

Please direct your written comments on this 60-Day Collection Notice to Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Tanya Ruttenberg via email to *PaperworkReductionAct@sec.gov* by March 2, 2026. There will be a second opportunity to comment on this SEC request following the **Federal Register** publishing a 30-Day Submission Notice.

Dated: December 22, 2025.

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104484; File No. SR-DTC-2025-019]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change To Modify the DTC Settlement Service Guide and DTC Rules as They Relate to the DTC Net Debit Cap

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 18, 2025, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change³ 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 would (i) modify the DTC Settlement Service Guide (“Settlement Guide”)⁴ to (a)

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (“Rules”), available at www.dtcc.com/-/media/Files/Downloads/legal/rules/dtc_rules.pdf or the DTC Settlement Service Guide, available at www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Settlement.pdf.

⁴ The Settlement Guide is a Procedure of DTC. Pursuant to the Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to Rule 27, as amended from time to time. Rule 1, Section 1, *supra* note 3. Procedures are binding on DTC and each Participant in the same manner that they are bound by the Rules. Rule 27, *supra* note 3.

change how DTC sets its maximum debit caps for Participants, including Unaffiliated Participants,⁵ and Affiliated Families,⁶ (b) incorporate Unaffiliated Participants into the calculation and allocation of DTC’s Liquidity Fund, a component of the Required Participants Fund Deposit, and (c) make related definitional, technical and clarifying changes to the Settlement Guide; and (ii) modify the Rules to account for the Aggregate Affiliated Family Net Debit of an Affiliated Family,⁷ as applicable, all of which is described 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 proposed rule change would (i) modify the Settlement Guide to (a) change how DTC sets its maximum debit caps for Participants, including Unaffiliated Participants, and Affiliated Families, (b) incorporate Unaffiliated Participants into the calculation and allocation of DTC’s Liquidity Fund, a component of the Required Participants Fund Deposit, and (c) make related definitional, technical and clarifying changes to the Settlement Guide; and (ii) modify the Rules to account for the Aggregate Affiliated Family Net Debit of an Affiliated Family, as applicable, all of which is described below.

⁵ “Unaffiliated Participant” would be defined by this proposed rule change to mean “a Participant that is not included in an Affiliated Family.”

⁶ “Affiliated Family” means each Participant that controls or is controlled by another Participant and each Participant that is under the common control of any Person. For purposes of this definition, “control” means the direct or indirect ownership of more than 50 percent of the voting securities or other voting interests of any Person. Rule 1, *supra* note 3.

⁷ “Aggregate Affiliated Family Net Debit” would be defined by this proposed rule change to mean “the amount by which the algebraic sum of all money debits and charges to the Accounts of an Affiliated Family exceeds the sum of all money credits thereto.”

Background

Through its settlement services, DTC provides book-entry transfer and pledge of interests in Eligible Securities and end-of-day net funds settlement. DTC maintains a liquidity structure designed to facilitate its maintenance of sufficient financial resources to complete settlement each Business Day notwithstanding the failure to settle of a defaulting Participant, or Affiliated Family of Participants, with the largest settlement obligation. In this effort, the Collateral Monitor⁸ and Net Debit Cap⁹ risk controls are employed by DTC to help ensure that each Delivery Versus Payment (“DVP”)¹⁰ obligation of a Participant that is the Receiver¹¹ can satisfy its end-of-day net settlement obligation, if any.

Collateral Monitor. The Collateral Monitor is a calculation by which DTC measures the sufficiency of the Collateral in a Participant’s account to cover the Participant’s net settlement obligation.¹² The Collateral Monitor prevents the completion of transactions that would cause a Participant’s Net Debit Balance¹³ to exceed the value of

⁸ “Collateral Monitor” of a Participant, as used with respect to its obligations to DTC, means, on any Business Day, the record maintained by DTC for the Participant which records, in the manner specified in Procedures, the algebraic sum of (i) the Net Credit or Debit Balance of the Participant and (ii) the aggregate Collateral Value of the Collateral of the Participant. Rule 1, *supra* note 3.

