

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2021-055 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2021-055. 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 (<http://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 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NASDAQ-2021-055 and should be submitted on or before August 3, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-92339; File No. SR-DTC-2021-010]

**Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Reorganizations Service Guide**

July 7, 2021.

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 July 1, 2021, 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 Act<sup>3</sup> and Rule 19b-4(f)(4) thereunder.<sup>4</sup> 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 change consists of changes to the Reorganizations Service Guide (the "Guide"),<sup>5</sup> 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 purpose of the proposed rule change is to amend the Guide to provide

<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)(4).

<sup>5</sup> Each term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (the "Rules") and the Guide, available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

Participants with the option to submit instructions via Application Program Interface ("API") and ISO 20022 real-time messaging (collectively, "Automated Instruction Messaging") for Automated Tender Offer Program ("ATOP")<sup>6</sup>-eligible voluntary reorganizations offers (each, an "ATOP Offer").<sup>7</sup> DTC is also proposing to amend the Guide to adjust and clarify DTC processing cut-off times for the submission of ATOP Offer instructions ("DTC Cut-Off Time"), and to make technical and ministerial changes to the Guide, as discussed more fully below.

**(i) Automated Instruction Messaging**

**A. Background**

When an issuer or agent announces an ATOP Offer, it communicates the details of the offer to DTC, which announces the ATOP Offer to its Participants in accordance with the Guide and applicable Rules. Participants then relay the information to their clients, which, in turn, relay the information to their clients, and so forth, down to the investor level. For example, the ATOP Offer information flows from the issuer/agent to DTC, DTC to Participant, Participant to Investor Manager client, Investment Manager to its investor clients. Each level of the chain solicits and compiles instructions from its clients and submits the instructions back up the chain, until the instructions reach the Participant level. Each Participant compiles and aggregates all instructions received from its clients and submits the instructions to DTC through the PTS PTOP or PBS Voluntary Tenders and Exchanges functions via nonautomated key entry.<sup>8</sup> The whole process needs to be completed before the DTC Cut-Off Time for the ATOP Offer.

There are certain potential risks and costs associated with manual processing, particularly in connection with voluntary reorganizations

<sup>6</sup> ATOP is a DTC program through which Participant instructions are transmitted to the agent for an ATOP offers and through which a participant can tender its securities to the agent's account at DTC.

<sup>7</sup> DTC anticipates implementing Automated Instruction Messaging for Automated Subscription Offer Program ("ASOP")-eligible offers by Q1 2022.

<sup>8</sup> PTS (Participant Terminal System) and PBS (Participant Browser System) are user interfaces for DTC settlement and asset services functions. PTS is mainframe-based, and PBS is web-based with a mainframe back-end. Participants may use either PTS or PBS, as they are functionally equivalent. PTOP and Voluntary Tenders and Exchanges are functions of PTS and PBS, respectively, that are currently used by Participants to submit instructions, submit protects, submit cover of protects, submit cover of protects on behalf of another Participant, and submit withdrawals on various voluntary reorganization events.

<sup>17</sup> 17 CFR 200.30-3(a)(12).

instructions. Nonautomated input may increase the likelihood of errors, which can result in rejected instructions or erroneous elections. Rejected instructions and erroneous elections can delay the submission of the instructions for the ATOP Offer, which typically have to be submitted within a short timeframe. Further, because information about the ATOP Offer and the compilation and transmission of instructions flows across different market segments, the lack of automation and standardization can also lead to errors along the chain. Finally, ATOP Offers are becoming increasingly complex, thereby requiring a greater volume of individual nonautomated input by Participants, which adds to the potential risk of errors and increases the overhead cost for additional personnel and processes to handle the volume.

