

municipal advisory activities that are undertaken by each firm.⁸²

For the reasons noted above, the Commission finds that the proposed rule change is consistent with the Exchange Act.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,⁸³ that the proposed rule change (SR-MSRB-2025-02) be, and hereby is, approved.

For the Commission, pursuant to delegated authority,⁸⁴

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104480; File No. SR-FICC-2025-026]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Update a Definition and Certain Provisions Related to Components of GSD's Funds-Only Settlement

December 22, 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 December 19, 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 Act³ and Rule 19b-4(f)(4) 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 amendments to FICC's Government Securities Division (“GSD”) Rulebook

(“Rules”)⁵ to (1) update the definition of “Overnight Investment Rate” to reflect that such rate is applicable to cash held by FICC in connection with funds-only settlement; (2) change the frequency of GCF Interest Adjustment Payments and Interest Adjustment Payments to monthly, rather than daily, in certain circumstances; and (3) remove an outdated reference from a statement in Rule 13.

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

FICC is proposing changes to the Rules that would update a definition and certain provisions related to the components of GSD's funds-only settlement, or “FOS.” Specifically, the proposed changes would update and clarify the definition of Overnight Investment Rate, which is the interest rate used in the calculation of two components of FOS, the GCF Interest Adjustment Payment and the Interest Adjustment Payment. The proposed changes would also update the frequency of GCF Interest Adjustment Payments and Interest Adjustment Payments to monthly, rather than daily, in certain circumstances. Finally, the proposed changes would remove an outdated reference from a statement in Rule 13, which was retained in the Rules in error. These proposed changes would update, clarify and correct the Rules related to FOS, providing Netting Members with a clearer understanding of these provisions and their rights thereunder.

Overview of Funds-Only Settlement

FOS is a twice-daily process of generating a net credit or debit cash amount for each Netting Member and settling those cash amounts between Netting Members and FICC. FOS is

described in Rule 13 and is a cash pass-through process, meaning Netting Members who are in a debit position submit payments that are then used to pay Netting Members in a credit position.⁶

Twice each Business Day, each Netting Member must pay (or is entitled to collect) an aggregate Funds-Only Settlement Amount across all CUSIPs in which it has outstanding positions. The main components of this amount include, among other payments, a mark-to-market amount for every Net Settlement Position, a mark-to-market amount for every Forward Net Settlement Position, fail marks for obligations that were scheduled to settle and have not yet settled, coupon payments and other adjustments.⁷

The settlement ultimately occurs through the National Settlement Service (“NSS”), a payment system operated by the Federal Reserve System (“FRS”).⁸ Cash debits and credits are paid out by Funds-Only Settling Bank Members, who are appointed by Netting Members. The individual debits and credits of each Netting Member using the same Funds-Only Settling Bank Member are totaled. Once the net debits and credits are approved by Funds-Only Settling Bank Members, the New York Federal Reserve Bank debits or credits each Funds-Only Settling Bank Member. Funds-Only Settling Bank Members then debit or credit the account of each Netting Member for which it settles. Funds transfers become final at the time the funds are moved through NSS.

Proposed Changes to the Definition of Overnight Investment Rate

The Rules define Overnight Investment Rate as the interest rate earned by FICC on the investment of the portion of the cash deposited to its Clearing Fund that is invested overnight. However, this term is currently only used in the definitions of two components of FOS—the GCF Interest Adjustment Payment and the Interest Adjustment Payment—and is not used in reference to FICC's deposits

⁶ Rule 13 (Funds-Only Settlement), *id.*

⁷ Each component of FOS is described in Rule 13 (Funds-Only Settlement), *id.*

⁸ NSS is a settlement service operated by the Federal Reserve Banks available to depository institutions that settle for participants in clearinghouses, financial exchanges and other clearing and settlement groups. Settlement agents, acting on behalf of those depository institutions in a settlement arrangement, electronically submit settlement files to the Federal Reserve Banks. Files are processed on receipt, and entries are automatically posted to the depository institutions' Federal Reserve Bank accounts. FICC's affiliate, The Depository Trust Company, maintains an account at the New York Federal Reserve Bank and acts as agent for FICC for FOS.

⁸² See Notice, 90 FR at 48089.

⁸³ 15 U.S.C. 78s(b)(2).

