identify and describe the criteria that could trigger implementation of the R&W Plans and the process used to monitor and determine whether the criteria have been met.²⁴ The Proposed Rule Changes would move existing language in the R&W Plans that describe the criteria for the Clearing Agencies' entry into the Recovery Phase²⁵ and implementation of the Recovery Plan and move it into new Section 5.3 (The Recovery Plan Trigger) of the R&W Plans.²⁶ In addition, with respect to the trigger for an orderly wind-down of the Clearing Agencies, current Section 8.4.3 (Triggers for Implementing Wind-down) as well as the Clearing Agencies' Rules concerning the wind-down of the Clearing Agencies

describe the trigger for implementation of the Wind-down Plan and the associated Board governance process.²⁷

Rule 17ad–26(a)(5) and Rule 17ad–26(a)(6) (Rules, Policies, Procedures, and Tools): Attachment D would address the Rule 17ad–26(a)(5) and Rule 17ad–26(a)(6)²⁸ requirements that covered clearing agencies (i) identify and describe the rules, policies, procedures and any other tools or resources on which the covered clearing agency would rely in a recovery or orderly wind-down, and (ii) address how such rules, policies, procedures and any other tools or resources would ensure timely implementation of the R&W Plan. Attachment D would be a two-part table that would include the following column headings: (i) "Tools and Resources," (ii) "Relevant Rules, Policies and Procedures," and (iii) "Responsible Body/Personnel" necessary for their governance and implementation. Each row of the table would include this information for each Clearing Agency's loss allocation waterfall tools (Part 1 of the table) and for each Clearing Agency's liquidity resources (Part 2 of the table).²⁹ Because the R&W Plans already include tables that describe the Clearing Agencies' loss waterfall tools (Table 5–B)³⁰ and liquidity tools (Table 5–C),³¹ Attachment D would expand upon the information included in Table 5–B and Table 5–C to incorporate the additional information set forth above.

Rule 17ad–26(a)(7) (Notification to the Commission): Attachment E would address the Rule 17ad–26(a)(7)

²⁷ See DTC Notice of Filing, *supra* note 3, at 17672 n.33; FICC Notice of Filing, *supra* note 3, at 17647 n.33; NSCC Notice of Filing, *supra* note 3, at 17842 n.33.

²⁸ 17 CFR 240.17ad–26(a)(5) and (a)(6).

²⁹ Each Clearing Agency's liquidity risk management strategy, including the manner in which the Clearing Agency would deploy liquidity tools as well as its intraday use of liquidity, is described in each Clearing Agency's Liquidity Risk Management Framework. See DTC Notice of Filing, *supra* note 3, at 17672 n.35; FICC Notice of Filing, *supra* note 3, at 17647 n.35; NSCC Notice of Filing, *supra* note 3, at 17843 n.35.

³⁰ The Loss Waterfall tools set out in Table 5–B of the R&W Plans are the "Corporate Contribution" and "Loss Allocation." See also DTC Rule 4 (Participants Fund and Participants Investment); GSD Rule 4 and MBSD Rule 4 (Clearing Fund and Loss Allocation); NSCC Rule 4 (Clearing Fund).

³¹ Liquidity tools identified in Table 5–C of the R&W Plans for DTC include (i) Increase the speed of portfolio asset sales, (ii) Credit Facility, and (iii) Net Credit Reductions. For FICC, they include (i) Increase the speed of portfolio asset sales, (ii) Execute dollar rolls or coupon swaps for mortgage-backed positions in GSD and MBSD, (iii) Utilize MRAs with GSD CCIT Members, and (iv) Access non-qualifying liquid resources. For NSCC, they include (i) Utilize short-settling liquidating trades, (ii) Increase the speed of portfolio asset sales, (iii) Credit Facility, (iv) Unissued Commercial Paper, and (v) Non-Qualifying Liquid Resources.

²⁰ 17 CFR 240.17ad–26(a)(2)(ii).

²¹ The compliance date by which the Proposed Rule Changes must be effective is December 15, 2025. *Supra* note 8.

