

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change should be approved or disapproved by July 18, 2025. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by August 1, 2025.

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-FICC-2025-006 on the subject line.

Paper Comments

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

All submissions should refer to file number SR-FICC-2025-006. 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 FICC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may

1975, Public Law 94-29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

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-FICC-2025-006 and should be submitted on or before July 18, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁹

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103309; File No. SR-NSCC-2025-003]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Amendment No. 1, and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, Regarding Proposed Rule Change Relating to a Participant System Disruption

June 24, 2025.

On March 14, 2025, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-NSCC-2025-003 pursuant to Section 19(b) of the Securities Exchange Act of 1934 ("Exchange Act" or "the Act")¹ and Rule 19b-4² thereunder to modify its Disruption Rules.³ The proposed rule change was published for public comment in the **Federal Register** on March 27, 2025.⁴ The Commission has received comments regarding the substance of the changes proposed in the proposed rule change.⁵

On May 2, 2025, pursuant to Section 19(b)(2) of the Exchange Act,⁶ the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the

proposed rule change.⁷ On June 20, 2025, NSCC filed Amendment No. 1 to the proposed rule change, as described in Items I and II below, which Items have been prepared by NSCC.⁸ Amendment No. 1 superseded the original proposed rule change in its entirety.

The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, and is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act⁹ to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change, as Modified by Amendment No. 1

NSCC, along with its two affiliate clearing agencies, Fixed Income Clearing Corporation ("FICC") and The Depository Trust Company ("DTC," and together with NSCC and FICC, the "Clearing Agencies," or "Clearing Agency" when referring to one of any of the three Clearing Agencies)¹⁰ each filed with the Commission substantively similar proposals ("Original Proposal")¹¹ to amend their respective rules currently titled Systems Disconnect: Threat of Significant Impact to the Corporation's Systems.¹² Each respective filing was written from the perspective of the Clearing Agencies, collectively, instead of DTC, FICC, and NSCC individually, but application of

⁷ Securities Exchange Act Release No. 102981 (May 5, 2025), 90 FR 19590 (May 8, 2025) (File Nos. SR-DTC-2025-003; SR-FICC-2025-006; SR-NSCC-2025-003).

⁸ Amendment No. 1 is available at <https://www.dtcc.com/-/media/Files/Downloads/legal/rule-filings/2025/NSCC/SR-NSCC-2025-003-Amendment-1.pdf>.

⁹ 15 U.S.C. 78s(b)(2)(B).

¹⁰ The Clearing Agencies are each a subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC operates on a shared service model with respect to the Clearing Agencies. 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.

¹¹ Securities Exchange Act Release Nos. 102711 (Mar. 21, 2025), 90 FR 13926 (Mar. 27, 2025) (SR-NSCC-2025-003); 102713 (Mar. 21, 2025), 90 FR 13942 (Mar. 27, 2025) (SR-FICC-2025-006); and 102712 (Mar. 21, 2025), 90 FR 13919 (Mar. 27, 2025) (SR-DTC-2025-003) (collectively, "Original Filings").

¹² Rule 60A of the NSCC Rules & Procedures ("NSCC Rules"), Rule 50A of the FICC Government Securities Division ("FICC-GSD") Rulebook ("FICC-GSD Rules"), Rule 40A of the FICC Mortgage-Backed Securities Division ("FICC-MBSD") Clearing Rules ("FICC-MBSD Rules"), and Rule 38(A) of the Rules, By-Laws and Organization Certificate of DTC ("DTC Rules") (collectively, the "Disruption Rules"), available at <https://www.dtcc.com/legal/rules-and-procedures>.

⁵⁹ 17 CFR 200.30-3(a)(12) and (a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Specifically, NSCC is seeking to modify Rule 60A of the NSCC Rules & Procedures (the "Disruption Rules"). The Disruption Rules are publicly available at <https://www.dtcc.com/legal/rules-and-procedures>.

⁴ Securities Exchange Act Release No. 102711 (Mar. 21, 2025), 90 FR 13926 (Mar. 27, 2025) (File No. SR-NSCC-2025-003).

⁵ Comments on the proposed rule change are available at <https://www.sec.gov/comments/sr-dtc-2025-003/srdtc2025003.htm>.