Therefore, DTC is proposing to provide Participants with the ability to use Automated Instruction Messaging via ISO 20022 messages and API functionality for ATOP-eligible offers. The functionality for the submission of instructions through standardized ISO 20022 messaging already exists at DTC. For example, Participants have the ability to submit ISO 20022 instructions for eligible distributions events.<sup>9</sup> ISO 20022 is a standard that provides the financial industry with a common language to capture business transactions and associated message flows. The benefits offered by ISO 20022 include, but are not limited to: (i) Greater straight through processing by utilizing a data model that conforms to market practice, and (ii) improved accuracy and less processing risk due to enhanced data elements.

DTC already offers API functionality for the submission of certain instructions to DTC. For example, Participants can currently engage with the DTC ClaimConnect service via APIs.<sup>10</sup> APIs enable the flow of information between computer applications and provide Participants the ability to easily access and evaluate customer data as well as provide Participants with callable endpoints for deleting data resources and for reading and updating data resource values. Stated another way, APIs provides enhanced flexibility for Participants, making the process of accessing from,

<sup>9</sup> Participants can submit ISO 20022 instructions on applicable tax relief, foreign currency payments, dividend reinvestment including opt out and optional dividend events. See DTC Distributions Service Guide, p. 16, available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

<sup>10</sup> See ClaimConnect Service Guide, p.8, available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

and transmitting information to, DTC and its downstream customers more efficient. The flexibility of APIs and its use of modern programming languages provide benefits that include, but are not limited to: (i) Less frequent maintenance, (ii) client development and implementation can be quicker to market, and (iii) more efficient integration channels.

#### B. Automated Instruction Messaging

Pursuant to the proposed rule change, Automated Instruction Messaging would be available for the following ATOP actions: (i) Accepting an ATOP-Eligible Offer, (ii) Accepting an ATOP-Eligible Offer via Notice of Guaranteed Delivery, (iii) Submitting a Cover of Protect, and (iv) Puts. However, withdrawal or cancellation instructions in connection with the above would still need to be performed via PTS/PBS. In addition, Automated Instruction Messaging for the Submitting a Cover of Protect on Behalf of a Third Party action would not be available.<sup>11</sup>

Automated Instruction Messaging would consist of (i) Automated Instruction Messages for the input of instructions, and (ii) Automated Response Messages for feedback and status output with respect to submitted instructions. The ISO 20022 Corporate Action Instruction (CAIN) message and the API POST function are Automated Instruction Messages. The ISO 20022 Corporate Action Instruction Status Advice (CAIS) message and the API GET function are Automated Response Messages.

As noted above, automating instructions for ATOP Offers would streamline the flow of information, reducing the costs, errors and risks that are associated with nonautomated processing. Accordingly, pursuant to the proposed rule change, DTC would provide Participants with the ability to automate and standardize the submission of instructions for ATOP Offers through Automated Instruction Messaging.

#### (ii) Clarification and Adjustment of Certain Cut-off Times for ATOP Offer Instructions

The terms of an ATOP Offer include, among other things, the dates and times by which certain instructions (e.g., acceptances, protects) must be submitted, as well the date and time that the ATOP Offer expires. For ATOP Offers processed through DTC, DTC

<sup>11</sup> DTC anticipates implementing Automated Instruction Messaging for withdrawal and cancellation instructions, as well as for Cover Protect on Behalf of a Third-Party action, by Q1 2022.

establishes a DTC Cut-Off Time, which is the deadline for Participants to submit ATOP Offer instructions to DTC for processing.<sup>12</sup>

DTC is proposing to (i) amend outdated language about the DTC Cut-Off Time for an ATOP Offer with an actual expiration time that is 6:00 p.m. ET or later on the expiration date, and (ii) remove the reference to a 1:00 p.m. ET DTC Cut-Off Time, which, pursuant to the proposed rule change, would no longer be the established DTC Cut-Off Time for an ATOP Offer with an actual expiration time before 5:00 p.m. ET.