²² DTCC operates on a shared service model with respect to DTC, NSCC, and FICC. Most corporate functions are established and managed on an enterprise-wide basis pursuant to intercompany agreements under which it is generally DTCC that provides relevant services to the Clearing Agencies. As set forth in Section 8.4.2 of the R&W Plans (Critical Services and Clearing Agency Link Arrangements), the Clearing Agencies utilize a shared service model in which services are centralized in DTCC, which provides enterprise-wide shared services, staffing, infrastructure and operational support. As a result, the Clearing Agencies are not typically the party to the written agreements with TCSPs. Rather, these are primarily entered into by DTCC with the TCSP agreeing to provide services to DTCC and/or one or more of its affiliates, including the Clearing Agencies. Therefore, in general, the TCSP does not have a basis to terminate or suspend the performance under the written agreement based on a change in condition in respect of a Clearing Agency, especially when DTCC continues to satisfy its payment obligations for the services.

²³ As described in Section 8.1 of the Plan (Introduction and Executive Summary) and in Clearing Agencies' Rules, in the event the Board determines that a Clearing Agency will initiate the wind-down Plan, a "Transferee" means an entity to which the Business of the Corporation is transferred pursuant to the Wind-down Plan, and may include (i) a failover entity established by DTCC, (ii) a then-existing or newly-established third party entity, or (iii) a bridge entity formed to operate the business on an interim basis.

²⁴ 17 CFR 240.17ad–26(a)(4).

²⁵ Pursuant to Section 5.2.4 of the R&W Plans (Recovery Corridor and Recovery Phase), the "Recovery Phase" relates to the actions taken by the Clearing Agencies to restore their financial resources and avoid wind-down.

²⁶ Section 5.3 (The Recovery Trigger) would state that the criteria that would trigger each Clearing Agency's entry into the Recovery Phase and thus the implementation of the Recovery Plan is the date that it issues the first Loss Allocation Notice of the second loss allocation round with respect to a given Event Period. (As provided in the Clearing Agencies' Rules, the first Loss Allocation Notice in a second or subsequent round will specify that a second (or subsequent) round has commenced).

requirement that covered clearing agencies inform the Commission as soon as practicable when it is considering implementing a recovery or orderly wind-down.³² For a recovery, Attachment E would state that as set forth in Section 5.2.4 of the R&W Plans (Recovery Corridor and Recovery Phase), the Clearing Agencies would monitor, during a “Recovery Corridor,” the early warning indicators that could indicate that the Clearing Agencies may transition into recovery. The Clearing Agencies would notify the SEC³³ at the time a determination is made by the Executive Committee that the Clearing Agencies have entered the Recovery Corridor, which means that either a market event, including a Member or Participant default or a non-default event, may result in uncovered losses, liquidity shortfalls or general business losses following end-of-day settlement. As further described in this section of the R&W Plan, the Clearing Agencies’ entry into the Recovery Corridor indicates that the Clearing Agencies are considering implementing the Recovery Plan. Therefore, the timing of this notification would provide the SEC with advance notice that the Clearing Agencies are considering implementing its Recovery Plan and coincide with the Clearing Agencies’ monitoring of both the adequacy of its resources and the actual and expected timing of resource replenishment.

For an orderly wind-down, as set forth in Section 8.2.2 of the R&W Plans (Wind-down Indicators), Attachment E would state that the Clearing Agencies would expect that a significant inability to replenish the Clearing or Participants Fund and/or other liquidity resources (principally its Credit Facility) could lead the Clearing Agencies to remain in the Recovery Phase³⁴ for an extended period or potentially consider wind-down. If the various options set forth in the Recovery Plan are not deemed feasible or readily available, the Clearing Agencies would enter wind-down following a Runway Period.³⁵ The Clearing Agencies would notify the SEC³⁶ at the time a determination is made by the Executive Committee that