⁶ 15 U.S.C. 78s(b)(2).

the proposed rule changes would only apply to the DTCC Systems Participant (as defined below) of the corresponding Clearing Agency or Clearing Agencies.¹³

On April 17, 2025, the Securities Industry and Financial Markets Association (“SIFMA”) submitted a comment letter to the Original Proposal (“SIFMA Letter”).¹⁴ Based on comments made in the SIFMA Letter and further review of the Original Proposal, the Clearing Agencies are now filing this Amendment No. 1.

This Amendment No. 1 would modify the Original Proposal by (i) amending the proposed definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and proposing to add Third-Party Provider as a new defined term; (ii) simplifying the notification requirements and requested details of a Participant System Disruption; (iii) allowing for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) making technical, ministerial, and other conforming and clarifying changes.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, as Modified by Amendment No. 1

In its filing with the Commission, the clearing agency 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 these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On March 14, 2025, the Clearing Agencies each filed the Original Proposal¹⁵ to amend their respective

rules currently titled Systems Disconnect: Threat of Significant Impact to the Corporation’s Systems. Each respective filing was written from the perspective of the Clearing Agencies, collectively, instead of DTC, FICC, and NSCC individually, but application of the proposed rule changes would only apply to the DTCC Systems Participant of the corresponding Clearing Agency or Clearing Agencies.

On April 17, 2025, SIFMA submitted the SIFMA Letter.¹⁶ Based on comments made in the SIFMA Letter and further review of the Original Proposal, the Clearing Agencies are now filing this Amendment No. 1.

This Amendment No. 1 would modify the Original Proposal by (i) amending the proposed definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and proposing to add Third-Party Provider as a new defined term; (ii) simplifying the notification requirements and requested details of a Participant System Disruption; (iii) allowing for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) making technical, ministerial, and other conforming and clarifying changes, as discussed below.

Current Disruption Rules & Original Proposal

The Clearing Agencies’ current Disruption Rules contain provisions identifying the events or circumstances that would be considered a Major Event.¹⁷ During the pendency of a Major Event, the Disruption Rules authorize the Clearing Agencies to take certain actions, within a prescribed governance framework, to mitigate the effect of the Major Event on the Clearing Agencies, their respective members or participants as defined in the respective rules of the applicable Clearing Agency (hereinafter, “Respective Participants”),¹⁸ their

Affiliates, and the industry more broadly.¹⁹

The Original Proposal proposed to and would continue to (i) update and add definitions used throughout the Disruption Rules; (ii) update the provisions and governance for declaring a Major Event (which would be redefined as a Major System Event²⁰); (iii) clarify and enhance the requirements of the DTCC Systems Participant, as amended below, to notify the Clearing Agencies of a Systems Disruption (which would be redefined as a Participant System Disruption, as amended below); (iv) add provisions incorporating the reporting, testing, and approval requirements, process, legal obligations, and governance necessary for “reconnection” (as defined by the Original Proposal)²¹ of a DTCC Systems Participant that was “disconnected” from DTCC Systems²² pursuant to a Disruption Rule; and (v) make technical, ministerial, and other conforming and clarifying changes, including updating the name of the Disruption Rules.²³ Other than the below described

Members, Comparison Only Members, and Funds-Only Settling Bank Members; and for FICC–MBS, Members, Clearing Members, and Cash Settling Bank Members. Original Filings, *supra* note 11.

¹⁹ See Disruption Rules, *supra* note 12, Section 1.

²⁰ Pursuant to this proposed rule change, Major Event would be deleted and replaced with “Major System Event,” to be defined as, “a Participant System Disruption that has or is reasonably anticipated to, for example, disrupt, degrade, cause a delay in, interrupt or otherwise alter the normal operation of DTCC Systems; result in unauthorized access to DTCC Systems; result in the loss of control of, disclosure of, or loss of DTCC Confidential Information; or cause a strain on, loss of, or overall threat to the Corporation’s resources, functions, security or operations.”

²¹ Pursuant to the Original Proposal, “Reconnection” would be defined as the reestablishment of connectivity between DTCC Systems and the DTCC Systems Participant that was the subject of action taken pursuant to a Disruption Rule. Original Filings, *supra* note 11.