The current language in the Guide provides that, unless otherwise specified in the ATOP Offer announcement (i) ATOP Offers being processed by the agent through ATOP (referred to as an "ATOP I" offer, which have an actual expiration time of 5:00 p.m. ET or later) have a DTC Cut-Off Time of 5:00 p.m. ET, and (ii) ATOP Offers being processed by the agent without an electronic connection to ATOP (referred to as an "ATOP II" offer, which typically expires before 5:00 p.m. ET) have a DTC Cut-Off Time of 1:00 p.m.

Pursuant to the proposed rule change, DTC would update the language in the Guide to reflect that for ATOP Offers with an actual expiration time between 6:00 p.m. ET and midnight on expiration date, the DTC Cut-Off Time typically will be 6:00 p.m. ET, instead of 5:00 p.m. ET.<sup>13</sup> DTC extended this processing window by an additional hour to provide Participants additional time to submit instructions to be processed by DTC and to avoid Participants submitting instructions directly to the agent outside of DTC.

DTC is further proposing to amend the Guide to provide that, with respect to an ATOP Offer with an actual expiration time earlier than 5:00 p.m. ET on expiration date,<sup>14</sup> the DTC Cut-Off Time would vary depending on the particular facts and circumstances of the ATOP Offer and would be announced in the notice of the ATOP Offer.<sup>15</sup>

<sup>12</sup> Participants are able to submit ATOP Offer instructions after the DTC Cut-Off Time directly to the agent until the actual expiration time, if provided for under the terms of the ATOP Offer.

<sup>13</sup> See Important Notice B#11772-19 (July 15, 2019), available at <https://www.dtcc.com/~media/Files/pdf/2019/7/15/11772-19.pdf>.

<sup>14</sup> Although infrequent, there are some circumstances where an ATOP Offer may have an actual expiration time earlier than 5:00 p.m. ET. For example, the expiration time of an ATOP Offer from a jurisdiction in a later time zone could translate in an atypical early expiration time in the eastern time zone.

<sup>15</sup> Pursuant to the proposed rule change, DTC would also remove the references to ATOP I and ATOP II, which are no longer relevant to DTC Cut-

DTC is also proposing to amend the Guide to remind Participants that expiration and cutoff times may vary per the terms of the offer and that Participants are independently responsible for confirming both the actual offer expiration date and time and the DTC Cut-off Time and date.

(iii) Proposed Rule Changes

Pursuant to the proposed rule change, DTC is proposing to:

1. Add references to “Automated Instruction Messaging” or “Automated Instruction Message,” as context requires, where other types of instruction input for ATOP-eligible offers (e.g., PTS PTOPTOP and PBS Voluntary Tenders and Exchanges) are referenced.

2. Add references to “Automated Response Message” where other types of response and/or status reports relating to instructions on ATOP-eligible offers (e.g., PTS/PBS, CA Web or Participant Daily Activity Statement) are referenced.

3. In the “Overview” subsection of the “About Reorganization Services”/ “Introduction” section, insert (i) references to ISO 20022 and API as additional methods of inputting voluntary reorganization instructions, and (ii) a footnote directing Participants to the “Automated Instruction Messaging” section for additional information about Automated Instruction Messaging through ISO 20022 messages and APIs.

4. After the “About the Reorganizations Service” section, insert a new section titled “Automated Instruction Messaging.” The section would list: (i) The ATOP actions for ATOP-eligible offers for which Automated Instruction Messaging is available, which would be: Accepting an ATOP-Eligible Offer, Accepting an ATOP-Eligible Offer via Notice of Guaranteed Delivery, Submitting a Cover of Protect, and Puts, (ii) the Automated Instruction Message Types, which are ISO 20002 Corporate Action Instruction (CAIN) and API POST, and (iii) the Automated Response Message Types, which are ISO 20022 Corporate Action Instruction Status Advice (CAIS) and API GET. The section would also include a note stating that all withdrawal and cancellation instructions for ATOP-eligible offers must be performed via PTS/PBS and cannot be instructed via Automated Instruction Message.

5. In the “Instructions/Expirations” section, above the “Important

Considerations” subsection, insert the following warning as a reminder to Participants of their responsibility to monitor the status of their instructions and to take any actions necessary to complete an incomplete transaction:

Warning!

