SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106902; File No. SR-CMESC-2026-010]

Self-Regulatory Organizations; CME Securities Clearing Inc.; Notice of Filing of Proposed Rule Change for Transaction Submission Amendments.

November 13, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on November 3, 2026, CME Securities Clearing Inc. ("CMESC") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in Items I, II, and III below, which Items have been primarily prepared by CMESC. CMESC filed the proposed rule change pursuant to Section 19(b)(2) of the Act.[3] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. CMESC's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change of CME Securities Clearing Inc. ("CMESC") includes modifications to (i) the CMESC Rulebook (the "Rules"),[4] including Rule 101 (Definitions), Rule 306 (Financial, Operational, and Other Requirements for Member Applicants), Rule 602 (Submission of Transaction Data), Rule 605 (Submission of Transaction Data), Rule 606 (Corporation Authority), Rule 608 (Compliance with

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1 15 U.S.C. §78s(b)(1).

2 17 CFR §240.19b-4.

3 15 U.S.C. §78s(b)(2).

4 Capitalized terms used herein and not defined have the meanings assigned to such terms in the Rules, as applicable, available at https://www.cmegroup.com/rulebook/CMESC/CMESC%20Rulebook.pdf.

Regulatory Standards), and Rule 1502 (Submission of Eligible Securities Transactions for Clearing; Functions of the Clearing System); (ii) the CMESC Operational Risk Management Policy ("ORMP"); (iii) the CMESC Risk Management Framework ("RMF"); and (iv) the CMESC Credit Risk Management Assessment Methodology ("CAM"). Each modification is described in more detail below.

II. CMESC's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, CMESC 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. CMESC has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. CMESC's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

1. Purpose

The primary purpose of the proposed rule change is to enhance the alignment of CMESC's transaction submission process with existing market structures and participant expectations. In particular, the proposed rule change is designed to (i) define single-dealer execution platforms and clarify their role in submitting Eligible Securities Transactions for clearance and settlement; (ii) establish terms for asset managers to submit Eligible Securities Transactions, including block transactions, on behalf of Participants; (iii) update existing descriptions regarding the submission requirements for single-sided and matched transactions; and (iv) make other appropriate clarifying and conforming edits.

Definitions

The proposed rule change amends Rule 101 to introduce a defined term for Single-Dealer Execution Platforms ("SDEPs"). Specifically, a SDEP would be defined to mean "a principal-based trade execution platform on which a Participant acts as a dealer on both sides of the market and is counterparty to all transactions occurring on the platform and which is approved by the Corporation to send Eligible Securities Transactions executed on the platform between the single dealer Participant and another Participant to the Corporation for clearance and settlement." The existing Rules include references to SDEPs without utilizing a formally defined term. Defining SDEP in the Rulebook will clarify the Rules and align them with terms to be used in certain agreements that will govern operational connections and trade submissions to CMESC. For increased clarity in the Rules and related agreements, Rule 101 would also be amended to introduce the new defined term "Approved Platforms," which would include both SDEPs and Eligible Platforms (the latter of which is already an existing defined term in the Rules).

The proposed rule change also amends Rule 101 to introduce a defined term for "Asset Managers." Specifically, an Asset Manager would be defined to mean "an investment adviser for a Participant that is duly authorized to execute transactions for and submit Eligible Securities Transactions to the Corporation for clearance and settlement in the name, and on behalf, of the Participant." The definition is intended to cover a range of potential relationships, including investment managers acting for managed accounts, fund managers acting for funds. An Asset Manager does not have to be a Member or a User, but it is possible that a Member could be acting in the capacity of an Asset Manager for another Participant. This approach aligns with CMESC's overall intention to allow

duly authorized third parties (i.e., "agents") to perform operational tasks on behalf of principals (i.e., Participants), particularly in the context of managed accounts and funds that would generally rely on a manager for trade execution and submission for clearance and settlement, while the Participants remain primarily liable to CMESC for the underlying obligations. The RMF is being updated to address authorized agents performing operational tasks on behalf of Participants, as well as to clarify the use of the term "Asset Manager" in the document.

The proposed rule change also amends Rule 101 to introduce a defined term for "Block Transaction." A Block Transaction would be defined to mean "an Eligible Securities Transaction executed by an Asset Manager as a single transaction on behalf of more than one Participant with a single other Participant as contra-party that is submitted by the Asset Manager to the Corporation for clearance and settlement, where the transaction, if accepted by the Corporation, will be broken into its component transactions and allocated to each Participant on the blocked side of the transaction upon novation by the Corporation." The new definition is intended to allow Asset Managers to submit for clearance and settlement a Block Transaction executed on behalf of multiple Participants it manages, including funds, consistent with current market practice. Following novation, the Block Transaction components would be allocated to the accounts of the individual Participants covered by the Block Transaction.

