

• Send an email to rule-comments@sec.gov. Please include file number SR–24X–2025–15 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–24X–2025–15. 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 will be available for inspection and copying at the principal office of the Exchange. 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–24X–2025–15 and should be submitted on or before December 30, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104316; File No. SR–FICC–2025–023]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Annual Testing of the Recovery and Wind-Down Plan

December 4, 2025.

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 November 25, 2025, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 ³ and Rule 19b–4(f)(6) 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 change consists of modifications to the FICC Mortgage-Backed Securities Division (“MBSD”) Clearing Rules (“MBSD Rules”) and the FICC Government Securities Division (“GSD”) Rulebook (“GSD Rules”). ⁵ The proposed changes would provide that FICC has established standards to be taken into account for designating those “Members,” “Limited Members,” and “Settling Banks,” as such terms are defined in MBSD Rule 17B and GSD Rule 22D (“Wind-down of the Corporation,” collectively, “Wind-down Rule”), who shall be required to participate in annual testing of FICC's recovery and wind-down plan (“RWP Testing”). ⁶ The proposed rule change is intended to provide consistency with the RWP Testing requirements of Rule 17ad–26 ⁷ (“SEC Rule 17ad–26” or “Rule 17ad–26”) promulgated under the Act by the Commission.

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 MBSD Rule 3 (Ongoing Membership Requirements) and GSD

Rule 3 (Ongoing Membership Requirements) to provide that FICC has established standards for designating those “Members,” “Limited Members,” and “Settling Banks,” as such terms are defined in MBSD Rule 17B and GSD Rule 22D, who shall be required to participate in annual RWP Testing. Currently, MBSD Rule 3 and GSD Rule 3 require certain MBSD Members and GSD Members to fulfill certain operational testing requirements that may be imposed by FICC to test and monitor the continuing operational capability of the Members and provides that FICC has established standards for designating those Members who shall be required to participate in annual business continuity and disaster recovery testing. Under the proposed rule change, similar standards would be added with respect to participation in RWP Testing.

The Commission promulgated Rule 17ad–26, which requires that plans for the recovery and orderly wind-down of a covered clearing agency, such as FICC, identify and include certain specific elements. ⁸ One of the required elements is to include procedures for testing the covered clearing agency's ability to implement its recovery and orderly wind-down plan at least every 12 months, including by requiring the covered clearing agency's participants and when practicable, other stakeholders, to participate in such testing. ⁹ The Commission recently approved FICC's proposed rule change to reflect the requirements of Rule 17ad–26 in the FICC Recovery & Wind-down Plan (the “Plan” or “RWP”). ¹⁰ In its filing, FICC described FICC's procedures for testing its ability to implement the Plan at least every 12 months, which included describing the requirement that certain Members participate in the testing based on specified criteria and, when practicable, other stakeholders participate as well. ¹¹ FICC is now proposing to amend MBSD Rule 3 and GSD Rule 3, as described above, for purposes of implementing this aspect of the RWP.

⁸ *Id.* SEC Rule 17ad–26 identifies the elements that a covered clearing agency's plan must contain.

⁹ *Id.* SEC Rule 17ad–26(a)(8) (Testing).

¹⁰ See Securities Exchange Act Release No. 103221 (June 10, 2025), 90 FR 25414 (June 16, 2025) (SR–FICC–2025–010).

¹¹ *Id.* Specifically, FICC stated in its proposed rule change filing that the R&R Team [Recovery & Resolution Team] would identify the Member(s) required to participate in the simulation and that considerations for the Member selection may include, but are not limited to, (i) account structure, (ii) affiliated family structure, (iii) business model, (iv) operational details, and (v) Member size in terms of trading and settlement activity.

¹² 17 CFR 200.30–3(a)(12).

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)(6).

⁵ Terms not otherwise defined herein have the meaning set forth in the MBSD Rules and GSD Rules, available at <http://www.dtcc.com/legal/rules-and-procedures>.

⁶ *Id.*

⁷ 17 CFR 240.17ad–26. See Covered Clearing Agency Resilience and Recovery and Orderly Wind-down Plans, Securities Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (S7–10–23) (“Adopting Release”).