⁸⁴ 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)(4).

⁵ Terms not defined herein are defined in the Rules, available at <http://www.dtcc.com/legal/rules-and-procedures>.

of cash that Netting Members may deposit to satisfy their Required Fund Deposits to the Clearing Fund.⁹

Therefore, FICC is proposing to correct and clarify the definition of Overnight Investment Rate to mean the interest rate earned by FICC on the investment of cash held by FICC in connection with certain FOS debits that are invested overnight. The proposed change would correct the definition of this term, making the Rules clearer in describing the related components of FOS.

Proposed Changes to Frequency of Certain FOS Component Processing

The components of FOS credit and debit payments are described in Section 1 of Rule 13, and Netting Members are required to make such credit and debit payments “one or more times each Business Day”.¹⁰ As stated above, in practice, FOS credit and debits are currently processed twice each Business Day.

Because FOS is a pass-through process, if FICC debits a Netting Member for one component of FOS but does not have an equivalent credit to pay to another Netting Member, then FICC must hold and invest the cash amount it has debited overnight, until it can pay that amount to a Netting Member the next Business Day. This may occur in connection with the credit and debit payments of the Debit Forward Mark Adjustment Payments and the corresponding Credit Forward Mark Adjustment Payment, or with the Debit GCF Forward Mark Adjustment Payments and the corresponding Credit GCF Forward Mark Adjustment Payment.¹¹

The interest rate that FICC earns on such investments is the Overnight Investment Rate. The Interest Adjustment Payment and GCF Interest Adjustment Payment are components of FOS related to the overnight interest earned on such investments and, as noted above, may be assessed by FICC on the Debit Forward Mark Adjustment Payment, Credit Forward Mark Adjustment Payment, Debit GCF Forward Mark Adjustment Payment,

⁹ See Rule 1 (Definitions) (defined terms for “GCF Interest Adjustment Payment” and “Interest Adjustment Payment”) and Section 3a of Rule 4 (Clearing Fund and Loss Allocation) (which describes the investment of cash deposits to the Clearing Fund without reference to the Overnight Investment Rate, *supra* note 5).

¹⁰ Section 1 of Rule 13, *id.*

¹¹ See Rule 1 (Definitions) (defined terms for “Debit Forward Mark Adjustment Payment”, “Credit Forward Mark Adjustment Payment”, “Debit GCF Forward Mark Adjustment Payment” and “Credit GCF Forward Mark Adjustment Payment”) and Rule 13, Sections 1(d) and (l), *id.*

and Credit GCF Forward Mark Adjustment Payment amounts.

Historically, FICC has deposited amounts related to these FOS components at commercial banks that have paid interest on a daily basis, allowing FICC to pay its portion of the GCF Interest Adjustment Payment and the Interest Adjustment Payment components of FOS on a daily basis, within the timeframes specified in Rule 13.

However, fewer investment counterparties pay interest on deposits on a daily basis, and those that do offer daily interest payments do so at an interest rate that is not aligned with prevailing market rates.

In order for FICC to earn an interest rate on its investments related to FOS debits that is more aligned with the market, FICC would begin depositing these amounts with investment counterparties that do not pay interest on a daily basis. Therefore, FICC is proposing to amend Rule 13 to reflect a less frequent payment of the accrued GCF Interest Adjustment Payment and Interest Adjustment Payment components of FOS, to a monthly basis.

In order to reflect this change, FICC would amend Section 1 of Rule 13 to describe the circumstances in which it would pay the Credit Interest Adjustment Payment and the GCF Interest Adjustment Payment components of FOS on a less frequent basis than other components of FOS. Specifically, FICC would add a subsection (i) to Section 1(d) of Rule 13 to provide that, when a Debit Forward Mark Adjustment Payment is collected, for which FICC does not have an equivalent Credit Forward Mark Adjustment Payment to pay to another Netting Member, the related Credit Interest Adjustment Payment would be paid on a monthly basis. FICC would also add a subsection (i) to Section 1(l) of Rule 13 to similarly provide that, when a Debit GCF Forward Mark Adjustment Payment is collected, for which FICC does not have an equivalent Credit GCF Forward Mark Adjustment Payment to pay to another Netting Member, the related Credit GCF Interest Adjustment Payment would be paid on a monthly basis.