²² “DTCC Systems” is currently defined in the Disruption Rules as, “the systems, equipment and technology networks of DTCC, the Corporation and/or their Affiliates, whether owned, leased, or licensed, software, devices, IP addresses, or other addresses or accounts used in connection with providing the services set forth in the Rules, or used to transact business or to manage the connection with the Corporation.” Disruption Rules, *supra* note 12, Section 1. Pursuant to the Original Proposal, the definition would be updated to mean “the systems, equipment and technology networks of DTCC, the Corporation and/or any Affiliates of DTCC or the Corporation, whether owned, leased, or licensed, and including software, hardware, applications, devices, IP addresses, or other addresses or accounts used in connection with such systems, equipment and technology networks, to provide the services set forth in these [Rules & Procedures/ Rules and the Procedures/Rules], or otherwise used to transact business or connect with DTCC, the Corporation, or any Affiliates of DTCC or the Corporation.” Original Filings, *supra* note 11.

²³ Original Filings, *supra* note 11 (providing specifics of each proposed change of the Original Proposal).

¹³ Capitalized terms not otherwise defined herein have the meaning as set forth in the respective rules of the Clearing Agencies, available at <https://www.dtcc.com/legal/rules-and-procedures>, or in the Original Filings, *supra* note 11.

¹⁴ Letter from Stephen Byron, Managing Director, Head of Operations, Technology, Cyber & BCP, SIFMA (Apr. 17, 2025). SIFMA also submitted an earlier, two-page letter, on April 16, 2025, requesting additional time to submit a comment letter to the Original Proposal and highlighting some potential concerns that were then covered in the follow-up SIFMA Letter. Letter from Stephen Byron, Managing Director, Head of Operations, Technology, Cyber & BCP, SIFMA (Apr. 16, 2025).

¹⁵ Original Filings, *supra* note 11.

¹⁶ SIFMA Letter, *supra* note 14.

¹⁷ “Major Event” is currently defined in the Disruption Rules as, “the happening of one or more System Disruption(s) that is reasonably likely to have a significant impact on the Corporation’s operations, including the DTCC Systems, that affect the business, operations, safeguarding of securities or funds, or physical functions of the Corporation, [Respective Participants] and/or other market participants.” Disruption Rules, *supra* note 12, Section 1.

¹⁸ Under the current Disruption Rules, Respective Participants for NSCC are Members and Limited Members; for DTC, Participants; for FICC–GSD and FICC–MBS, Members. Disruption Rules, *supra* note 12, Section 1. Under the Original Proposal, Respective Participants for NSCC will be Members, Limited Members, and Sponsored Members; for DTC, Participants, Limited Participants, and Pledges; for FICC–GSD, Netting Members, CCIT

amendments proposed in this Amendment No. 1, the proposed changes of the Original Proposal remain.

Proposed Amendments

As noted above, based on comments raised in the SIFMA Letter and further review of the Original Proposal, the Clearing Agencies are filing this Amendment No. 1 to (i) amend the proposed definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments, as described below.

1. Definitional Amendments

DTCC Systems Participant—“DTCC Systems Participant” is currently defined in Section 1 of the Disruption Rules as, “a [Respective Participant], or third party service provider, or service bureau that is connecting with the DTCC Systems.”²⁴ Pursuant to the Original Proposal, DTCC Systems Participant would have been redefined in the Disruption Rules as, “(A) any [Respective Participant], or an Affiliate of any [Respective Participant], that directly or indirectly connects with DTCC Systems; or (B) any third-party service provider, service bureau, or other similar entity that directly or indirectly connects with DTCC Systems on behalf of or for the benefit of any [Respective Participant], or an Affiliate of any [Respective Participant].”²⁵

In consideration of the comments raised by SIFMA, generally,²⁶ and after further review of the proposed definition, the Clearing Agencies believe that the proposed definition of DTCC Systems Participant could be drafted differently to better reflect the entities that the definition is intended to cover (*i.e.*, Respective Participants connected to DTCC Systems directly and third-party service providers connected to DTCC Systems on behalf of or for the benefit of Respective Participants). Therefore, the Clearing Agencies propose to amend the proposed definition to simply state that a DTCC Systems Participant is “any [Respective Participant] that connects with DTCC

Systems either directly or indirectly via a Third-Party Provider.”

