

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-104091; File No. SR-FICC-2025-020]**

**Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend GSD Rule 42 (Suspension of Rules) and MBSD Rule 33 (Suspension of Rules in Emergency Circumstances)**

September 26, 2025.

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 September 25, 2025, Fixed Income Clearing Corporation (“FICC”) 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. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) 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)(6).

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

The proposed rule change would amend Rule 42 (Suspension of Rules) of the GSD Rules.<sup>5</sup> FICC’s two affiliate clearing agencies, The Depository Trust Company (“DTC”) and National Securities Clearing Corporation (“NSCC,” and together with DTC and FICC, the “Clearing Agencies” or “Clearing Agency” when referring to one of any of the three Clearing Agencies)<sup>6</sup> will each file with the Commission substantively similar proposals to amend their corresponding rules: Rule 18 of the Rules, By-Laws, Organization Certificate of DTC (“DTC Rules”) and Rule 22 of the NSCC Rules & Procedures (“NSCC Rules”) (collectively with GSD Rule 42, the “Waiver Rules”).<sup>7</sup> A substantially similar proposal to amend Rule 33 of the FICC Mortgage-Backed Securities Division (“MBSD”) Clearing Rules (“MBSD Rules”) was already filed with the Commission and implemented by FICC; however, some language was unintentionally omitted from the proposed changes in that Initial MBSD Filing, which this proposal would add.<sup>8</sup>

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<sup>5</sup> Capitalized terms not otherwise defined herein are defined in the FICC Government Securities Division Rulebook (“GSD Rules”), as applicable, *available at* <http://www.dtcc.com/legal/rules-and-procedures>.

<sup>6</sup> The Clearing Agencies are each a subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC operates on a shared service model with respect to the Clearing Agencies. Most corporate functions are established and managed on an enterprise-wide basis pursuant to intercompany agreements under which it is generally DTCC that provides relevant services to the Clearing Agencies.

<sup>7</sup> Each Waiver Rule is publicly available in the respective rules of the applicable Clearing Agency at <https://www.dtcc.com/legal/rules-and-procedures>.

<sup>8</sup> *See* Securities Exchange Act Release No. 103584 (July 30, 2025), 90 FR 36492 (Aug. 4, 2025) (SR-FICC-2025-016) (“Initial MBSD Filing”).

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 would amend Rule 42 (Suspension of Rules) of the GSD Rules. The Clearing Agencies will each file with the Commission substantively similar proposals to amend their corresponding Waiver Rules. A substantially similar proposal to amend MBSD Rule 33 was already filed with the Commission and implemented by FICC; however, some language was unintentionally omitted from the proposed changes in that Initial MBSD Filing, which this proposal would add.

Specifically, the proposed amendments to GSD Rule 42 would (i) establish “reasonable and appropriate” as the new standard for when an extension, waiver or suspension may occur; (ii) require action under the rule to be in consideration of FICC’s obligations as a clearing agency; and (iii) make technical, ministerial, and other conforming and clarifying changes. Additionally, the proposed changes would further amend MBSD Rule 33 to add language that covers the “procedures and regulations” of FICC in a paragraph describing the application of the rule’s “reasonable and appropriate” standard. The language already existed in other sections of MBSD Rule 33 prior to the

Initial MBSD Filing, but the Initial MBSD Filing unintentionally omitted the language from the referenced paragraph.<sup>9</sup> As such, FICC now proposes to add the missing language, which would better harmonize the language in the referenced paragraph with the rest of MBSD Rule 33, as well as the other Clearing Agencies' Waiver Rules.

(i) Background

GSD Rule 42 authorizes FICC, in general, to extend, waive, or suspend a GSD Rule, Procedure, or regulation issued by FICC. Under the current rule, any extension, waiver, or suspension must be (A) necessary or expedient and (B) requires a written report of such extension, waiver, or suspension (other than an extension of time of less than eight hours), stating the pertinent facts, the identity of the person or persons who authorized such extension, waiver or suspension and the reason such extension, waiver or suspension was deemed necessary or expedient. The report must then be promptly made and filed with FICC's records and available for inspection by any Member during regular business hours on Business Days.

(ii) Proposed Amendments to GSD Rule 42

The proposed changes would harmonize the language, purpose, and governance of GSD Rule 42 with the equivalent Waiver Rule of MBSD Rule 33,<sup>10</sup> and the similarly proposed changes to the Waiver Rules of DTC Rule 18<sup>11</sup> and NSCC Rule 22.<sup>12</sup>

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<sup>9</sup> *See id.*

<sup>10</sup> MBSD Rules, *available at* [https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc\\_gov\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_gov_rules.pdf).

<sup>11</sup> DTC Rules, *available at* [https://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc_rules.pdf).

<sup>12</sup> NSCC Rules & Procedures ("NSCC Rules"), *available at* [https://dtcc.com/~media/Files/Downloads/legal/rules/nscc\\_rules.pdf](https://dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf).

Specifically, the proposed amendments to GSD Rule 42 would (i) establish “reasonable and appropriate” as the new standard for when an extension, waiver or suspension may occur; (ii) require action under the rule to be in consideration of FICC’s obligations as a clearing agency; and (iii) make technical, ministerial, and other conforming and clarifying changes.

