

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-101907; File No. SR-DTC-2024-012)

December 13, 2024

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Update the ClaimConnect™ Service Guide

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on December __, 2024, 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 Act³ and Rule 19b-4(f)(4) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change⁵ consists of amendments to the DTC ClaimConnect™ Service Guide (“ClaimConnect Guide”)⁶ to (i) enable ClaimConnect users (“Users”) to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).

⁵ Each capitalized term not otherwise defined herein has its respective meaning as set forth the Rules, By-Laws and Organization Certificate of DTC (the “Rules”) available at www.dtcc.com/legal/rules-and-procedures.aspx or the DTC ClaimConnect™ Service Guide, available at www.dtcc.com/-/media/Files/Downloads/legal/service-guides/ClaimConnect.pdf.

⁶ ClaimConnect Guide, supra note 5.

submit and affirm multiple claims at once (i.e., the “Claim Upload” function), and (ii) make clarifying, technical, and ministerial changes, as described in greater detail below.

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 proposed rule change will update the ClaimConnect Guide to (i) enable Users to submit and affirm multiple claims at once (i.e., the “Claim Upload” function), and (ii) make clarifying, technical, and ministerial changes, as more fully described below.

Background

ClaimConnect is a service available to all Participants. The service enables Participants to bilaterally match and settle cash claim transactions at DTC.

With respect to ClaimConnect, a cash claim or cash claim transaction is a cash entitlement (i.e., a request for cash) from one Participant to another Participant. Typically, cash claims arise as a result of trading exceptions from a Corporate Action event, where a cash entitlement needs to be delivered from one holder to another.

ClaimConnect is a validation and matching engine that continually monitors claims throughout their lifecycle in order to settle and close claims through DTC's settlement process. This continuous processing allows for both the manual matching of claims (i.e., affirmation) by Users and systematic matching of two like claims by ClaimConnect based on the alignment of certain data elements (i.e., auto-matching).⁷

Proposed Rule Change

Claim Processing via Claim Upload

Currently, for a User to submit a claim via the ClaimConnect web application, the User must manually submit each claim individually. This individual, manual process can be arduous and time consuming for Participants who need to submit multiple claims. Therefore, pursuant to the proposed rule change, a function will be added to ClaimConnect (i.e., the "Claim Upload" function") to enable Users to submit and affirm multiple claims, at once, via the ClaimConnect web application located in the MyDTCC portal, by uploading a type of file specified in the ClaimConnect web application (e.g., a comma separated value file).

Before a Claim Upload submission is processed, the system will perform a validation check to ensure all field values for each claim included are accurate. Claims that fail validation are flagged and rejected and will need to be corrected and resubmitted manually. Users will have the option to either reject all claims included in the uploaded file, even claims that passed validation, and upload a new file, or the User can continue with the claims that passed validation and then, separately, upload a new file containing

⁷ For more information about ClaimConnect, see Securities Exchange Act Release No. 90481 (Nov. 23, 2020), 85 FR 76640 (Nov. 30, 2020) (SR-DTC-2020-012).

only the claims that needed to be corrected. However, since Claim Upload does not offer an automated modification function, Users are only able to submit and affirm claims, and any modifications or cancellations of previously submitted claims must be made manually.

In further support of the new Claim Upload function, the proposed rule change will (i) add a “Claim Upload” definition to mean “a claim-submission option, via the ClaimConnect web application in the MyDTCC portal, for Users to submit and affirm multiple claims at one time by uploading a type of file specified in the ClaimConnect web application,” (ii) explain that claims can be submitted and affirmed manually, either individually or in bulk via Claim Upload, and (iii) direct Users to the DTCC Learning Center page to obtain more information about Claim Upload.

Technical and Clarifying Changes

Additionally, the proposed rule change will make clarifying, technical, and ministerial changes to the ClaimConnect Guide to (i) update the copyright date, (ii) remove a broken URL address for the DTCC Learning Center, and (iii) clarify that certain references to the MyDTCC portal are, more specifically, references to the ClaimConnect web application in the portal.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, inter alia, to promote the prompt and accurate clearance and settlement of securities transactions.⁸ DTC believes that the proposed rule change is consistent with the Section 17A(b)(3)(F) of the Act, as cited above.

⁸ 15 U.S.C. 78q-1(b)(3)(F).

As described above, the proposed rule change will update the ClaimConnect Guide to (i) add the Claim Upload function and (ii) make clarifying, technical, and ministerial changes.

Collectively, the proposed changes are intended to streamline and enhance claim processing related to trading exceptions from Corporate Action events associated with securities maintained by DTC by enabling easier submission and affirmation of multiple claims and ensuring the ClaimConnect Guide is clear, accurate, and current. By improving the claim management process for securities held at DTC for its Participants, DTC believes that the proposed rule change would help promote the prompt and accurate clearance and settlement of securities transactions, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F) of the Act, cited above.

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

DTC does not believe that the proposed rule change will have any impact or impose any burden on competition because, as described above, the proposed rule change simply updates the ClaimConnect Guide to add the Claim Upload function and make clarifying, technical, and ministerial changes to better describe the service and ensure the Guide is current, none of which should have any competitive impact on Participants or their use of DTC services.

(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, DTC will amend this filing 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 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.

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)⁹ of the Act and paragraph (f)¹⁰ of Rule 19b-4 thereunder. 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.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-DTC-2024-012 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-2024-012. 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 DTC and on DTCC's website (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-2024-012 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.¹¹

Sherry R. Haywood,

Assistant Secretary.

¹¹ 17 CFR 200.30-3(a)(12).