Systems Disruption/Participant System Disruption—“Systems Disruption” is currently defined in Section 1 of the Disruption Rules as, “the unavailability, failure, malfunction, overload, or restriction (whether partial or total) of a DTCC Systems Participant’s systems that disrupts or degrades the normal operation of such DTCC Systems Participant’s systems; or anything that impacts or alters the normal communication, or the files that are received, or information transmitted, to or from the DTCC Systems.”²⁷ Pursuant to the Original Proposal, Systems Disruption would be deleted and replaced with “Participant System Disruption,” which would have been defined as, “the actual or reasonably anticipated unauthorized access to, or unavailability, failure, malfunction, overload, corruption, or restriction (whether partial or total) of one or more systems of a DTCC Systems Participant.”²⁸

In consideration of the comments raised by SIFMA,²⁹ and after further review of the proposed definition, the Clearing Agencies believe that the proposed definition of Participant System Disruption could be interpreted too broadly. The proposed definition is intended to capture only disruptions to systems connected to DTCC Systems, whether via a direct connection from the Respective Participant or through the Respective Participant’s third-party service provider. It is not intended to capture every disruption to every system of the Respective Participant or its provider. Therefore, the Clearing Agencies propose to amend the proposed definition to a narrower list of “incidents” and explicitly state that the systems in scope are only those “connected to DTCC Systems.” Specifically, the amended definition of Participant System Disruption would read, “an incident resulting from the unintended or unauthorized access to, or the malfunction or corruption (whether partial or total) of one or more systems, of a DTCC Systems Participant or its Third-Party Provider, connected to DTCC Systems.”

Third-Party Cybersecurity Firm—The Original Proposal proposed to add the definition “Third-Party Cybersecurity Firm” to the Disruption Rules to mean, “a firm that, in [the Clearing Agencies’] reasonable judgement, (A) (i) is well-known and reputable; (ii) is not affiliated with DTCC, [the Clearing

Agencies], an Affiliate of DTCC or [the Clearing Agencies], a DTCC Systems Participant, or an Affiliate of a DTCC Systems Participant; (iii) specializes in financial-sector cybersecurity; and (iv) employs Best Practices; or (B) is otherwise determined to be a Third-Party Cybersecurity Firm by [the Clearing Agencies].”³⁰

In consideration of the comments raised by SIFMA,³¹ and after further review of the proposed definition, the Clearing Agencies believe that the “not affiliated with” language and the “specializes” term in the definition could be clearer and simpler. Accordingly, the Clearing Agencies propose to amend the definition of Third-Party Cybersecurity Firm to (i) remove the proposed “not affiliated with” language and, instead, simply state that the Third-Party Cybersecurity Firm cannot be the subject DTCC Systems Participant, an Affiliate thereof, or a Third-Party Provider thereof; and (ii) replace “specialized” with “experienced,” a more objective standard.

Third-Party Provider—The Original Proposal did not include a separate defined term to cover Affiliates of Respective Participants, third-party service providers, service bureaus, or other similar entities that connect to DTCC Systems on behalf of or for the benefit of the Respective Participant. Rather, the Original Proposal attempted to capture such entities and such connectivity via the proposed DTCC Systems Participant definition.³²

In consideration of the comments raised by SIFMA, generally,³³ and after further review of how the DTCC Systems Participant definition worked throughout the Disruption Rules, the Clearing Agencies believe a new, separate defined term would be clearer, simpler, and better capture the intended purpose (*i.e.*, to cover a DTCC Systems Participant’s third-party connections). Therefore, the Clearing Agencies propose to add the definition “Third-Party Provider,” which would mean, “an Affiliate of any [Respective Participant], or a third-party service provider, service bureau or other similar entity, that connects to DTCC Systems on behalf of or for the benefit of a DTCC Systems Participant.”

This proposed amendment also would work to accommodate the proposed amendments to the definitions of DTCC Systems Participant, Participant System Disruption, and Third-Party

²⁴ Disruption Rules, *supra* note 12, Section 1.

²⁵ Original Filings, *supra* note 11.

²⁶ SIFMA Letter, *supra* note 14.

²⁷ Disruption Rules, *supra* note 12, Section 1.

²⁸ Original Filings, *supra* note 11.

²⁹ SIFMA Letter, *supra* note 14, at 2–4.

³⁰ Original Filings, *supra* note 11.