Regarding incomplete instructions: An instruction that was submitted via PTS (PTOPTOP, PSOPTOP, PUTS, WARR, RCNV, CERR), PBS (Voluntary Tenders and Exchanges, Rights Subscriptions, Put Option Bonds, Reorg Conversions, CD Early Redemptions, Warrants Subscriptions) or via Automated Instruction Messaging but was not fully processed by-DTC is an incomplete transaction. A Participant has the sole responsibility to monitor its messages and confirm that its instruction was processed and that the quantity of securities that are the subject of its instruction are shown under the contract CUSIP/RRG specified in the instruction. A Participant that submits an incomplete instruction via Automated Instruction Messaging will receive an Automated Response Message indicating a rejection. Neither DTC nor the agent will take action on an incomplete transaction. The Participant is solely responsible for taking the additional processing steps to complete the transactions before expiration cut-off date and time. DTC shall have no responsibility in respect of a Participant’s failure to recognize its instruction as incomplete or to take the steps necessary to complete its transaction. Participants can use the inquiry feature of the aforementioned PTS and PBS functions, as applicable, to identify an incomplete transaction. For instructions submitted via Automated Instruction Messaging, the Automated Response Message will indicate the reason for rejection.

In addition, DTC is proposing to delete other warnings relating to incomplete instructions in connection with ATOP-eligible offers, as they would be redundant with the insertion of the above warning.

6. In the “Instructions/Expirations” section, under the new warning referenced above, insert a note that states that all withdrawal and cancellation instructions must be performed via PTS/PBS.

7. In the “About DTC’s Automated Tender Offer Program (ATOP)” subsection of the “Instructions/Expirations” section, remove the phrases “using the PTS PTOPTOP and PBS Voluntary Tenders and Exchanges or via CCF,” and “by book-entry through PTS PTOPTOP or PBS Voluntary Tenders and

Exchanges, or via CCF,” as it is unnecessary and limiting.

8. In the “Proration of an Offer” section, for accuracy, insert a reference to CA Web as a source to review the position movements representing the unaccepted position.

9. Add a reference to “Automated Instruction Messaging” to the following section headings: “Voluntary Offers by Issuer or Third Party (Processed via PTOPTOP),” “Submitting a Cover of Protect via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges for an ATOP-Eligible Offer,” “Checklist for Submitting a Cover of Protect via PTS PTOPTOP or PBS Voluntary Tenders and Exchanges.”

10. Amend the Guide to reflect that when a Participant uses an Automated Instruction Message, it must check its Automated Response Message, in order to ensure that its transactions were properly processed and recorded, and to note that a Participant could additionally check its Participant Daily Activity Statement and the CA Web.

11. Replace the following paragraph, which appears in the checklists for submitting instructions for ATOP-eligible offers, “Participants that subscribe to the ISO 20022 Instructions Statement Report (CAST) will be able to verify instruction status on the message” with “Participants that submit an Automated Instruction Message must monitor the status of their instruction using the Automated Response Message. Additionally, the CAST message is available to monitor instructed and uninstructed balances.”

12. In the “Accepting an ATOP-Eligible Offer” section, in order to reflect that for an ATOP Offer with (i) an actual expiration time between 6:00 p.m. ET and midnight, the DTC Cut-Off Time would typically be 6:00 p.m. ET, and (ii) an actual expiration time before 5:00 p.m. ET on expiration date, the DTC Cut-Off Time would vary depending on the facts and circumstances of the offer, DTC is proposing to replace the existing paragraph that begins “The dates on which you can accept an offer via PTOPTOP . . .” with the following paragraphs:

“The dates on which you can accept an offer via PTS PTOPTOP, PBS Voluntary Tenders and Exchanges, and Automated Instruction Messaging are specified in the notice about the offer, which you can view via CA Web Announcements, ISO 20022 messaging and PTS RIPS or PBS Reorganizations and Redemptions functions. Unless otherwise specified in the PTS RIPS, PBS Reorganizations and Redemptions or ISO 20022 messaging, PTS PTOPTOP, PBS Voluntary Tenders and Exchanges, and Automated Instruction

Messaging are available on those dates for this purpose. DTC processing cut-off times on the day of expiration typically will be either 5:00 p.m. ET (where the notice of the offer specifies an expiration time of 5:00 p.m. ET on expiration date) or 6:00 p.m. ET (where the notice of the offer specifies an expiration time between 6:00 p.m. ET and midnight on expiration date). Please note that the DTC processing cut-off times for offers that specify an offer expiration time before 5:00 p.m. ET on expiration date will vary depending on the facts and circumstances of the offer.

*Note:* Participants are reminded that expiration and cutoff time may vary per the terms of the offer. Participants are independently responsible to confirm, per the terms of the offer and announcement, the offer expiration date and time, as well as the applicable DTC processing cut-off time, per the terms of the offer and the announcement.”

13. In the “Checklist for Submitting an Acceptance” section, insert the following language to address how a Participant needs to acknowledge the Letter of Transmittal when it transmits an acceptance via Automated Instruction Messaging:

“Likewise, when you transmit an acceptance via Automated Instruction Messaging, you will be required to acknowledge the Letter of Transmittal required by the offer identified by the contra-CUSIP you specify in your acceptance. The message must contain your acknowledgement. If your message does not contain your acknowledgement, your acceptance will be rejected. By acknowledging the Letter of Transmittal via Automated Instruction Messaging, you agree that (i) you have received, and will be bound by the terms of, the Letter of Transmittal required by the offer identified in the acceptance and (ii) the agreement set forth in the preceding clause (i) may be enforced against you by the Offeror in such offer”.

14. In the “Submitting a Protect for an ATOP-Eligible Offer” section, in order to reflect that for an ATOP Offer with (i) an actual expiration time between 6:00 p.m. ET and midnight, the DTC Cut-Off Time would typically be 6:00 p.m. ET, and (ii) an actual expiration time before 5:00 p.m. ET on expiration date, the DTC Cut-Off Time would vary depending on the facts and circumstances of the offer, DTC is proposing to replace the existing paragraph that begins “The dates on which you can accept an offer by submitting a Notice . . .” with the following paragraphs:

“The dates on which you can accept an offer by submitting a Notice of

Guaranteed Delivery via PTS PTO, PBS Voluntary Tenders and Exchanges, and Automated Instruction Messaging are specified in the notice about the offer, which you can view via CA Web Announcements, ISO 20022 messaging and PTS RIPS or PBS Reorganizations and Redemptions functions. Unless otherwise specified in the PTS RIPS, PBS Reorganizations and Redemptions or ISO 20022 messaging, PTS PTO, PBS Voluntary Tenders and Exchanges, and Automated Instruction Messaging are available on those dates for this purpose. DTC processing cut-off times on the day of expiration typically will be either 5:00 p.m. ET (where the notice of the offer specifies an expiration time of 5:00 p.m. ET on expiration date) or 6:00 p.m. ET (where the notice of the offer specifies an expiration time between 6:00 p.m. ET and midnight on expiration date). Please note that the DTC processing cut-off times for offers that specify an offer expiration time before 5:00 p.m. ET on expiration date will vary depending on the facts and circumstances of the offer.

*Note:* Participants are reminded that expiration and cutoff time may vary per the terms of the offer. Participants are independently responsible to confirm, per the terms of the offer and announcement, the offer expiration date and time, as well as the applicable DTC processing cut-off time, per the terms of the offer and the announcement.”