the Clearing Agencies have entered the Runway Period. The length of the Runway Period would vary based on the severity of the market stress or other event and the ability of the Clearing Agencies to replenish its resources in a timely manner. However, in all scenarios, a Runway Period would occur before the Clearing Agencies would need to implement the Wind-down Plan. Thus, proposed Attachment E would state that the timing of this notification would provide the SEC with advance notice of the fact that the Clearing Agencies are considering implementing the Wind-down Plan. It would note further that because of the Clearing Agencies’ prior notification to the SEC that it is considering implementing the Recovery Plan, the SEC would already be actively engaged with the Clearing Agencies as they proceed through each stage of the Crisis Continuum, including prior to the Clearing Agencies’ entry into the Runway Period.

Rule 17ad-26(a)(8) (Testing): Attachment F would address the Rule 17ad-26(a)(8)³⁷ requirement that the R&W Plans include procedures for testing the ability of a covered clearing agency to implement the recovery and orderly wind-down plan at least every 12 months. Attachment F would describe each Clearing Agency’s procedures for testing its ability to implement its R&W Plan at least every 12 months, including describing the requirement that certain Members or Participants participate in the testing based on specified criteria³⁸ and, when practicable, other stakeholders.

Rule 17ad-26(a)(9) (Board Approval): Attachment G would address the Rule 17ad-26(a)(9) requirement that R&W Plans include procedures requiring review and approval of the plans by the board of directors at least every 12 months or following material changes to the covered clearing agency’s operations that would significantly affect the viability or execution of the plans, with review informed, as appropriate, by the covered clearing agency’s testing of the plans.³⁹ Attachment G would clarify that the Office of Recovery & Resolution Planning (the “R&R Team”) of the Clearing Agencies’ parent company, DTCC would provide updates to the

Executive Committee and the Board of each Clearing Agency with regard to changes and enhancements to the R&W Plans. It would also require approval of each R&W Plan at least every 12 months or following material changes to each Clearing Agency’s operations that would significantly affect the viability or execution of its R&W Plan. The review by the board is informed, as appropriate, by the Clearing Agencies’ testing of the R&W Plans as described in Attachment F (Testing) to the R&W Plans. It would further describe that the board reviews the R&W Plans through formal and ad hoc board meetings, receiving any necessary interim updates as determined by the Executive Committee. It would identify that the policy and procedures that describe the process for the review and approval of the R&W Plans by the board are set forth in the following: (i) Office of Recovery and Resolution Planning Procedures and (ii) Office of Recovery and Resolution Planning Policy. In addition, it would provide that the Charter of the board would be amended to include the obligation that the board review and approve the R&W Plans at least every 12 months or following material changes to the Clearing Agencies’ operations that would significantly affect the viability or execution of the R&W Plans.

B. Addition of Section 9 (Compliance With Rule 17ad-26)

The Clearing Agencies are also proposing to add a new Section 9 entitled “Compliance with Rule 17ad-26: Recovery and Orderly Wind-down Plans of Covered Clearing Agencies” to address each of the elements required by 17ad-26 in one section of the R&W Plans. This section would describe each of the attachments addressing the required elements of Rule 17ad-26.

C. Other Conforming Updates and Technical Revisions

Finally, the Clearing Agencies are proposing conforming updates and technical revisions to the R&W Plans for consistency with Rule 17ad-26. Accordingly, the Clearing Agencies would include the following defined terms included in Rule 17ad-26 for “Recovery,” “Orderly wind-down,” and “Service provider for core services.”⁴⁰ These technical revisions would also replace the name of the defined term “Critical Services” in the R&W Plans to “Core Services” to align with Rule 17ad-26 without changing the substantive statements being revised. The Clearing Agencies state that the proposed updates and technical

³² 17 CFR 240.17ad-26(a)(7).

³³ Attachment E would state that each Clearing Agency would provide this notification to its regular supervisory contacts at the SEC, either verbally and/or in writing.

³⁴ The Recovery Plan describes the recovery phase of the Crisis Continuum, which would begin on the date that the Clearing Agency issues the first Loss Allocation Notice of the second loss allocation round with respect to a given Event Period.