³¹ SIFMA Letter, *supra* note 14, at 4–5.

³² Original Filings, *supra* note 11.

³³ SIFMA Letter, *supra* note 14.

Cybersecurity Firm, described above. Additionally, with this amendment and the proposed amendment to the definition of DTCC System Participant, the Respective Participants would be the sole the responsible parties under the Disruption Rules, whether they connect directly or indirectly to DTCC Systems. As such, the Clearing Agencies propose to amend Section 7(e) of the Disruption Rules in the Original Proposal to remove language that was originally proposed to cover entities that may not be Respective Participants.³⁴

2. Notice and Reporting Amendments

Section 2(a) of the Disruption Rules in the Original Proposal required, in part, a DTCC Systems Participant experiencing a Participant System Disruption to notify the applicable Clearing Agency of the disruption “on behalf of itself and any Affiliate of the DTCC Systems Participant. . . .”³⁵ It also required in Section 2(b) that a DTCC Systems Participant that had “actual knowledge that an unaffiliated DTCC Systems Participant [was] experiencing a Participant System Disruption” to notify the applicable Clearing Agency, if legally permitted to do so.³⁶

In consideration of the comments raised by SIFMA,³⁷ and after further review of those proposed requirements, the Clearing Agencies no longer believe that the proposed “and any Affiliate” language in Section 2(a) and the entire language in Section 2(b) are needed. Rather, the Clearing Agencies believe that the intended purpose of those requirements (*i.e.*, to cover a DTCC Systems Participant’s third-party connections) is now better addressed with the proposed definitional amendments described above. Therefore, the Clearing Agencies propose to amend Section 2(a) by removing the “and any Affiliate” language, and Section 2(b) by removing it completely. As such, proposed Section 2(c) would now become proposed Section 2(b) and certain reference language would be updated accordingly.

Section 2(c) of the Disruption Rules in the Original Proposal, which would now be amended Section 2(b), as noted immediately above, proposes a list of information to be reported to the applicable Clearing Agency, by the DTCC Systems Participant, regarding the Participant System Disruption.³⁸

With this Amendment No. 1, the Clearing Agencies propose some technical changes to simplify the originally proposed language and clarify the information requested in the proposed Contact Information and Scope subsections. Additionally, in consideration of the comments raised by SIFMA,³⁹ and after further review of the proposed requirements, the Clearing Agencies propose to amend the Notice subsection to only request notices and other information regarding the Participant System Disruption that has been made “public.” Although the originally proposed language did limit the request to only notices and information that could be provided legally, the scope of the language was arguably too broad, which the proposed amendment now addresses.

3. Third-Party Cybersecurity Firm Report Amendment

Section 5 of the Disruption Rules in the Original Proposal required, in part, that prior to reestablishing connectivity to DTCC Systems pursuant to the Disruption Rules, the subject DTCC Systems Participant must provide the applicable Clearing Agency with a detailed, comprehensive, and auditable report from a Third-Party Cybersecurity Firm.⁴⁰ In consideration of the comments raised by SIFMA,⁴¹ and after further review of the proposed requirements, the Clearing Agencies propose to amend that requirement to also allow a “summary” of such report, in lieu of providing the report itself, in order to alleviate concerns about potentially providing the Clearing Agencies with material, non-public information, notwithstanding the fact that the Clearing Agencies would need to maintain any confidential information accordingly pursuant to their existing rules.⁴²

4. Technical, Ministerial, and Other Conforming and Clarifying Amendments

Based on the proposed amendments described above, and after further review of the overall language of the Original Proposal, the Clearing Agencies propose to make a handful of technical, ministerial, and other conforming and clarifying amendments, such as removing unneeded terms, updating terms, modifying language, and reorganizing sentence structure.

2. Statutory Basis

The Clearing Agencies believe that the proposed amendments in this Amendment No. 1 are consistent with the requirements of the Act and the rules and regulations thereunder applicable to each of the Clearing Agencies. In particular, the Clearing Agencies believe that the proposed amendments are consistent with Section 17A(b)(3)(F) of the Act⁴³ and Rule 17ad-22(e)(17)(i) promulgated under the Act,⁴⁴ as described below.