⁹ “Net Debit Cap” of a Participant means an amount determined by DTC in the manner specified in the Procedures; provided, however, that the maximum Net Debit Cap of the Participant shall be the least of (i) a maximum amount applicable to all Participants based on the liquidity resources of DTC, (ii) the Settling Bank Net Debit Cap applicable to such Participant, or (iii) any other amount determined by DTC, in its sole discretion. Rule 1, Section 1, *supra* note 3. The aggregate Net Debit Cap of an Affiliated Family is referred to as the “Aggregate Affiliated Family Net Debit Cap.” Rule 1, *supra* note 3.

¹⁰ “Delivery Versus Payment” means a Delivery against a settlement debit to the Account of the Receiver, as provided in Rule 9(A) and Rule 9(B) and as specified in the Procedures. Rule 1, *supra* note 3.

¹¹ “Receiver,” as used with respect to a Delivery of a Security, means the Person which receives the Security. Rule 1, *supra* note 3.

¹² Settlement Guide, *supra* note 3, at 5 and 61.

¹³ “Net Debit Balance” of a Participant means the amount by which the Gross Debit Balance of the Participant exceeds its Gross Credit Balance. Rule 1, *supra* note 3. “Gross Credit Balance” of a Participant on any Business Day means the aggregate amount of money DTC credits to all the Accounts in all the Account Families of the Participant without accounting for any amount of money DTC debits or charges thereto. *Id.* “Gross Debit Balance” of a Participant on any Business Day means the aggregate amount of money DTC debits or charges to all the Accounts in all the Account Families of the Participant without accounting for any amount of money DTC credits thereto. *Id.*

Collateral in its account.¹⁴ In other words, the settlement obligation of each Participant must be fully collateralized, based on the Collateral Monitor. This is designed so that if a Participant fails to pay for its settlement obligation, DTC will have sufficient Collateral to obtain funding for settlement.

Net Debit Caps. The Net Debit Cap of an individual Participant and the Aggregate Affiliated Family Net Debit Cap of an Affiliated Family (collectively, “Debit Caps”) limit the Net Debit Balance that Participants and Affiliated Families can incur, irrespective of available Collateral. Each Participant’s and Affiliated Family’s respective Debit Cap is based on their specific activity level¹⁵ and in consideration of DTC’s qualifying liquid resources (*i.e.*, Debit Caps are set below DTC’s total available liquidity).¹⁶ Together, the Debit Caps control the total settlement obligation that any Participant or Affiliated Family may incur. Any transaction that would cause a Participant or an Affiliated Family to exceed its respective Debit Cap will not be processed.¹⁷ Instead, the transaction will remain in a pending status until the Net Debit Balance is reduced sufficiently to allow processing.¹⁸ Setting the Debit Caps at amounts below DTC’s total qualifying liquid resources helps ensure that DTC will have sufficient liquidity to complete settlement should any single Participant or Affiliated Family fail to settle.

DTC Liquidity. Currently, DTC maintains two key liquidity resources that are considered “qualifying liquid resources,” as defined by Rule 17ad–

¹⁴ “Collateral” of a Participant, as used with respect to its obligations to DTC, means, on any Business Day, the sum of (i) the Actual Participants Fund Deposit of the Participant, (ii) the Actual Preferred Stock Investment of a Participant, (iii) all Net Additions of the Participant, and (iv) any settlement progress payments (“SPPs”) wired by the Participant to the account of DTC at the Federal Reserve Bank of New York in the manner specified in the Procedures. Rule 1, *supra* note 3. SPPs are funds that may be wired to DTC to increase a Participant’s Collateral Value for its Collateral Monitor and reduce a Participant’s Net Debit Balance. Settlement Guide, *supra* note 3, at 62.

¹⁵ To determine a Participant’s Net Debit Cap, DTC records the Participant’s three highest intraday net debit peaks over a rolling 70-Business Day period. Settlement Guide, *supra* note 3, at 62. The Participant’s average of these net debit peaks is calculated and multiplied by a factor to determine the Participant’s Net Debit Cap but currently not to exceed \$2.15 BN. *Id.*

¹⁶ Governance of DTC’s qualifying liquid resources are in accordance with the Clearing Agency Liquidity Risk Management Framework and related procedures.