³⁵ The Wind-down Plan identifies the time period leading up to a decision to wind-down the Clearing Agency as the “Runway Period.”

³⁶ *Supra* note 34.

³⁷ 17 CFR 240.17ad-26(a)(8).

³⁸ Proposed Attachment F would state that the R&R Team would identify the Member(s) or Participant(s) required to participate in the simulation and that considerations for the Member or Participant selection may include, but are not limited to, (i) account structure, (ii) affiliated family structure, (iii) business model, (iv) operational details, and (v) Participant size in terms of trading and settlement activity.

³⁹ 17 CFR 240.17ad-26(a)(9).

⁴⁰ *Supra* note 8, 17ad-26(b) (Definitions).

revisions would improve the clarity and accuracy of the R&W Plans and, therefore, would help facilitate the execution of R&W Plans, if necessary.⁴¹

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Exchange Act⁴² 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 Exchange Act and rules and regulations thereunder applicable to such organization. After carefully considering the Proposed Rule Changes, the Commission finds that the Proposed Rule Changes are consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to the Clearing Agencies. In particular, the Commission finds that the Proposed Rule Changes are consistent with Section 17A(b)(3)(F) of the Exchange Act⁴³ and Rules 17ad–22(e)(3)(ii) and 17ad–26 thereunder.⁴⁴

A. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Exchange Act⁴⁵ requires the rules of a clearing agency to, among other things, promote the prompt and accurate clearance and settlement of securities transactions and assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.

As described above in Sections II.A. and II.B., the Proposed Rule Changes will update the Clearing Agencies' R&W Plans to identify and describe staffing roles and service providers for core services, scenarios that could prevent the Clearing Agencies from being able to provide its core services as a going concern, steps the Clearing Agencies would take to ensure that such staffing roles and service providers would continue to perform in the event of a recovery and during an orderly wind-down, rules, policies, procedures, tools, and resources that the Clearing Agencies would rely on in a recovery or orderly wind-down, as well as procedures for annual testing of the R&W Plans, Board approval of the R&W Plans, and notification to the Commission when a Clearing Agency is considering

implemented a recovery or orderly wind-down. These changes should help ensure the continuity of the Clearing Agencies' core services during a recovery or orderly wind-down, thereby promoting the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds.

As the Commission previously stated, based on its supervisory experience, the Commission has observed that covered clearing agencies rely upon some service providers to deliver core services and for those service providers that are necessary for the provision of core services, the failure of those service providers to perform could pose significant operational risks and have substantial effects on the covered clearing agency's ability to provide core services.⁴⁶ In a recovery or orderly wind-down, the continued performance of a service provider would be essential for the continuity of core services.⁴⁷ By identifying the Clearing Agencies' core service providers and steps it would take to ensure that such service providers would continue to perform in the event of a recovery and during an orderly wind-down, the Proposed Rule Changes should help ensure that necessary core service providers continue to support access to and continuity of the Clearing Agencies' core services. This, in turn, should help ensure the Clearing Agencies able to promptly and accurately clear and settle transactions during recovery and, if necessary, conduct an orderly wind-down.

Similarly, the Proposed Rule Changes will identify the staffing roles necessary to support each Clearing Agency's core services in the event of a recovery and during an orderly wind-down, potential challenges of retaining those staffing roles during a recovery or wind-down event and methods to address those challenges so that the core services can continue uninterrupted. By identifying the necessary staffing roles to support the Clearing Agencies' core services and the tools to retain staff in the event of a recovery and during an orderly wind-down, the Proposed Rule Changes should help ensure that the Clearing Agencies have the necessary staff to support access to and continuity of core services during such events so that the Clearing Agencies can continue to promptly and accurately clear and settle trades and safeguard of securities and funds which are in its custody or control.