Consistency With Section 17A(b)(3)(F)

Section 17A(b)(3)(F) of the Act⁴⁵ requires, in part, that the rules of the Clearing Agencies be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to assure the safeguarding of securities and funds which are in the custody or control of the Clearing Agencies or for which they are responsible.

As described above, the Clearing Agencies are filing this Amendment No. 1 to (i) amend the definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments.

The Clearing Agencies believe that these proposed amendments would improve Respective Participants’ ability to understand and comply with the overall proposed changes to the Disruption Rules because the amendments simplify and clarify the Original Proposal and are primarily in response to Respective Participants’ concerns outlined in the SIFMA Letter. By improving compliance with the Disruption Rules, the Clearing Agencies would be better positioned to identify a Participant System Disruption and then take action because of such disruption, as needed. In other words, the proposed amendments help mitigate risk and better protect the Clearing Agencies, their Respective Participants, and the industry more broadly from a Major System Event. By helping to mitigate risk and better protect those parties, the Clearing Agencies would be better situated to promote the prompt and

³⁴ Original Filings, *supra* note 11.

³⁵ *Id.*

³⁶ *Id.*

³⁷ SIFMA Letter, *supra* note 14, at 6.

³⁸ Original Filings, *supra* note 11.

³⁹ SIFMA Letter, *supra* note 14, at 7.

⁴⁰ Original Filings, *supra* note 11.

⁴¹ SIFMA Letter, *supra* note 14, at 8–9.

⁴² DTC Rule 2, Section 1; NSCC Rule 2A, Sec. 1.C; FICC–GSD Rule 2A, Section 5; FICC–MBSD Rule 2A, Section 6, available at <https://www.dtcc.com/legal/rules-and-procedures>.

⁴³ 15 U.S.C. 78q–1(b)(3)(F).

⁴⁴ 17 CFR 240.17ad–22(e)(17)(i).

⁴⁵ 15 U.S.C. 78q–1(b)(3)(F).

accurate clearance and settlement of securities transactions and better safeguard securities and funds that are in their custody or control, consistent with Section 17A(b)(3)(F) of the Act.⁴⁶

Consistency With Rule 17ad–22(e)(17)(i)

Rule 17ad–22(e)(17)(i) promulgated under the Act⁴⁷ requires that the Clearing Agencies establish, implement, maintain, and enforce written policies and procedures reasonably designed to manage operational risks by identifying plausible sources of operational risk, both internal and external, and mitigating their impact through the use of appropriate systems, policies, procedures, and controls.

The Clearing Agencies are filing this Amendment No. 1 to (i) amend the definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments, each of which were described above.

By providing greater clarity and simplicity in the definitions of the parties that are the subject of the Disruption Rules, and also clarifying and simplifying what information needs to be reported to the Clearing Agencies in the event of a Participant System Disruption or a DTCC Systems Participant looking to reconnect to DTCC Systems, this Amendment No. 1 would improve the Clearing Agencies' ability to identify and collect information about applicable disruptions experienced by the entities connected to DTCC Systems, whether the Respective Participant is connected directly or indirectly via a Third-Party Provider. With better information, the Clearing Agencies could react more quickly and effectively to the disruption, in protection of their systems, as well as the systems of other entities connected to the Clearing Agencies. Therefore, these amendments better position the Clearing Agencies to identify and address operational risk presented by a Participant System Disruption, consistent with the requirements of Rule 17ad–22(e)(17)(i) promulgated under the Act.⁴⁸

(B) Clearing Agency's Statement on Burden on Competition

The Clearing Agencies do not believe the proposed amendments in this Amendment No. 1 would have any impact on competition because they are only simplifying, clarifying, and improving definitions; limiting notice and reporting requirements; allowing for the submission of a summary report; and making a handful of technical, ministerial, and other conforming and clarifying amendments overall, which the Clearing Agencies do not believe would have any effect on a Respective Participant's competitive position.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Clearing Agencies have not received or solicited any written comments relating to this Amendment No. 1. If any written comments are received, the Clearing Agencies will amend their respective filings to publicly file such comments as an Exhibit 2 to this filing, as required by Form 19b–4 and the General Instructions thereto.

Persons submitting written comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b–4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on How to Submit Comments, available at <https://www.sec.gov/regulatory-actions/how-to-submit-comments>. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at tradingandmarkets@sec.gov or 202–551–5777.

