SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-105875; File No. SR-DTC-2026-007)

Self-Regulatory Organizations; The Depository Trust Company; Suspension of and Order Instituting Proceedings to Determine Whether to Approve or Disapprove the Proposed Rule Change to Amend the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services)

July 9, 2026.

I. Introduction

On May 11, 2026, the Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change, File No. SR-DTC-2026-007, pursuant to Section 19(b)(1) of the Act[1] and Rule 19b-4 thereunder.[2] The proposed rule change was immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act.[3] The proposed rule change was published for comment in the *Federal Register* on May 22, 2026.[4] Under Section 19(b)(3)(C) of the Act,[5] the Commission is hereby: (i) temporarily suspending File No. SR-DTC-2026-007; and (ii) instituting proceedings to determine whether to approve or disapprove File No. SR-DTC-2026-007.

II. Description of the Proposed Rule Change

The proposed rule change by DTC would amend the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) (the "OA") to

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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)(3)(A).

4 Securities Exchange Act Release No. 105522 (May 19, 2026), 91 FR 30346 (May 22, 2026) (SR-DTC-2026-007) ("Notice").

5 15 U.S.C. 78s(b)(3)(C).

consolidate and update the documentation for Agents processing Participant instruction for a corporate action offer, election, solicitation or tabulation (each, an "Offer") through the DTC Automated Tender Offer Program (ATOP) or DTC Automated Subscription Offer Program (ASOP). Specifically, DTC is proposing to amend the OA to: (i) replace the discrete designation of an ATOP Agent and ASOP Agent with a combined designation of an "ATOP/ASOP Agent," which would be permitted to process both types of Offers; (ii) replace the discrete and separate agreements for ATOP Agents and ASOP Agents with a consolidated and updated single form of master agreement applicable to ATOP/ASOP Agents; and (iii) insert consolidated procedures for ATOP/ASOP Agents that reflect the current processing of ATOP-eligible and ASOP-eligible Offers.

III. Summary of Comment Received

On June 11 and June 26, 2026, the Commission received comment letters on the proposed rule change from the Securities Transfer Association ("STA").[6] In a comment letter, STA expressed concern that the proposed rule change would "make significant changes to current processing," which would be "operationally impractical for transfer agents," or "require entirely new processes."[7] STA further comments that the proposed rule change "imposes objectionable new requirements, would increase manual transaction processing…appears to shift risk and liability to transfer agents, including through a new Master Agreement that Agents will be required to execute," and "may conflict with standard offer terms [that] could result in unequal treatment of investors."[8]

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6 *See* letters from Peter Duggan, STA, dated June 11, 2026, ("STA Letter 1"), and Melissa J. Cabocel, STA, dated June 26, 2026, ("STA Letter 2") to Vanessa Countryman, Secretary, Commission at https://www.sec.gov/rules-regulations/public-comments/sr-dtc-2026-007.

7 STA Letter 2 at 1.

8 STA Letter 2 at 1-2.

STA comments that the new Master Agreement creates new obligations, which impose legal and financial risks to Agents. Sections 3 and 4 of the Master Agreement between the Agent and DTC would bind Issuers, which the STA contends is outside of their authority. "Expecting Agents to make representations and warranties on behalf of Issuers and binding Issuers to the terms of the Master Agreement is both unreasonable and contrary to contract and principal/agency law."[9] STA continues, "Agents have no legal authority to bind their clients to DTC's contractual terms or to deviate from Offer terms."[10] Section 2 of the Master Agreement would substitute submission to DTC for submission to the Agent in violation of the terms of the Offer, thus giving an advantage to those Participants over registered owners who must submit their elections or tenders directly to Agents prior to the cutoff time.[11] Sections 5 and 6 require "immediate" or "prompt" action by an Agent, which may not be plausible and directly conflicts with standard offer documentation disclaimers.[12] Finally, Section 7 of the Master Agreement allows DTC to terminate an Offer at its discretion, which would introduce significant uncertainty for Agents and Issuers.[13]

Regarding changes to the OA, the STA comments that the proposed rule change lacks clarity on what Offers would be considered "non-standard" and thus trigger additional requirements.[14] STA also comments that the proposed rule change's requirement to verify the validity of and accept or reject a withdrawal of acceptance of an offer within 30 minutes after DTC's cutoff time presents additional burden and risks to Agents who cannot transmit messages

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9 STA Letter 2 at 2.