Moreover, the Proposed Rule Changes will identify and describe scenarios that may potentially prevent the Clearing Agencies from being able to provide core services. Identification and description of scenarios should help the Clearing Agencies evaluate what is necessary to achieve a recovery of the clearing agency and, if recovery fails, help ensure the orderly wind-down of the Clearing Agencies and transfer of critical services to a new entity. Identifying the scenarios should also help the Clearing Agencies make the reasonable and appropriate preparations to achieve a recovery or, if recovery fails, avoid a disorderly wind-down arising from those scenarios that could transmit risk through the U.S. securities markets and the broader financial system, which should help support the prompt and accurate clearance and settlement of securities transactions and safeguarding of securities and funds.⁴⁸

Further, the Proposed Rule Changes will clearly define tools, resources, rules, policies, and procedures that the Clearing Agencies would rely upon during a recovery or orderly wind-down, as well as make other technical and conforming changes described in Section III.C. Identifying and clearly defining the specific recovery tools, such as loss allocation waterfalls or liquidity resources and making other technical and conforming changes in the R&W Plans should help improve the clarity of the R&W Plans and allow participants to understand the potential tools and resources that could be used and provides a structured framework that should help Clearing Agencies avoid unexpected actions that could undermine the clearance and settlement of securities transactions and safeguarding of securities and funds, which should help the Clearing Agencies promptly and accurately clear and settle securities transactions and safeguard of securities and funds in periods of market stress.⁴⁹

Accordingly, the Proposed Rule Changes to update the Clearing Agencies' R&W Plans to identify and describe staffing roles and service providers for core services, scenarios that could prevent the Clearing Agencies from being able to provide core services, steps the Clearing Agencies would take to ensure that such staffing roles and service providers would continue to perform in the event of a recovery and during an orderly

⁴¹ See DTC Notice of Filing, *supra* note 3, at 17673; FICC Notice of Filing, *supra* note 3, at 17648; NSCC Notice of Filing, *supra* note 3, at 17844.

⁴² 15 U.S.C. 78s(b)(2)(C).

⁴³ 15 U.S.C. 78q–1(b)(3)(F).

⁴⁴ 17 CFR 240.17ad–22(e)(3)(ii) and 17 CFR 240.17ad–26.

⁴⁵ 15 U.S.C. 78q–1(b)(3)(F).

⁴⁶ *Supra* note 8, at 91018.

⁴⁷ *Id.*

⁴⁸ See Proposing Release, Covered Clearing Agency Resilience and Recovery and Orderly Wind-down Plan, Exchange Act Release No. 97516 (May 17, 2023), 88 FR 34708, 34720 (May 30, 2023) (S7–10–23).

⁴⁹ *Id.* at 34722.

wind-down, rules, policies, procedures, tools, and resources that the Clearing Agencies would rely on in a recovery or orderly wind-down, as well as testing, Board approval, and Commission notification procedures would promote the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds, consistent with Section 17A(b)(3)(F) of the Exchange Act.⁵⁰

B. Consistency With Rule 17ad-22(e)(3)(ii)

Rule 17ad-22(e)(3)(ii) requires a covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency, which includes plans for the recovery and orderly wind-down of the covered clearing agency necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses.⁵¹

The proposed changes described above would support the Clearing Agencies' maintenance of plans for the recovery and orderly wind-down of the Clearing Agencies by helping ensure that the R&W Plans are updated with current, accurate operational, personnel, and procedural information. As described above, the R&W Plans outline the Clearing Agencies' plans to recover from, or wind-down its operations, as a result of severe stress brought about by credit losses, liquidity shortfalls, losses from general business risk or other losses, including losses from operational disruption. The proposed modifications to the R&W Plans evaluate, among other things, how the Clearing Agencies would continue to provide core services during a recovery or wind-down and analyze, from a staffing perspective, how staffing roles necessary to support the Clearing Agencies' core services would continue in a recovery or during a wind-down. Additionally, the proposed modifications identify the Clearing Agencies' service providers necessary to ensure the continued delivery of core services throughout a recovery or wind-down. Further, the Proposed Rule Changes describe the Clearing Agencies' process for testing the R&W Plans and the roles and responsibilities for reviewing the testing results. These proposed updates enhance the Clearing Agencies' existing