15. In the “Checklist for Submitting a Protect” section, insert the following language to address how a Participant needs to acknowledge the Notice of Guaranteed Delivery when it transmits an acceptance by Notice of Guaranteed Delivery via Automated Instruction Messaging:

“Likewise, when you transmit an acceptance via Automated Instruction Messaging, you will be required to acknowledge the Notice of Guaranteed Delivery required by the offer identified by the contra-CUSIP you specify in your acceptance. The message must contain your acknowledgement. If your message does not contain your acknowledgement, your acceptance will be rejected. By acknowledging the Notice of Guaranteed Delivery via Automated Instruction Messaging, you agree that (i) you have received, and will be bound by the terms of, the Notice of Guaranteed Delivery required by the offer identified in the acceptance and (ii) the agreement set forth in the preceding clause (i) may be enforced against you by the Offeror in such offer.”

16. In the “Submitting a Cover of Protect via PTS PTO or PBS Voluntary Tenders and Exchanges for an ATOP-

Eligible Offer,” section, in order to reflect that for an ATOP Offer with (i) an actual expiration time between 6:00 p.m. ET and midnight, the DTC Cut-Off Time would typically be 6:00 p.m. ET, and (ii) an actual expiration time before 5:00 p.m. ET on expiration date, the DTC Cut-Off Time would vary depending on the facts and circumstances of the offer, DTC is proposing to replace the existing paragraph that begins “The dates on which you can submit a cover of protect via PTO . . .” with the following paragraphs:

“The dates on which you can submit a cover of protect via PTS PTO, PBS Voluntary Tenders and Exchanges, and Automated Instruction Messaging are specified in the notice about the offer, which you can view via CA Web Announcements, ISO 20022 messaging and PTS RIPS or PBS Reorganizations and Redemptions functions. Unless otherwise specified in the notice, PTS PTO, PBS Voluntary Tenders and Exchanges, and Automated Instruction Messaging are available on those dates for this purpose. DTC processing cut-off times on the day of expiration typically will be either 5:00 p.m. ET (where the notice of the offer specifies an expiration time of 5:00 p.m. ET on expiration date) or 6:00 p.m. ET (where the notice of the offer specifies an expiration time between 6:00 p.m. ET and midnight on expiration date). Please note that the DTC processing cut-off times for offers that specify an offer expiration time before 5:00 p.m. ET on expiration date will vary depending on the facts and circumstances of the offer.

*Note:* Participants are reminded that expiration and cutoff time may vary per the terms of the offer. Participants are independently responsible to confirm, per the terms of the offer and announcement, the offer expiration date and time, as well as the applicable DTC processing cut-off time, per the terms of the offer and the announcement.”

17. In the “Checklist for Submitting a Cover of Protect via PTS PTO or PBS Voluntary Tenders and Exchanges” section:

a. At the end of the first bulleted paragraph under number 6 of the checklist, in order to reflect that the “made” status of an Automated Instruction Message would be confirmed in the Automated Response Message, add the sentence “The Automated Response Message will confirm the “made” status.”

b. Insert the following language to address how a Participant needs to acknowledge the Letter of Transmittal when it transmits a cover of protect via Automated Instruction Messaging:

“Likewise, when you transmit an instruction to cover a protect via Automated Instruction Messaging, you will be required to acknowledge the Letter of Transmittal required by the offer identified by the contra-CUSIP you specify in your instruction. The message must contain your acknowledgement. If your message does not contain your acknowledgement, your instruction will be rejected. By submitting the acknowledgment via Automated Instruction Messaging, you agree that (i) you have received, and will be bound by the terms of, the Letter of Transmittal required by the offer identified in the acceptance and (ii) the agreement set forth in the preceding clause (i) may be enforced against you by the Offeror in such offer.”