¹⁷ Settlement Guide, *supra* note 3, at 62.

¹⁸ *Id.* at 62. A Participant’s Net Debit Balance may be reduced during the processing day by, among other things, receipt of a DVP transaction, which generates credits to the Participant’s settlement account, or by SPPs. *Id.*

22(a)¹⁹ promulgated under the Act: the (i) Required Participants Fund Deposits (“Participants Fund”), which applies across all Participants and equals \$1.15 BN, and (ii) a committed line of credit (“LOC”) of \$1.9 BN. Taken together, the Participants Fund and LOC provide DTC with \$3.05 BN in total qualifying liquid resources.

DTC recently obtained approval to raise additional qualifying liquidity resources through the periodic issuance and private placement of senior notes (“Debt Issuance”).²⁰ Up to \$3.0 BN in total can be raised from the Debt Issuance, as DTC deems reasonable or as necessitated by liquidity needs.²¹ The proceeds from the Debt Issuance would supplement DTC’s existing qualifying liquidity resources.

Current Net Debit Cap Amounts

The current maximum Net Debit Cap for an individual Participant is \$2.15 BN,²² while the current maximum Aggregate Affiliated Family Net Debit Cap for an Affiliated Family is \$2.85 BN,²³ both of which are below the current total available qualifying liquid resources for DTC of \$3.05 BN.²⁴

The Net Debit Cap of \$2.15 BN for an individual Participant was a recent change. In 2024, to reduce transaction blockage and the need to make SPPs, DTC increased the individual Participant Net Debit Cap from \$1.8 BN to \$2.15 BN.²⁵ Since the implementation of this increase, Participants have urged DTC to reassess the current maximum Debit Cap levels, for both individual Participants and Affiliated Families, given increasing transaction volumes. Increased transaction volumes can result in Participants incurring higher intraday net debit peaks, which then increase the likelihood that the Participants will reach DTC’s maximum Net Debit Cap. If, though, DTC had a greater maximum Debit Cap, then it would reduce the

¹⁹ 17 CFR 240.17ad–22(a).

²⁰ Securities Exchange Act Release No. 102318 (January 31, 2025), 90 FR 9094 (February 6, 2025) (SR-DTC-2023-801).

²¹ *Id.*

²² Settlement Guide, *supra* note 3, at 62.

²³ *Id.* at 63.

²⁴ *Id.*

²⁵ Securities Exchange Act Release No. 99234 (December 22, 2023), 88 FR 89752 (December 28, 2023) (SR-DTC-2023-013). The increase of \$350 MM was supported by available liquidity resources from the \$450 MM Core Fund, to which all Participants contribute, and the \$1.90 BN LOC, which is collectively \$2.35 BN. Raising the maximum Net Debit Cap for an individual Participant to \$2.15 BN and not to \$2.35 BN accounts for the possibility that a defaulted Participant may also be a lender to the LOC (“LOC Assumption”).

need for Participants to make SPPs to reduce their net debits.

Having reviewed transaction volumes, pending activity, and SPPs, as discussed below, DTC agrees that there is a need to further increase the Debit Caps and that there also is an opportunity to do so given the recent expansion of DTC’s qualifying liquid resources to include proceeds from a Debt Issuance. DTC believes that further increases to the maximum Debit Caps would further reduce activity blockage and the need for Participants to submit SPPs, as described below.

Proposed Change to the Net Debit Cap and Aggregate Affiliated Family Net Debit Cap

DTC proposes to change the maximum Debit Caps for Participants and Affiliated Families from the current fixed amounts of \$2.15 BN and \$2.85 BN, respectively, to a flexible amount not to exceed the amount of available qualifying liquid resources at DTC.

As explained above, DTC’s liquidity resources are a \$1.15 BN Participants Fund, a \$1.9 BN LOC,²⁶ and the proceeds from any issuance of senior notes through the Debt Issuance program.²⁷ The Debt Issuance program would provide additional liquidity resources to allow DTC the flexibility to increase the maximum Debit Caps. DTC would manage the caps based on its total liquidity resources, related costs, and the projected benefit to Participants, including reduced transaction blockage and the need to submit SPPs to reduce a net debit balance.²⁸

By allowing for a flexible maximum Debit Cap, the proposed rule change would provide for transaction processing efficiencies that would lower the likelihood of transactions pending under a cap limit or a Receiving Participant needing to submit SPPs to reduce its intraday Net Debit Balance to allow a transaction to process. Moreover, any Participant that is a Deliverer in a DVP transaction may realize processing efficiencies when the

²⁶ DTC assumes \$1.7 BN of the LOC as available for liquidity purposes, with \$200 MM serving as the LOC Assumption buffer.