R&W Plans and codify its existing elements to ensure that those elements remain in the R&W Plans over time. By adding this information to the R&W Plans and ensuring that material provisions of the R&W Plans are current, clear, and correct, the Proposed Rule Changes help ensure that those using the R&W Plans have the appropriate information and an accurate understanding of the potential resources available for recovery or an orderly wind-down. Accordingly, the Proposed Rule Changes are consistent with Rule 17ad-22(e)(3)(ii).⁵²

C. Consistency With Rule 17ad-26

Rule 17ad-26 requires the plans for recovery and orderly wind-down of covered clearing agencies to identify and address certain information that is pertinent to the R&W Plan.⁵³ The Proposed Rule Changes would add the various elements required by Rule 17ad-26.

As described above, the modifications to the Clearing Agencies' R&W Plans evaluate, among other things, how the Clearing Agencies continues to provide core services during a recovery or wind-down and analyze, from a staffing perspective, how staffing roles necessary to support the Clearing Agencies' core services would continue in a recovery or during a wind-down, consistent with Rule 17ad-26(a)(1). Moreover, modifications to identify the Clearing Agencies' service providers necessary to ensure the continued delivery of its core services throughout a recovery or wind-down and provide additional information concerning the tools and resources that would be relied upon in a recovery or orderly wind-down and how such tools and resources would ensure timely implementation of the R&W Plans are consistent with Rules 17ad-26(a)(2), (a)(5), and (a)(6), respectively. Further, the modifications to identify and describe scenarios that may potentially prevent the Clearing Agencies from being able to provide core services as identified in the R&W Plans as a going concern are consistent with Rule 17ad-26(a)(3). The modifications describing the Clearing Agencies' process for testing the R&W Plans and the roles and responsibilities for reviewing the testing results are consistent with Rule 17ad-26(a)(8). Finally, the R&W Plans clarify that the Clearing Agencies will notify the Commission as soon as practicable when considering implementing a recovery or orderly wind-down and will review and approval of the R&W Plans

by the Clearing Agencies' Board of Directors, consistent with Rules 17ad-26(a)(7) and (a)(9). By adding these elements to the R&W Plans, the Proposed Rule Changes help the Clearing Agencies maintain the R&W Plans in a way that is consistent with Rule 17ad-26.⁵⁴

IV. Conclusion

On the basis of the foregoing, the Commission finds that the Proposed Rule Changes are consistent with the requirements of the Exchange Act and in particular with the requirements of Section 17A of the Exchange Act⁵⁵ and the rules and regulations promulgated thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act⁵⁶ that proposed rule changes SR-DTC-2025-007, SR-FICC-2025-010, and SR-NSCC-2025-007, be, and hereby are, *approved*.⁵⁷

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁸

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-10877 Filed 6-13-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103052A; File No. SR-NYSETEX-2025-09]

Self-Regulatory Organizations; NYSE Texas, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Enhance the NYSE Texas Integrated Feed Market Data Product; Correction

June 9, 2025.

AGENCY: Securities and Exchange Commission.

ACTION: Notice; correction.

SUMMARY: The Securities and Exchange Commission published a document in the **Federal Register** on May 22, 2025, concerning a Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Enhance the NYSE Texas Integrated Feed Market Data Product. The document contained a typographical error.

FOR FURTHER INFORMATION CONTACT:
Pamela L. Timus, Securities and

⁵⁰ 15 U.S.C. 78q-1(b)(3)(F).

⁵¹ 17 CFR 240.17Ad-22(e)(3)(ii).

⁵² *Id.*

⁵³ 17 CFR 240.17ad-26.

⁵⁴ 17 CFR 240.17ad-26.

⁵⁵ 15 U.S.C. 78q-1.

⁵⁶ 15 U.S.C. 78s(b)(2).

⁵⁷ In approving the Proposed Rule Changes, the Commission considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵⁸ 17 CFR 200.30-3(a)(12).