A. Proposal To Amend MBSD Rule 3 and GSD Rule 3 To Address Standards for Required Participation in Annual RWP Testing

The proposed amendments to MBSD Rule 3 and GSD Rule 3 would ensure that FICC's practices with respect to RWP Testing are consistent with Rule 17ad-26(a)(8)¹² and the terms of the RWP by setting forth the standards FICC would take into account when designating which Members, Limited Members, and Settling Banks will be required to participate in any given year. The proposed rule would provide that the terms "Members," "Limited Members," and "Settling Banks" would be defined as they are under the Wind-down Rule.¹³ The participant types captured by these definitions would be the ones most directly impacted in the event of a FICC recovery or orderly wind-down, and whose rights and obligations are governed by the Wind-down Rule in the event that the Wind-down Plan is initiated.

The proposed rule change would provide for FICC's rights to: (i) designate MBSD and GSD Members, Limited Members and Settling Banks required to participate in RWP Testing using considerations such as, but not limited to, account structure, affiliated family structure, business model, operational details, and Member, Limited Member and Settling Bank size, trading and settlement activity; (ii) determine the scope and reporting out of the results of such RWP Testing; and (iii) require MBSD and GSD Members, Limited Members and Settling Banks to comply with such RWP Testing within specified timeframes. Additionally, the proposed rule would state that information on Member, Limited Member and Settling Bank selection as well as key elements of the testing that will be performed would be provided by FICC to all relevant stakeholders.

B. Implementation of the Proposal

As noted above, the principal purpose of the proposed rule change is to provide that FICC has established standards for designating those "Members," "Limited Members," and "Settling Banks," as such terms are defined in the Wind-down Rule, who shall be required to participate in annual testing of FICC's recovery and wind-down plan, consistent with the requirements of Rule 17ad-26(a)(8).¹⁴ The proposed rule change would help to facilitate implementation of this aspect of the RWP in a manner consistent with

SEC Rule 17ad-26 and the RWP recently approved by the Commission.¹⁵ Based on the compliance date of SEC Rule 17ad-26 established by the Commission, the proposed rule change would become operative on December 15, 2025.¹⁶

2. Statutory Basis

FICC believes that the proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, FICC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act,¹⁷ Rule 17ad-22(e)(3)(ii) under the Act,¹⁸ and Rule 17ad-26 under the Act,¹⁹ for the reasons described below.

Section 17A(b)(3)(F) of the Act requires, in part, that the MBSD Rules and GSD Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.²⁰ As described above, the proposed rule change would provide that FICC has established standards regarding a requirement that MBSD and GSD Members, Limited Members and Settling Banks participate in annual RWP Testing, thereby facilitating the inclusion of participants in RWP Testing. This, in turn, would provide for effective planning by ensuring their familiarity with FICC's processes that would be followed in a recovery or wind-down scenario. It would also allow for preparatory experience among FICC and participants to enable FICC to consider whether improvements need to be made to the RWP or RWP Testing going forward. By providing effective planning for recovery and orderly wind-down scenarios, the proposed rule change would help ensure the continuity of FICC's core services and for the markets served by FICC and thereby promote the prompt and accurate clearance and settlement of securities transactions. As such, FICC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.²¹

Rule 17ad-22(e)(3)(ii) under the Act requires FICC to establish, implement,

maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency, which includes plans for the recovery and orderly wind-down of the covered clearing agency necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses.²² By ensuring that RWP Testing is consistent with the requirements of Rule 17ad-26 and how they are described in the RWP, FICC believes that the proposed rule change is designed to support the maintenance of the RWP and, as such, meets the requirements of Rule 17ad-22(e)(3)(ii) under the Act. Therefore, the proposed changes would help FICC to maintain the RWP in a way that continues to be consistent with the requirements of Rule 17ad-22(e)(3)(ii).²³

Rule 17ad-26 requires the plans for recovery and orderly wind-down of covered clearing agencies, such as FICC, to identify and address certain information that is pertinent to the RWP.²⁴ This includes procedures for testing the covered clearing agency's ability to implement its recovery and orderly wind-down plan at least every 12 months and requiring the covered clearing agency's participants and, when practicable, other stakeholders, to participate in such testing. The proposed rule change would provide in the MBSD Rules and GSD Rules the details regarding a requirement for MBSD and GSD "Members," "Limited Members," and "Settling Banks," as defined under the wind-down Rule, to take part in the annual RWP Testing, thereby strengthening FICC's compliance with Rule 17ad-26. As such, FICC believes the proposed rule change is consistent with Rule 17ad-26.²⁵

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

FICC does not believe that the proposed rule change would impose any burden on competition because the proposed rule change would apply to those MBSD and GSD participants that

¹⁵ *Supra* note 10.

