

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-105373; File No. SR-DTC-2026-005]**

**Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the DTC Rules to Align a Provision with Rule 17ad-22(e)(19) under the Securities Exchange Act of 1934**

May 5, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 28, 2026, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(4) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(4).

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change<sup>5</sup> consists of amendments to the DTC Rules to align a provision of the DTC Rules with Rule 17ad-22(e)(19) under the Act.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

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

The purpose of this proposed rule change is to amend the DTC Rules to align a provision of the DTC Rules with Rule 17ad-22(e)(19) under the Act.

(i) Background

As a covered clearing agency,<sup>6</sup> DTC is required to comply with specific rules, including Rule 17ad-22(e) under the Act,<sup>7</sup> which sets forth risk management and operational requirements to ensure robust governance, transparency, and the protection of

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<sup>5</sup> Capitalized terms not defined herein are defined in the Rules, By-Laws and Organization Certificate of DTC (“DTC Rules”), *available at* [www.dtcc.com/legal/rules-and-procedures](http://www.dtcc.com/legal/rules-and-procedures).

<sup>6</sup> 17 CFR 240.17ad-22(a).

<sup>7</sup> 17 CFR 240.17ad-22(e) (hereinafter, the “Covered Clearing Agency Standards” or, when referring to a specific rule, “CCAS Rule 17ad-22(e)”).

market participants. The Covered Clearing Agency Standards help mitigate systemic risk and safeguard the integrity of the clearing and settlement processes.

CCAS Rule 17ad-22(e)(19)<sup>8</sup> requires each covered clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to identify, monitor and manage the material risks to the covered clearing agency arising from arrangements in which firms that are indirect participants in the covered clearing agency rely on the services provided by direct participants to access the covered clearing agency's payment, clearing, or settlement facilities.

Because DTC does not usually have a direct relationship with indirect participants, DTC relies on its Participants that act on behalf of indirect participants to obtain information necessary to help identify, monitor and manage the material risks posed by those indirect participants, in compliance with CCAS Rule 17ad-22(e)(19).

DTC Rule 2 provides some support for DTC's compliance with CCAS Rule 17ad-22(e)(19) in that it requires Participants to provide certain information regarding firms on whose behalf they utilize DTC's services.<sup>9</sup> However, DTC Rule 2 also includes language that can prevent DTC from requiring certain information from its Participants relating to indirect participants that is needed to help identify, monitor and manage the material risks posed by indirect participants and facilitate DTC's compliance with CCAS Rule 17ad-22(e)(19). Specifically, under the current DTC Rule 2 language, DTC's authority to

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<sup>8</sup> 17 CFR 240.17ad-22(e)(19).

<sup>9</sup> DTC Rule 2, supra note 5 (“Upon the request of [DTC], a Participant shall furnish to [DTC] information sufficient to demonstrate its satisfactory financial condition and operational capability, including, but not limited to, such information as [DTC] may request regarding the businesses and operations of the Participant and its risk management practices with respect to services of [DTC] utilized by the Participant *for another Person or Persons*” (emphasis added)).

request information of its Participants “shall not extend to books, records and information relating to the Participant’s relationship with Persons upon whose behalf it may obtain services of [DTC] nor to books, records and information relating to such persons, their accounts or market activity.”<sup>10</sup> That restrictive DTC Rule 2 language preceded the implementation of the Covered Clearing Agency Standards and can complicate DTC’s ability to obtain information in compliance with CCAS Rule 17ad-22(e)(19).

Therefore, in light of the requirements imposed on DTC under CCAS Rule 17ad-22(e)(19), DTC proposes to update DTC Rule 2 to permit DTC to inspect books, records and information relating to the Participant’s relationship with Persons upon whose behalf it may obtain the services of DTC, and to inspect books, records and information relating to such Persons, their accounts or market activity. The amendment would expressly permit DTC to inspect and obtain such information. This change is intended to enable DTC to better identify, monitor and manage the material risks posed by indirect participants and to ensure robust risk management in accordance with regulatory requirements, in support of DTC’s compliance with CCAS Rule 17ad-22(e)(19).

## 2. Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, DTC believes that the proposed rule change is consistent with

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<sup>10</sup> DTC Rule 2, *supra* note 5.

Section 17A(b)(3)(F) of the Act<sup>11</sup> and CCAS Rule 17ad-22(e)(19)<sup>12</sup> for the reasons described below.

Section 17A(b)(3)(F) of the Act requires, in part, that the rules of a clearing agency, such as DTC, be designed 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.<sup>13</sup> By permitting DTC to better access the necessary books, records, and information relating to indirect participants, the proposed rule change supports robust risk management practices and helps safeguard the integrity of the financial markets, thereby reinforcing DTC's critical role in the safeguarding of securities and funds. As such, DTC believes that the proposed amendment to DTC Rule 2 is consistent with the requirements of the Act, and the rules and regulations thereunder applicable to a registered clearing agency.

DTC believes the proposal is also consistent with CCAS Rule 17ad-22(e)(19), which requires a clearing agency to establish, implement, maintain and enforce written policies and procedures reasonably designed to identify, monitor and manage the material risks to the covered clearing agency arising from arrangements in which firms that are indirect participants in the covered clearing agency rely on the services provided by direct participants to access the covered clearing agency's payment, clearing, or settlement facilities.<sup>14</sup> In this regard, DTC proposes to amend DTC Rule 2 to eliminate the current restriction preventing DTC from accessing books, records, and information

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<sup>11</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>12</sup> 17 CFR 240.17ad-22(e)(19).

<sup>13</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>14</sup> 17 CFR 240.17ad-22(e)(19).

related to a Participant's relationship with entities for whom the Participant may obtain DTC services, as well as information regarding those entities' accounts or market activity. The revised rule would expressly authorize DTC to inspect and obtain such information. This amendment is designed to strengthen DTC's ability to identify, monitor and manage the risks posed by indirect participants, thereby supporting robust risk management and helping ensure compliance with regulatory obligations established under CCAS Rule 17ad-22(e)(19).

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

DTC does not believe that the proposed changes to the DTC Rules, as described above, would have any impact, or impose any burden, on competition.

The proposed amendments are intended solely to update the DTC Rules to ensure alignment with DTC's obligations under CCAS Rule 17ad-22(e)(19), thereby reflecting current regulatory requirements and strengthening DTC's risk management framework. Importantly, the updated DTC Rule 2 language would be applied uniformly to all Participants, ensuring fairness and consistency. As a result, DTC believes that the proposed rule change would not impose any burden on competition, but rather supports the continued integrity and transparency of DTC's operations in compliance with applicable regulations.

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

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting 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* [www.sec.gov/rules-regulations/how-submit-comment](http://www.sec.gov/rules-regulations/how-submit-comment). 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](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

DTC reserves the right to not respond to any comments received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>15</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>16</sup> At any time within 60 days of the filing of the 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.

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<sup>15</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>16</sup> 17 CFR 240.19b-4(f).

#### 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 ([www.sec.gov/rules/sro.shtml](http://www.sec.gov/rules/sro.shtml)); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2026-005 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-DTC-2026-005. This file number should be included on the subject line if e-mail 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 ([www.sec.gov/rules/sro.shtml](http://www.sec.gov/rules/sro.shtml)). Copies of the filing will be available for inspection and copying at the principal office of DTC and on DTCC's website ([www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings)). 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-DTC-2026-005 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

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<sup>17</sup> 17 CFR 200.30-3(a)(12).