²⁷ Prefunded liquidity from the Debt Issuance that is outstanding but maturing within 0–3 Business Days (“Maturity Assumption”) would be assumed to be unavailable for liquidity purposes on the Date of Insolvency.

²⁸ The Clearing Agency Liquidity Risk Management Framework will be amended pursuant to a separate proposed rule change to identify the proceeds from the Debt Issuance program as qualifying liquidity resources, in addition to the Participants Fund and LOC. Governance of DTC’s qualifying liquid resources will continue to be managed in accordance with the Clearing Agency Liquidity Risk Management Framework and related procedures.

Receiver maintains a higher Debit Cap, as the transaction would not pend.

Maintaining a flexible maximum Debit Cap would benefit Participants. A Net Debit increase impact study (“Impact Study”) conducted by DTC for the period June 2, 2024, through January 31, 2025, showed that out of 179 Participant families, 17 (across 44 Accounts) would likely realize an immediate benefit from a Debit Cap increase. The liquidity needs across legal entities were determined by looking at families reaching 90 percent of the current \$2.85 BN cap limit, and by identifying the transactions pending under cap limits and any incoming SPPs. An increase in the maximum cap by \$0.75 BN to \$1 BN would lead to a reduction of \$3.62 BN to \$4.43 BN in daily SPPs sent across the 17 families benefiting from the proposed change.

In the event DTC determined to adjust the Debit Caps downward, due to anticipation of a reduction in available liquidity resources or otherwise, DTC would provide Participants with a minimum of 10 Business Days’ notice via Important Notice, in order to allow Participants to adjust their own liquidity management strategies, as needed.²⁹

Expansion of Participants Eligible for Liquidity Fund

As noted above, the Liquidity Fund component (set at \$700 MM) of the Participants Fund applies to Participants whose Affiliated Families have Debit Caps that exceed \$2.15 BN. Because an Unaffiliated Participant cannot currently have a Debit Cap that exceeds \$2.15 BN, such Participants are not subject to a Liquidity Fund allocation.

Given that the maximum Debit Cap for an Unaffiliated Participant could exceed \$2.15 BN under this proposal, thus relying in part on the Liquidity Fund to support the increase cap amount, DTC proposes to expand the allocation of the Liquidity Fund contribution to Unaffiliated Participants that have Debit Caps that exceed \$2.15 BN.

The Impact Study conducted by DTC showed that with this proposed change, two Unaffiliated Participants now would be subject to the Liquidity Fund. The number of Affiliated Families, and Unaffiliated Participants paying into the Liquidity Fund (those whose Debit Caps would exceed \$2.15 BN) is estimated to increase from 18 to 21, with an average

²⁹ DTC will continue to maintain and does not propose to change its current authority to lower an individual Participant’s maximum Net Debit Cap. See Rule 1, *supra* note 3.

daily contribution of \$33.3 MM per family, ranging between \$39.1 MM to \$1.6 MM. However, given the increase in the number of Participants contributing to the Liquidity Fund overall, the highest amount paid by a single family is estimated to go down to \$39.1 MM from \$50.5 MM.

Proposed Rule Changes

Settlement Guide Changes. To effectuate the proposed changes, several updates would be made to the Settlement Guide. First, the Important Terms section of the guide would be updated to include definitions for Affiliated Family and Unaffiliated Participant. The proposed definition for Affiliated Family would match the definition already used in the Rules.³⁰ Specifically, the definition would read, “[a]n Affiliated Family means each Participant that controls or is controlled by another Participant and each Participant that is under the common control of any Person. For purposes of this definition, “control” means the direct or indirect ownership of more than 50 percent of the voting securities or other voting interests of any Person.” Meanwhile, Unaffiliated Participant would be defined to mean, “[a] Participant that is not included in an Affiliated Family.” A technical change also would be made in the Important Terms section to refer to the Collateral Monitor as a “calculation” rather than a “process” for consistency with the Rules, which set forth a methodology for calculation of the Collateral Monitor.