¹⁶ *Supra* note 7. As set forth in the Adopting Release, "[...] (2) the proposed rule changes and the Advance Notices must be effective by December 15, 2025. These compliance dates provide sufficient time for CCAs to consider changes to their rules, policies, and procedures necessary to ensure consistency with the rules amended and adopted in this release [...]."

¹⁷ 15 U.S.C. 78q-1(b)(3)(F).

¹⁸ 17 CFR 240.17ad-22(e)(3)(ii).

¹⁹ 17 CFR 240.17ad-26.

²⁰ 15 U.S.C. 78q-1(b)(3)(F).

²¹ *Id.*

²² 17 CFR 240.17ad-22(e)(3)(ii). FICC is a "covered clearing agency" as defined in Rule 17ad-22(a)(5) under the Act and must comply with paragraph (e) of Rule 17ad-22. In 2012, FICC was designated a systemically important financial market utility by the Financial Stability Oversight Council.

²³ *Id.*

²⁴ 17 CFR 240.17ad-26.

²⁵ *Id.*

¹² 17 CFR 240.17ad-26(a)(8).

¹³ *Supra* note 5.

¹⁴ 17 CFR 240.17ad-26(a)(8).

are already subject to similar types of testing requirements as part of their ongoing memberships and provides additional opportunities for participants to test their readiness under the Wind-down Rule in the event a FICC recovery or orderly wind-down event were to occur.

(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, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting 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/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 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

FICC has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act²⁶ and Rule 19b-4(f)(6)²⁷ thereunder. 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; or (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) of the Act²⁸ and Rule 19b-4(f)(6)²⁹ thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)³⁰ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),³¹ the Commission may designate a shorter time if such action is consistent with protection of investors and the public interest. FICC has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing.

Delay of the operation of the proposed rule change, through the 30-day delayed operative date, could impede FICC's timely compliance with Rule 17ad-26³² and thereby defer the intended benefits and objectives of such regulatory requirements. This, in turn, could disrupt market expectations that FICC will implement the proposed rule change by the December 15, 2025 compliance date, which may adversely affect FICC's ability to ensure participant preparedness for recovery and orderly wind-down scenarios, evaluate and improve its recovery and wind-down procedures, and maintain continuity of core services in the event of a disruption. Therefore, waiving the 30-day operative delay should facilitate FICC's timely compliance with Rule 17ad-26 and avert any potential adverse consequences if such compliance were delayed. Moreover, the Commission believes the proposed rule change would not impose any significant burden on competition because it would apply to those FICC participants that are already subject to similar types of testing requirements as part of their ongoing memberships. Thus, the proposed rule change, and waiving the 30-day operative delay, should not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; or (iii) affect the safeguarding of funds or securities in the custody or control of FICC or for which it is responsible. Therefore, the Commission waives the 30-day operative delay, and designates the proposed rule change as operative upon filing.³³

Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Clearing Agency has satisfied this requirement.

³⁰ 17 CFR 240.19b-4(f)(6).

³¹ 17 CFR 240.19b-4(f)(6)(iii).

³² *Supra* note 16.

³³ For purposes only of waiving the the 30-day operative delay, the Commission has considered the proposed rule change's impact on efficiency,

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/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-FICC-2025-023 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-2025-023. 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 will be available for inspection and copying at the principal office of FICC and on DTCC's website (<https://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 number SR-FICC-2025-023 and should be submitted on or before December 30, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁴

Sherry R. Haywood,
Assistant Secretary.

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competition, and capital formation. See 15 U.S.C. 78c(f).

³⁴ 17 CFR 200.30-3(a)(12).

²⁶ 15 U.S.C. 78(b)(3)(A).

²⁷ 17 CFR 240.19b-4(f)(6).

²⁸ 15 U.S.C. 78s(b)(3)(A).

²⁹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Clearing Agency to give the