Transaction Submission Process

The proposed rule change amends Rule 1502 to make a number of related changes to the rules describing the transaction submission process. First, the proposed changes would clarify that SDEPs may be involved in the transaction submission process

pursuant to the Rules in the same way as Eligible Platforms, by replacing "Eligible Platform" with the proposed new definition "Approved Platform" in Rule 1502(a)(i)(A) and (b)(iv), which applies to both Eligible Platforms and SDEPs.

Second, the proposed changes would clarify a Member's role in submitting transactions and address Asset Managers' role in submitting transactions, including Block Transactions, to CMESC on behalf of Participants. Specifically, the proposed changes to Rule 1502(a)(i)(A)(x) would permit a duly authorized Member or an Asset Manager to submit a matched Repo Transactions or Cash Treasury Transactions for the respective accounts of two Participants where it has the authority to submit both sides. The proposed changes to Rule 1502(a)(i)(A)(y) would permit a Participant itself, its authorizing Member (if the Participant is a User) or its Asset Manager to submit a single-sided Repo Transaction or Cash Treasury Transaction for the account of the Participant, and further clarifying that where an Asset Manager submits such a single-sided transaction for the account of a Participant that is deemed submission by the Participant. The proposed changes to Rule 1502(a)(i)(A)(z) would enable an Asset Manager to submit an alleged Repo Transaction or Cash Treasury Transaction for the Account of a Participant, which is deemed submission by the Participant. Lastly, additional proposed changes throughout Rule 1502(a)(i)(A) update the in-line explanations of certain terms to account for an Asset Manager acting on behalf of one or more buyers or sellers with respect to Block Transactions.

Similarly, the proposed changes would add subparagraph (e) to Rule 1502(a)(i)(A) to specify that an Asset Manager may submit a Clear to Deliver Transaction or a Cash Treasury Transaction as a Block Transaction either as a matched

transaction or a single-sided Repo Transaction or single-sided Cash Treasury Transaction for match at the full block quantity, along with instructions for allocating the transaction into separate transactions for the quantity of each allocation against each individual Participant covered by the Block Transaction. Proposed subparagraph (e) would further specify that the Corporation will accept the Block Transaction for novation and post-novation allocation only if each separate transaction comprising the Block Transaction passes the applicable validations and credit checks.[5]

The proposed changes to Rule 1502(a)(ii) and (iii) would update existing descriptions regarding the submission requirements for single-sided and matched transactions to account for Asset Managers submitting for clearance and settlement trades on behalf of Participants, including Block Transactions on behalf of multiple Participants. The proposed changes to these provisions also would specify the transaction information that must be submitted for Block Transactions.

The proposed changes to Rule 1502(a)(i)(A)(b) and (c) also include clarification for when CMESC will reject any pending, unmatched single-sided Clear to Deliver Transactions or Cash Treasury Transactions[6] or unclaimed alleged trades involving those instruments.[7] This change would align the deadline to reject unmatched or unclaimed, alleged trades with the closure of the applicable submission window for the relevant

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5 Rule 1502(b)(iv) includes a description of the credit control types that authorizing Members may utilize with respect to Users.

6 Subparagraphs a. and b. of Rule 1502(a)(i)(A) provide, in relevant part, that an unmatched single-sided transaction is either (i) the (securities) purchase leg of a Cash Treasury Transaction or a Clear to Deliver Transaction, as applicable, for which a contra sale leg has not been submitted to the Corporation for matching, or (ii) the (securities) sale leg of a Cash Treasury Transaction or a Clear to Deliver Transaction, as applicable, for which a contra purchase leg has not been submitted to the Corporation for matching.

7 An unclaimed alleged trade is a trade that has been alleged in the clearing system to a counterparty who has not accepted the trade.

underlying transaction, rather than setting the deadline at the end of the Business Day.

In connection with these changes, CMESC proposes to update Rule 1502(a)(i) to provide that, subject to Rule 602, Cash Treasury Transactions and Repo Transactions may be submitted to CMESC's Securities Clearing System for the account of a Member or User in accordance with Rule 1502, the terms of any agreement(s) with the Corporation governing submission of transactions and access to the Corporation's system(s), and the specifications for accessing the Corporation's systems including provisions to clarify that any person interacting with CMESC's systems is required to comply with applicable usage and access requirements to address generally persons submitting Eligible Securities Transactions on behalf of Participants. CMESC proposes to make conforming updates to Rule 602 to specify that "no person," not just Members and Users, permitted to access the Corporation's Securities Clearing Systems shall provide false or inaccurate transaction data, which applies to Asset Managers that are not themselves Participants.

Additional Clarifying and Conforming Changes

The proposed rule change makes various conforming changes in Rules 306, 602, 605, 606, 608, and 1502 to reflect the introduction of the new defined terms; clarify the respective roles of SDEPs, Asset Managers, Approved Platforms, and Members in the transaction submission process; and eliminate now-redundant legacy terms.