10 STA Letter 2 at 2.

11 STA Letter 2 at 2.

12 STA Letter 2 at 2-3.

13 STA Letter 2 at 3.

14 STA Letter 2 at 4.

to DTC after cutoff time, and creates an unclear process with unnecessary and burdensome steps.[15] Regarding the revised requirement that Agents provide specific rate and entitlement information to DTC, STA comments that the language is unclear and provides DTC complete discretion as to what information to accept.[16]

In addition, STA states that the proposed rule change does not address areas of concern with ATOP/ASOP processes previously expressed by Agents to DTC including a misalignment of DTC's cutoff time to receive instructions and the expiration time of a specific Offer.[17]

IV. Suspension of File No. SR-DTC-2026-007

Pursuant to Section 19(b)(3)(C) of the Act,[18] at any time within 60 days of the date of filing of a proposed rule change pursuant to Section 19(b)(1) of the Act,[19] the Commission summarily may temporarily suspend the change in the rules of a self-regulatory organization 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. As discussed further below, the Commission believes a temporary suspension of the proposed rule change is warranted here to allow for additional analysis of the proposed rule change's consistency with the Act and the rules thereunder. In particular, the Commission finds that it is appropriate in the public interest, for the protection of investors, and otherwise in furtherance of the purposes of the Act, to temporarily suspend the proposed rule change to consider whether the proposed rule change satisfies the standards under the Act and the rules thereunder requiring, among other

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15 STA Letter 2 at 5.

16 STA Letter 2 at 4.

17 STA Letter 2 at 5-6.

18 15 U.S.C. 78s(b)(3)(C)

19 15 U.S.C. 78s(b)(1)

things, that the rules of the clearing agency promote the prompt and accurate clearance and settlement of securities transactions.[20]

V. Proceedings to Determine Whether to Approve or Disapprove File No. SR-DTC-2026-007

The Commission is instituting proceedings pursuant to Sections 19(b)(3)(C)[21] and 19 (b)(2)(B) of the Act[22] to determine whether the proposed rule change should be approved or disapproved.

Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to provide additional comment on the proposed rule change to inform the Commission's analysis of whether to disapprove the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Act,[23] the Commission is providing notice of the grounds for disapproval under consideration. As noted above, the STA calls into question the consistency of the Proposed Rule Change with the Act. The Commission believes it appropriate to institute proceedings to assess this question and to allow for additional consideration and comment on this and other issues raised by the commenter.

VI. Request for Written Comments

The Commission requests that interested persons provide written submission of their views, data, and arguments with respect to the proposed rule change. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule

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20 15 U.S.C. 78q-1(b)(3)(F).

21 15 U.S.C. 78s(b)(3)(C). Once the Commission temporarily suspends a proposed rule change, Section 19(b)(3)(C) of the Act requires that the Commission institute proceedings under Section 19(b)(2)(B) to determine whether a proposed rule change should be approved or disapproved.

22 15 U.S.C. 78s(b)(2)(B).

23 15 U.S.C. 78s(b)(2)(B).

change is consistent with Section 17A(b)(3)(F)[24] or any other provisions of the Act, rules, and regulations thereunder. Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change should be approved or disapproved. 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-2026-007 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-2026-007. 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 filing also 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.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

[24] 15 U.S.C. 78q-1(b)(3)(F).

number SR-DTC-2026-007 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[25]

Sherry R. Haywood,

Assistant Secretary.

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25 17 CFR 200.30-3(a)(12).