18. In the “Submitting a Cover of Protect via PTS PTO or PBS Voluntary Tenders and Exchanges on Behalf of Another Participant” section, in order to reflect that for an ATOP Offer with (i) an actual expiration time between 6:00 p.m. ET and midnight, the DTC Cut-Off Time would typically be 6:00 p.m. ET, and (ii) an actual expiration time before 5:00 p.m. ET on expiration date, the DTC Cut-Off Time would vary depending on the facts and circumstances of the offer, DTC is proposing to replace the existing paragraph that begins “The dates on which you can submit a cover of protect are specified in the notice about the offer . . .” with the following paragraphs:

“The dates on which you can submit a cover of protect via PTS PTO and PBS Voluntary Tenders and Exchanges are specified in the notice about the offer, which you can view via CA Web Announcements, ISO 20022 messaging and PTS RIPS or PBS Reorganizations and Redemptions functions. Unless otherwise specified in the PTS RIPS, PBS Reorganizations and Redemptions or ISO 20022 messaging, PTS PTO and PBS Voluntary Tenders and Exchanges are available on those dates for this purpose. DTC processing cut-off times on the day of expiration typically will be either 5:00 p.m. ET (where the notice of the offer specifies an expiration time of 5:00 p.m. ET on expiration date) or 6:00 p.m. ET (where the notice of the offer specifies an expiration time between 6:00 p.m. ET and midnight on expiration date). Please note that the DTC processing cut-off times for offers that specify an offer expiration time before 5:00 p.m. ET on expiration date will vary depending on the facts and circumstances of the offer.

*Note:* Participants are reminded that expiration and cutoff time may vary per the terms of the offer. Participants are

independently responsible to confirm, per the terms of the offer and announcement, the offer expiration date and time, as well as the applicable DTC processing cut-off time, per the terms of the offer and the announcement.”

19. In the “Withdrawing an Acceptance of an ATOP-Eligible Offer” section, in order to reflect that for an ATOP Offer with (i) an actual expiration time between 6:00 p.m. ET and midnight, the DTC Cut-Off Time would typically be 6:00 p.m. ET, and (ii) an actual expiration time before 5:00 p.m. ET on expiration date, the DTC Cut-Off Time would vary depending on the facts and circumstances of the offer, DTC is proposing to replace the existing paragraph that begins “The dates on which you can submit a withdrawal of acceptance are specified in the notice about the offer . . .” with the following paragraphs:

“The dates on which you can submit a withdrawal of acceptance via PTS PTO and PBS Voluntary Tenders and Exchanges are specified in the notice about the offer, which you can view via CA Web Announcements, ISO 20022 messaging and PTS RIPS or PBS Reorganizations and Redemptions functions. Unless otherwise specified in the PTS RIPS, PBS Reorganizations and Redemptions or ISO 20022 messaging, PTS PTO and PBS Voluntary Tenders and Exchanges are available on those dates for this purpose. DTC processing cut-off times on the day of expiration typically will be either 5:00 p.m. ET (where the notice of the offer specifies an expiration time of 5:00 p.m. ET on expiration date) or 6:00 p.m. ET (where the notice of the offer specifies an expiration time between 6:00 p.m. ET and midnight on expiration date). Please note that the DTC processing cut-off times for offers that specify an offer expiration time before 5:00 p.m. ET on expiration date will vary depending on the facts and circumstances of the offer.

*Note:* Participants are reminded that expiration and cutoff time may vary per the terms of the offer. Participants are independently responsible to confirm, per the terms of the offer and announcement, the offer expiration date and time, as well as the applicable DTC processing cut-off time, per the terms of the offer and the announcement.”

20. Make ministerial changes to correct typos and omissions and to enhance conformity and readability, including, but not limited to:

a. In the copyright line of the “Important Legal Information” section, replacing “2020” with “2021.”

b. Adding the name of the corresponding PBS function where the equivalent PTS function is referenced.

c. Augmenting mentions of PBS and PTS functions with their full technical names.

d. Removing internal references to other sections within the Guide that are incorrect, no longer relevant, or that no longer exist.

e. Inserting references to the CA Web to correctly reflect that a Participant can check the CA Web, in addition to its Participant Daily Activity Statement and Automated Response Messages, to ensure that its transactions were properly processed and recorded.

f. Inserting references to ISO 20022 messaging and the CA Web to correctly reflect them as sources of ATOP-eligible Offer details.

g. Correcting certain typographical errors.