In addition, CMESC proposes to update the CAM to distinguish between "Asset Managers" as referenced therein from the new definition proposed for the Rulebook. CMESC also proposes to update Section 6.1 of the ORMP to reflect the fact that authorized agents acting on behalf of Participants may also access CMESC core

processing systems pursuant to applicable Rules and agreements.

2. Statutory Basis

For the reasons set forth below, CMESC believes the proposed rule change is consistent with Section 17A of the Act[8] and SEC Rules 17Ad-22(e)(18)(iv)(C)[9] and 17Ad-22(e)(21)(i).[10]

Section 17A(b)(3)(F) of the Act requires, in part, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, and, in general, to protect investors and the public interest.[11] CMESC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act because it will provide additional operational flexibility for Participants by enabling them to leverage existing relationships and market practices, in accordance with the Rules, when submitting transactions for clearance and settlement. These modifications will thus support Participants' ability to participate in CMESC's Clearing Services, which will promote the prompt and accurate clearance and settlement of transactions in or involving U.S. Treasury securities (including eligible secondary market securities transactions that market participants may be required to centrally clear pursuant to the rules of a covered clearing agency adopted pursuant to SEC Rule 17Ad-22(e)(18)(iv)[12]).

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8 15 U.S.C. § 78q-1.

9 17 C.F.R. § 17Ad-22(e)(18)(iv)(C).

10 17 C.F.R. § 240.17Ad-22(e)(21)(i).

11 15 U.S.C. § 78q-1(b)(3)(F).

12 17 C.F.R. § 240.17Ad-22(e)(18)(iv).

SEC Rule 17Ad-22(e)(18)(iv)(C) requires that a covered clearing agency for U.S. Treasury securities have written policies and procedures reasonably designed to ensure that it has appropriate means to facilitate access to the clearance and settlement services of all eligible secondary market transactions in U.S. Treasury securities, including those of the clearing agency's indirect participants.[13] CMESC believes the proposed rule change is consistent with these requirements in SEC Rule 17Ad-22(e)(18)(iv)(C) regarding facilitating access to the clearance and settlement services of all eligible secondary market transactions because it will provide operational flexibility for Participants by allowing them to leverage existing relationships and market practices in accordance with the Rules when submitting eligible secondary market transactions for clearance and settlement.

SEC Rule 17Ad-22(e)(21)(i) requires that a covered clearing agency have clearing and settlement arrangements that are efficient and effective in meeting the requirements of its participants and the markets the clearing agency services.[14] CMESC believes the proposed rule change is consistent with these requirements in SEC Rule 17Ad-22(e)(21)(i) regarding meeting the needs of Participants because it will provide operational flexibility for Participants by allowing them to leverage existing relationships and market practices in accordance with the Rules when submitting transactions for clearance and settlement.

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13 17 C.F.R. § 240.17Ad-22(e)(18)(iv)(C).

14 17 C.F.R. § 240.17Ad-22(e)(21)(i).

B. CMESC's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act[15] requires that the rules of a clearing agency not impose any burdens on competition that are not necessary or appropriate in furtherance of the purposes of the Act. CMESC believes that the proposed rule change would not impose a burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. CMESC believes that the proposed rule change may enhance competition because, as detailed above, the proposed rule change would provide operational flexibility for Participants by enabling them to leverage existing relationships and market practices, in accordance with the Rules, when submitting transactions for clearance and settlement, thereby facilitating access to CMESC's Clearing Services for eligible secondary market transactions in U.S. Treasury securities. CMESC recognizes that various Members may perceive varying degrees of benefits of the proposed rule change conferred on them, depending on each Member's regulatory status and its entity type. CMESC believes that the effect of the proposed rule change on competition is distributed equally among all types of prospective Members because the proposed changes will apply to all Member types in the same ways and therefore would not disadvantage or favor any particular type of Member. As such, CMESC believes that the proposed rule change would promote competition and

[15] 15 U.S.C. 78q-1(b)(3)(I).

does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. CMESC's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

CMESC currently does not have any Members or Users and has not received nor solicited any written comments from others related to this proposal. CMESC has not received any unsolicited written comments on this proposal from any interested parties. 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 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. CMESC reserves the right to not respond to any comments received.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds

such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CMESC-2026-010 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-CMESC-2026-010. 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 Web site (https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking). Copies of the filing also will be available for inspection and copying at the principal office of

CMESC and on CMESC's website (https://www.cmegroup.com/market-regulation/rule-filings.html). 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-CMESC-2026-010 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.[16]

J. Matthew DeLesDernier,

Deputy Secretary.

[16] 17 CFR §200.30-3(a)(12).