The Clearing Agencies reserve the right to not respond to any comments received.

III. Proceedings To Determine Whether To Approve or Disapprove SR–NSCC–2025–003, as Modified by Amendment No. 1, and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act⁴⁹ to

determine whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Exchange Act,⁵⁰ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the proposed rule change's consistency with Section 17A of the Exchange Act⁵¹ and the rules thereunder, including the following provisions:

- Section 17A(b)(3)(F) of the Exchange Act,⁵² which requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions; to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible; to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions; and, in general, to protect investors and the public interest;

- Section 17A(b)(3)(I) of the Exchange Act,⁵³ which requires that the rules of a clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act;

- Rule 17ad–22(e)(2)(i) and (v) under the Exchange Act,⁵⁴ which requires that a covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent and specify clear and direct lines of responsibility; and

- Rule 17ad–22(e)(17)(i) under the Exchange Act,⁵⁵ which requires that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to manage

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ 17 CFR 240.17ad–22(e)(17)(i).

⁴⁹ *Id.*

⁴⁹ 15 U.S.C. 78s(b)(2)(B).

⁵⁰ *Id.*

⁵¹ 15 U.S.C. 78q–1.

⁵² 15 U.S.C. 78q–1(b)(3)(F).

⁵³ 15 U.S.C. 78q–1(b)(3)(I).

⁵⁴ 17 CFR 240.17ad–22(e)(2)(i) and (v).

⁵⁵ 17 CFR 240.17ad–22(e)(17)(i).

operational risks by identifying plausible sources of operational risk, both internal and external, and mitigating their impact through the use of appropriate systems, policies, procedures, and controls.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal, as modified by Amendment No. 1. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with Sections 17A(b)(3)(F) and (b)(3)(I)⁵⁶ of the Exchange Act and Rules 17ad-22(e)(2)(i), (e)(2)(v), and (e)(17)(i)⁵⁷ under the Exchange Act, or any other provision of the Exchange Act, and the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.⁵⁸

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change should be approved or disapproved by July 18, 2025. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by August 1, 2025.

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-NSCC-2025-003 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange

Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to file number SR-NSCC-2025-003. 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 NSCC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>).

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-NSCC-2025-003 and should be submitted on or before July 18, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2025-11878 Filed 6-26-25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 35660; File No. 812-15782]

BIP Ventures Evergreen BDC, et al.

June 25, 2025.

AGENCY: Securities and Exchange Commission ("Commission" or "SEC").
ACTION: Notice.

Notice of application for an order under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the

"Act") and rule 17d-1 under the Act to permit certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) of the Act and rule 17d-1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain business development companies ("BDCs") and closed-end management investment companies to co-invest in portfolio companies with each other and with certain affiliated investment entities.

APPLICANTS: BIP Ventures Evergreen BDC, BIP Capital, LLC, BIP Capital Management Services, LLC, and certain of their affiliated entities as described in Appendix A to the application.

FILING DATES: The application was filed on May 6, 2025, and amended on June 12, 2025.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at Secretarys-Office@sec.gov and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. Hearing requests should be received by the Commission by 5:30 p.m. on July 21, 2025, and should be accompanied by proof of service on the Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at Secretarys-Office@sec.gov.

ADDRESSES: The Commission: Secretarys-Office@sec.gov. Applicants: Todd Knudsen, Chief Financial Officer, BIP Ventures Evergreen BDC, tknudsen@bipventures.vc; Kara Mullins, Senior Vice President, Finance, BIP Ventures, kmullins@bipventures.vc; and Blake E. Estes, Esq., Alston & Bird LLP, Blake.Estes@alston.com.

FOR FURTHER INFORMATION CONTACT: Jill Ehrlich, Senior Counsel, or Adam Large, Senior Special Counsel, at (202) 551-6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to

⁵⁶ 15 U.S.C. 78q-1(b)(3)(F) and (b)(3)(I).

⁵⁷ 17 CFR 240.17ad-22(e)(2)(i), (e)(2)(v), and (e)(17)(i).

⁵⁸ Section 19(b)(2) of the Exchange Act, as amended by the Securities Acts Amendments of 1975, Public Law 94-29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

⁵⁹ 17 CFR 200.30-3(a)(12) and (a)(57).