GSD proposes to eliminate the requirement that an extension, waiver, or suspension authorized under GSD Rule 42 must be “necessary or expedient.” Instead, the proposed changes establish “reasonable and appropriate” as the applicable standard, which FICC believes is a clearer and more relevant standard for the actions to be taken under the rule. Moreover, FICC proposes to provide some general guidance as to when the rule may need to be invoked: to prevent, correct, mitigate or otherwise address an event or situation that, if left unaddressed, could result in a failure to satisfy a requirement of the GSD Rules, Procedures, or regulations issued by FICC. Similarly, the proposed rule change clarifies that such authority may not be used to circumvent FICC’s regulatory obligations provided under GSD Rule 50 (Market Disruption and Force Majeure) in the event of a Market Disruption.

In determining whether to exercise the authority provided by the proposed changes to GSD Rule 42, the proposed rule text would require FICC to consider its obligation to facilitate the prompt and accurate clearance and settlement of securities transactions; to safeguard securities and funds which are in its custody or control; and, in general, to protect investors and the public interest. Examples of the types of actions that may be considered reasonable and appropriate include, but are not limited to, extension of monthly bill payment that result from operational constraints; waiving certain charges

as a result of unusual market activity; extension of funds-only settlement to capture mark-to-market pricing. Note, though, any extension, waiver or suspension under the proposed changes to GSD Rule 42 could not be a permanent action, nor would the rule permit extension, waiver or suspension of any regulatory obligations of FICC.

The proposed rule change would also make technical, ministerial, and other conforming and clarifying changes, including updating the title of GSD Rule 42 to “Extension, Waiver or Suspension of Rules” and correct missing and defined terms.

This proposed harmonization is important to help ensure that DTC, NSCC and both FICC divisions can reasonably, appropriately, and consistently manage situations that may apply across multiple divisions, Clearing Agencies, or common members.

(iii) Proposed Amendments to MBSD Rule 33

The proposed amendment to MBSD Rule 33 would add language that was unintentionally omitted from the Initial MBSD Filing. Specifically, the amendment would add the phrase “the procedures or any such regulations” to a paragraph describing the application of the rule’s “reasonable and appropriate” standard. This addition clarifies that the authority to extend, waive, or suspend under MBSD Rule 33 expressly applies not only to the MBSD Rules but also to FICC Procedures or any regulations issued by FICC.

Although this language was unintentionally omitted from the above reference paragraph, neither it nor the substantive authority it provides are new to MBSD Rule 33, as the language is already reflected in the opening paragraph of the rule, as well as the corresponding Waiver Rules of GSD, DTC and NSCC. Therefore, adding it to the above reference paragraph will simply harmonize MBSD Rule 33 itself, as well as all the Clearing Agencies’ Waiver Rules.

## 2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, inter alia, 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> FICC believes that the proposed rule change is consistent with the Section 17A(b)(3)(F) of the Act, as cited above.

As described above, the proposed rule change would amend GSD Rule 42 to (i) establish “reasonable and appropriate” as the new standard for when an extension, waiver or suspension may occur; (ii) require action under the rule to be in consideration of FICC’s obligations as a clearing agency; and (iii) make technical, ministerial, and other conforming and clarifying changes. Additionally, the proposed rule change would amend MBSD Rule 33 to add language that was unintentionally omitted from a prior filing.

The proposed rule change would help ensure that FICC is able to respond reasonably, appropriately, and effectively to situations that may require an extension, waiver, or suspension, of a GSD Rule, Procedure, or regulation issued by FICC. The proposed changes also enable GSD to respond to such situations in the same way that DTC, NSCC, and MBSD can respond under their respective Waiver Rules and under the same governance structure. Specifically, replacing the current “necessary or expedient” standard with a clearer and more intuitive “reasonable and appropriate” standard would enhance transparency and consistency of actions taken under the rule. Finally, the proposed technical and confirming changes improve clarity and consistency with the rule.

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

Additionally, the proposed rule change would amend MBSD Rule 33 to add language that was unintentionally omitted from a prior filing.

Therefore, by improving the function and clarity of GSD Rule 42 and MBSD Rule 33, FICC believes the proposed rule change would help to assure the safeguarding of securities and funds which are in the custody or control of FICC or for which it is responsible, 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

FICC does not believe that the proposed rule change will have any impact or impose any burden on competition because, as described above, the proposed changes would not affect the rights and obligations of the GSD membership. Rather, the proposed changes are limited to clarifying the standard and conditions under which FICC may extend, waive, or suspend GSD's Rules, Procedures, or regulations issued by FICC, while also making technical and ministerial edits. Similarly, the proposed amendment to MBSD Rule 33 would not impact the rights or obligations of MBSD membership but merely adds previously omitted language to harmonize MBSD Rule 33 within itself and with the Waiver Rules of the other Clearing Agencies. These proposed changes would not inhibit access to FICC's services or disadvantage or favor any particular Member in relationship to another Member. As such, FICC believes the proposed rule change would not have any impact on competition.

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

FICC has not received or solicited any written comments relating to this proposal. If any written comments are received, FICC 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 <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](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

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

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

Because the foregoing proposed rule change does not:

- (i) significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and
- (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective

pursuant to Section 19(b)(3)(A)<sup>14</sup> of the Act and Rule 19b-4(f)(6)<sup>15</sup> 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.

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-FICC-2025-020 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-FICC-2025-020. This file number should be included on the subject line if e-mail is used. To help the Commission process

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<sup>14</sup> 15 U.S.C 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

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-regulations/self-regulatory-organization-rulemaking>). Copies of the filing will be available for inspection and copying at the principal office of FICC 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-FICC-2025-020 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>16</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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