Proposed Changes To Remove Outdated Reference From Rule 13

FICC is proposing to delete a reference to Section 3 of Rule 13 from a statement in Section 1 of Rule 13 because Section 3 of Rule 13 was removed from the Rules in a prior proposed rule change. This reference to Section 3 was retained in the Rule in error.

The relevant statement currently provides that, other than as provided for in Section 3, all payment obligations and collection rights with respect to the FOS components must be satisfied each Business Day on a net total basis through payment or collection, as set forth in Section 2 of Rule 13, of the Funds-Only Settlement Amount. The proposed rule change would correct this statement by replacing the reference to Section 3 of Rule 13 in this statement with a more general reference to “this Rule”.

Implementation Timeframe

FICC would implement the proposed rule change by no later than February 28, 2026 and would announce the implementation date of the proposed changes by an Important Notice posted to FICC’s website.

2. Statutory Basis

FICC believes the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, FICC believes the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act¹² and Rule 17ad-22(e)(23)(ii), promulgated under the Act,¹³ for the reasons described below.

Section 17A(b)(3)(F) of the Act requires, in part, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.¹⁴ The proposed changes would describe a change in the timing of the Credit Interest Adjustment Payment and the Credit GCF Interest Adjustment Payment, and the circumstances in which that less frequent timing would be applicable, as described in more detail above. This proposed change is driven by a change in practice by FICC that would provide Netting Members with an interest rate on deposits of cash related to FOS payments and debits that is more aligned with prevailing market rates. In this way, the proposed rule change would assure the safeguarding of funds which are in the custody or control of FICC, consistent with Section 17A(b)(3)(F) of the Act.¹⁵

The proposed rule changes would also update the defined term for

¹² 15 U.S.C. 78q-1(b)(3)(F).

¹³ 17 CFR 240.17ad-22(e)(23)(ii).

¹⁴ 15 U.S.C. 78q-1(b)(3)(F).

¹⁵ *Id.*

Overnight Investment Rate in the Rules and would remove a reference in Rule 13 that was retained in error. These two proposed changes would correct the Rules, ensuring they are clear and easily understood by Netting Members. When participants better understand their rights and obligations regarding the Rules, such participants are more likely to act in accordance with the Rules, which FICC believes would promote the prompt and accurate clearance and settlement of securities transactions. Therefore, FICC believes that the proposed changes are consistent with Section 17A(b)(3)(F) of the Act.¹⁶

Rule 17ad–22(e)(23)(ii) under the Act requires that FICC establish, implement, maintain and enforce written policies and procedures reasonably designed to provide sufficient information to enable participants to identify and evaluate the risks, fees, and other material costs they incur by participating in the covered clearing agency.¹⁷ As stated above, the proposed rule changes would correct the Rules by updating the definition of Overnight Investment Rate and removing an incorrect reference in Section 1 of Rule 13. As such, these proposed changes would further improve the public disclosures in the Rules regarding FOS and the timing of certain payments related to the FOS process. Therefore, FICC believes that the proposed changes are consistent with Rule 17ad–22(e)(23)(ii) under the Act.¹⁸

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

FICC does not believe the proposed rule changes would have any impact on competition. First, the proposed changes regarding the timing of certain FOS payments would apply equally to all Netting Members. Further, the proposed changes to the definition of Overnight Investment Rate and the correction to Rule 13 are designed to improve market participants' understanding of the provisions in the Rules governing FOS. As such, FICC does not believe such proposed amendments would have any effect on participants' respective competitive positions.

(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 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 SEC'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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁹ and paragraph (f) of Rule 19b–4 thereunder.²⁰ 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 email to rule-comments@sec.gov. Please include File Number SR-FICC–2025–026 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–2025–026. 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-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). 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–2025–026 and should be submitted on or before January 20, 2026.

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

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104464; File No. SR-NASDAQ–2025–104]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Provide Nasdaq With Limited Discretion To Deny Initial Listing to Certain Companies

December 19, 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 December 12, 2025, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to

¹⁶ *Id.*

¹⁷ 17 CFR 240.17ad–22(e)(23)(ii).

¹⁸ *Id.*

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 17 CFR 240.19b–4(f).

²¹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.