

**SECURITIES AND EXCHANGE COMMISSION**

**(Release No. 34-105794; File No. SR-DTC-2026-009)**

**Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Amend the Redemptions Service Guide and the Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services)**

June 29, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 15, 2026, The Depository Trust Company (“DTC”)<sup>3</sup> 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. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Each term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (“Rules”), the Redemptions Service Guide (“Redemptions Guide”), the Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) (“OA”), available at [www.dtcc.com/legal/rules-and-procedures](http://www.dtcc.com/legal/rules-and-procedures).

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

The proposed rule change would amend the Redemptions Guide<sup>4</sup> and the OA to update Payment without Presentation (“PWP”),<sup>5</sup> a DTC process which permits Agents to remit maturity or full call proceeds to DTC without requiring delivery of the associated physical certificate and allows them to rely instead on DTC’s book-entry records of entitlement. The proposed rule change would (i) eliminate the need for a Letter of Transmittal (“LT”)<sup>6</sup> or the presentment of certain other physical documents; (ii) codify into the Rules the existing process by which Agents opt-in to receive automated notifications; (iii) make participation in the PWP process mandatory with opt-out only where necessary; (iv) establish retention and destruction protocols; and (v) make clarifying and conforming changes, as more fully described 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

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4 The Redemptions Guide is a Procedure of DTC. Pursuant to the DTC Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to DTC Rule 27 (Procedures), as amended from time to time. DTC Rule 1 (Definitions; Governing Law), Section 1, supra note 3. They are binding on DTC and each Participant in the same manner that they are bound by the Rules.

5 Securities Exchange Act Release No. 44169 (Apr. 10, 2001), 66 FR 19592 (Apr. 16, 2001) (SR-DTC-99-6).

6 The LT is the form used by Agents to confirm information about Securities to be redeemed and provides the paying agent with payment instructions. OA, Article V.A. (Redemptions, Advance Refundings, and Calls Inclusive of Sinking Funds and Mandatory Redemptions), supra note 3.

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 would amend the Redemptions Guide and the OA to update PWP, a DTC process which permits Agents to remit maturity or full call proceeds to DTC without requiring delivery of the associated physical certificate and allows them to rely instead on DTC's book-entry records of entitlement. The proposed rule change would (i) eliminate the need for an LT or the presentment of certain other physical documents; (ii) codify into the Rules the existing process by which Agents opt-in to receive automated notifications; (iii) make participation in the PWP process mandatory with opt-out only where necessary; (iv) establish retention and destruction protocols; and (v) make clarifying and conforming changes, as more fully described below.

(i) Background

DTC makes eligible for deposit, processes and holds physical debt certificates on behalf of its Participants. DTC also facilitates the redemption and maturity of securities by interfacing with Agents to collect and distribute proceeds.

Under the current process for redeeming a debt security at maturity, DTC presents a physical debt certificate and an LT to the Agent before redemption proceeds are released. Once the Agent receives the physical debt certificate and LT, the Agent provides the funds to DTC. DTC then allocates the proceeds to Participants and deletes their positions from DTC's records.

The proposed rule change would update the PWP process to eliminate the requirement for physical certificate presentment and related physical documentation for eligible redemption and maturity events. More specifically, under the proposed update, Agents may continue to opt-in to receive automated notifications that identify the relevant security (including CUSIP), payment date, and amount due. These notifications are sent to agents electronically prior to the event taking place. Agents must opt-in to receive these notifications by sending an email to the redemptions operations team. However, the physical certificates associated with such redemption or maturity events would no longer be delivered to Agents. Instead, Agents would remit proceeds to DTC without requiring delivery of physical certificates or LT. DTC would continue to allocate redemption proceeds to Participants based on its book-entry records and remove positions from its records following payment. Meanwhile, the associated physical certificates would be segregated, imaged for record retention purposes, retained for at least 90-days following redemption, and subsequently destroyed in accordance with DTC's established procedures.

Participation in this PWP process would be mandatory for all eligible fully registered debt securities represented by a physical certificate held at DTC and registered in the name of Cede & Co., with an opportunity for opt-out only where necessary (A) to comply with a state statute, court order, or other legal or regulatory requirement, or (B) where the Agent is a governmental entity or an authorized representative thereof that requires physical presentment in connection with its obligations. Any such opt-out must be provided to DTC in writing and would be limited in scope to the affected securities.

**(ii) Proposed Rule Changes**

To effectuate the proposed rule change, DTC would update the Redemptions Guide and the OA.