Second, the Amounts subsection of the Participants Fund and Preferred Stock Investment section of the Settlement Guide would be updated to more clearly describe the components of the Participants Fund. Although the Settlement Guide accurately describes the aggregate Participants Fund as including four components (*i.e.*, the Core Fund, Base Fund, Incremental Fund, and Liquidity Fund), two of these are considered the main component amounts: the Core Fund and the Liquidity Fund.³¹ This proposal would update the Settlement Guide to describe the aggregate Participants Fund more

simply as the Core Fund and the Liquidity Fund, where the Core Fund is made up of the Base Fund and the Incremental Fund. More importantly, the Amounts subsection would be revised to no longer consider the Liquidity Fund as applicable only to Affiliated Families that have Net Debit Caps that exceed \$2.15 BN. Instead, the subsection would read that the Liquidity Fund applies to certain Unaffiliated Participants and Affiliated Families, as would be described in the updated Liquidity Fund subsection.

Third, the steps explaining the Liquidity Fund allocation formula in the Liquidity Fund subsection of the How the Required Deposit to the Participants Fund and the Required Preferred Stock Investment are Calculated for a Participant section of the Settlement Guide would be simplified, clarified, and adjusted to account for the proposed changes described above, in particular, the inclusion of Unaffiliated Participants in the calculation.

The subsection would begin by explaining that the Liquidity Fund would be proportionally shared among both Unaffiliated Participants and Participants of Affiliated Families that have Net Debit Caps that exceed \$2.15 BN, thus removing language that limited the Liquidity Fund to only Affiliated Families. The steps for calculating that allocation would then be updated to reflect that change, so that Unaffiliated Participants would be part of the calculation. More specifically, Unaffiliated Participants would be added to the “Overage” calculation, which is the amount that an Affiliated Family’s and now an Unaffiliated Participant’s Net Debit Cap exceeds \$2.15 BN up to \$2.85 BN. Next, the calculation of the allocation percentage would be updated to include Unaffiliated Participants and then that percentage would be used to calculate the allocation amounts of Unaffiliated Participants too.

In addition to several clarification, grammatical, and organizational updates to the entire Liquidity Fund subsection for readability and simplicity, the subsection would conclude by stating that Unaffiliated Participants would not be part of calculation that determines the proportion of the Liquidity Fund allocation amount among Participants of Affiliated Families since Unaffiliated Participants are not part of an Affiliated Family. Rather, their proportion is simply their allocation amount.

Fourth, to maintain alignment of the Net Debit Cap with qualifying liquid resources, as described above, the Settlement Guide would further provide in the Net Debit Cap section that the

³⁰ Rule 1, *supra* note 3.

³¹ Settlement Guide, *supra* note 3, at 45–47. The Core Fund is set by DTC at an aggregate amount of \$450 MM and is comprised of the Base Fund and the Incremental Fund. The Base Fund is the sum of all minimum deposits by all Participants (*i.e.*, \$7,500 times the number of Participants at any time). *Id.* The Incremental Fund is the balance of the Core Fund up to \$450 MM, which is ratably allocated among Participants that are required to pay more than a minimum deposit. *Id.* The second main component is the Liquidity Fund, which is set at \$700 MM and applies to Participants whose Affiliated Families have Affiliated Family Net Debit Caps that exceed \$2.15 BN. *Id.*

Debit Caps would always be set lower than DTC's total available liquidity resources, may never exceed DTC's maximum Net Debit Cap, and would be determined based on benefits to Participants, DTC's total available liquidity resources and related costs. It also would be noted that governance of DTC's liquidity and liquidity resources would continue to be in accordance with the Clearing Agency Liquidity Risk Management Framework and related procedures. Finally, the section would make clear that the Aggregate Affiliated Family Net Debit Cap of an Affiliated Family may be shared among the Participants of the Affiliated Family according to either (i) the proportional liquidity usage of the Participants as calculated by DTC's system or (ii) as DTC is instructed, in writing, by the Affiliated Family.