## 2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>16</sup>

The proposed rule change would amend the Guide to provide Participants with the option to use Automated Instruction Messaging for ATOP Offers. As discussed above, the use of Automated Instruction Messaging for ATOP Offers would provide greater straight-through processing, improved accuracy, more efficient integration channels and less processing risk than nonautomated processing.

The proposed rule change would also amend the Guide to adjust and clarify the DTC Cut-Off Times for the submission of instructions in connection with ATOP Offers. Specifically, the proposed rule change would clarify that for ATOP Offers with an actual expiration time between 6:00 p.m. ET and midnight on expiration date, the DTC Cut-Off Time typically is 6:00 p.m. ET, instead of 5:00 p.m. ET. DTC believes that providing Participants with clear directions about the deadlines for the submission of instructions would facilitate the timely submission of instructions and help avoid the submission of instructions outside of DTC. In addition, the proposed rule change would amend the Guide to provide that, with respect to an ATOP Offer with an actual expiration time earlier than 5:00 p.m. ET on expiration date, the DTC Cut-Off Time would vary depending on the particular facts and circumstances of the ATOP Offer. By eliminating the established 1:00 p.m. ET DTC Cut-Off Time for these offers, DTC would have the flexibility to provide Participants with a

<sup>16</sup> 15 U.S.C. 78q-1(b)(3)(F).

DTC Cut-off Time that would be most appropriate to the circumstances, thereby facilitating the timely and orderly submission of instructions.

Finally, DTC believes that the proposed rule change to amend the Guide to make technical and clarifying changes would enhance the clarity and transparency of the Guide. By enhancing the clarity and transparency of the Guide, the proposed rule change would allow Participants to more efficiently and effectively conduct their business in connection with processing reorganization events and associated securities transactions.

Based on the foregoing, DTC believes that the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act, cited above.

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

DTC believes that the proposed rule change to provide Participants with the option to use Automated Instruction Messaging for ATOP Offers would not have any impact on competition.<sup>17</sup> Automated Instruction Messaging would be an optional service that would be available to all Participants in connection with ATOP Offers. In addition, DTC believes that the proposed rule change to amend the Guide to adjust and clarify DTC Cut-Off Times for the submission of ATOP Offer instructions, and to make technical and ministerial changes to the Guide, would not have any impact on competition because it would merely provide Participants with clear directions about the deadlines for the submission of instructions, and would enhance the clarity of the procedures relating to ATOP Offers. In light of the foregoing, DTC does not believe that the proposed rule change would impose a burden on competition.<sup>18</sup>

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

Written comments relating to the proposed rule change have not been solicited or received. DTC will notify the Commission of any written comments received by DTC.

**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)<sup>19</sup> of the Act and paragraph (f)<sup>20</sup> 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.

**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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2021-010 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-2021-010. 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 (<http://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 10:00 a.m. and 3:00 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 (<http://dtcc.com/legal/sec-rule-filings.aspx>). All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2021-010 and should be submitted on or before August 3, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-92334; File No. SR-NSCC-2021-007]**

**Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change Relating To Confidential Information, Market Disruption Events, and Other Changes**

July 7, 2021.

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 June 25, 2021, National Securities Clearing Corporation ("NSCC") 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.

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

The proposed rule change consists of modifications to NSCC's Rules & Procedures ("Rules")<sup>3</sup> to (i) revise certain provisions in the Rules relating to the confidentiality of information furnished by applicants, Members and Limited Members (collectively,

<sup>21</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Capitalized terms not defined herein are defined in the Rules, available at [https://dtcc.com/-/media/Files/Downloads/legal/rules/nsc\\_rules.pdf](https://dtcc.com/-/media/Files/Downloads/legal/rules/nsc_rules.pdf).

<sup>17</sup> 15 U.S.C. 78q-1(b)(3)(I).

<sup>18</sup> *Id.*

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 CFR 240.19b-4(f).