Redemptions Guide Changes

The proposed rule change would amend the “About Maturities,” “About Redemptions,” and “Maturities” sections of the Redemptions Guide to remove references to DTC presenting physical certificates, letter of instructions, or an LT in connection with redemption or maturity events. The proposed change would also remove “or electronic file of expected payments due” from the “About Redemptions” section because the new “automated notification” language provides the same information regarding expected payments due.

Instead, under the proposed language, DTC would provide specific payment details (e.g., CUSIP number, payment date, amount due, etc.) to redemption agents via automated notification upon Agents opting to receive the information, as they do today.

OA Changes

The proposed revisions would make several changes to the “Redemption Payments without Presentation (“PWP”)” section of the OA:

- substitute “paying agent” in two separate locations with “Agent” because “Agent” is a defined term that encompasses several types of Agents;
- substitute “BEO” issues with “non-FAST” issues to encompass all certificated bond asset types;
- include securities certificates and LTs in the list of physical documents that would not be provided;
- clarify that either or both “the Agent and/or Issuer” may review the details prior to the redemption date;
- add language that, “In the case of non-FAST issues, securities certificates will be maintained for at least 90 days following the redemption date, after which they will be destroyed” to ensure all associated payments have been successfully completed and to reduce the risk of subsequent payment

reclamations due to agent allocation errors, in alignment with existing certificates of deposit processes.

- add language stating that participation in the PWP process would be mandatory for all eligible, fully registered debt securities represented by a physical certificate held at DTC and registered in the name of Cede & Co., but would provide an opportunity for opt-out, if provided in writing, only where necessary under the two circumstances described above.

The following language would be deleted from Article V.A. of the OA to eliminate the use of all physical documentation in connection with redemption or maturity events:

Automated CUSIP level identification must accompany all redemption payments to DTC. Agents must include the CUSIP number, DTC's RPS form number, or DTC's Letter of Transmittal ("LT") form number to identify all redemption payments. The LT is the form used by paying agents to confirm information about Securities to be redeemed and provides the paying agent with payment instructions.

Instead, as noted in the "Redemption Payments without Presentation ("PWP")" section of the OA, Agents may opt-in to receive DTC specific payment details (e.g., CUSIP number, payment date, amount due, etc.) for upcoming redemption payments via automated notification in lieu of DTC's physical presentment of applicable documents.

### **Implementation Timeframe**

The proposed rule change would be implemented by December 31, 2026, with the specific date being announced by Important Notice no later than 14 Business Days prior to such date. A legend would be added to the OA and the Redemptions Guide stating such, and that once implemented, the legend would automatically be removed.

## 2. Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of Exchange Act, and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, DTC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Exchange Act<sup>7</sup> for the reasons described below.

Section 17A(b)(3)(F) of the Exchange Act requires, in part, that the rules of a clearing agency, such as DTC, be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>8</sup> As described above, the proposed changes would (i) eliminate the need for an LT or the presentment of other physical documents; (ii) codify into the Procedures the existing process by which Agents opt-in to receive automated notifications; (iii) make participation in the PWP process mandatory with opt-out only where necessary; (iv) establish retention and destruction protocols; and (v) make clarifying and conforming changes.

By eliminating physical certificate presentment and related physical documentation in connection with eligible redemption and maturity events and by relying instead on automated notifications and DTC's book-entry records, the proposed rule change reduces the operational risk, cost, and delay associated with the handling, transportation, and reconciliation of physical certificates. In addition, the proposed process would enhance the safeguarding of securities by maintaining controlled retention and destruction procedures for physical certificates and supports more efficient and reliable redemption processing through the use of system-generated automated

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<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>8</sup> Id.

notifications and DTC's book-entry records. As such, DTC believes the proposed rule change would promote the prompt and accurate clearance and settlement of securities transactions by facilitating more timely, secure payments for debt securities while aligning with modernization goals shared across the industry. Therefore, DTC believes the proposed changes described above are consistent with Section 17A(b)(3)(F) of the Exchange Act.<sup>9</sup>

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

DTC does not believe that the proposed changes to the Redemptions Guide and the OA, as described above, will have any impact, or impose any burden, on competition, because as described above, DTC would continue to provide the necessary information for payments to occur but without the cumbersome and unnecessary process of delivering physical documents – an enhancement to the efficiency and safety of the redemption and maturity processing model.

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

The DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, DTC will amend its filing to publicly file such comments as an Exhibit 2 to its 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

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<sup>9</sup> Id.

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

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/sro.shtml>); or

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2026-009 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-2026-009. 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 (<https://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 (<https://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-2026-009 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>10</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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10 17 CFR 200.30-3(a)(12).