Lastly, the Calculation of Participant Net Debit Caps section of the Settlement Guide would be updated to (i) replace a reference to \$2.15 BN being the maximum Participant Net Debit Cap with a general reference to the Net Debit Cap, since it would no longer be a fixed number, and (ii) provide for the minimum 10 Business Day notice that DTC would issue by Important Notice to Participants for any decrease in the maximum Debit Cap, including outreach to affected Participants.

Rules Changes. DTC would make technical and clarifying changes to the Rules for consistency with the description of the function of the Aggregate Affiliated Family Net Debit Cap in the Settlement Guide. Specifically, Rule 9(B) (Transactions in Eligible Securities), which includes a description of the operation of the Collateral Monitor and Net Debit Cap would be updated to reflect that a transaction would not be processed if it would cause a Participant that is a member of an Affiliated Family to exceed the Aggregate Affiliated Family Net Debit Cap of the Affiliated Family, regardless of whether the Participant is the Instructor³² or a Contra Party.³³ Relatedly, to describe the sum of the Net

³² "Instructor" means a Participant or Pledgee which gives DTC an instruction with respect to (i) a Delivery, Pledge, Release or Withdrawal of Securities, (ii) a payment in connection with a transaction in Securities or (iii) any other instruction pursuant to these Rules and the Procedures. Rule 1, *supra* note 3.

³³ "Contra Party" means an Account in the Account Family of another Participant or Pledgee (other than the Instructor) or an Account in the same or another Account Family of the Instructor. Rule 9(B), *supra* note 3. For clarity, the term "Account Family" refers to an Account or group of Accounts designated as such by a Participant, using a common set of risk management controls. Rule 1, *supra* note 3. It does not mean accounts of an Affiliated Family.

Debit Balances of an Affiliated Family of Participants for use in the proposed description in Rule 9(B) of the function of Aggregate Affiliated Family Net Debit Cap, a new term, "Aggregate Affiliated Family Net Debit," would be added to Rule 1 (Definitions; Governing Law) and defined as "the amount by which the algebraic sum of all money debits and charges to the Accounts of an Affiliated Family exceeds the sum of all money credits thereto."

Implementation Timeline

DTC would implement the proposed rule changes upon approval by the Commission; however, the actual maximum Debit Cap amount for DTC would not increase until DTC secured additional qualifying liquid resources, such as with the Debit Issuance described above.

2. Statutory Basis

Section 17A(b)(3)(F)³⁴ of the Act requires that the rules of the clearing agency be designed, *inter alia*, to promote the prompt and accurate clearance and settlement of securities transactions. DTC believes the proposed rule change is consistent with the Section 17A(b)(3)(F) of the Act and the rules promulgated thereunder, particularly Rule 17ad-22(e)(7)(i).³⁵

The Impact Study indicates that by allowing for a flexible maximum Debit Cap that can be increased, as described above, the proposed rule change would help improve transaction processing by enabling more transactions to process without the need for a Receiving Participant to wait for DVP-related credits or submit SPPs to reduce its intraday Net Debit Balance. Moreover, any Participant that is a Deliverer of a DVP may see less of its deliveries pend because the Receiver may maintain a higher Debit Cap. Meanwhile, the proposed adjustable Debit Cap would continue to be supported by adequate DTC liquidity resources available to complete system-wide settlement in the event of a failure to settle by the largest Participant or Affiliated Family. By improving transaction processing within DTC's liquidity resources, as well as the readability and clarity of the Settlement Guide and Rules related to the proposed changes, DTC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act, cited above, by helping to promote the prompt and accurate clearance and settlement of securities transactions.

Rule 17ad-22(e)(7)(i) promulgated under the Act requires, *inter alia*, that

DTC, a covered clearing agency, establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable, effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity by, at a minimum, maintaining sufficient liquid resources to effect same-day settlement of payment obligations with a high degree of confidence under a wide range of foreseeable stress scenarios that includes, but is not limited to, the default of the participant family that would generate the largest aggregate payment obligation for the covered clearing agency in extreme but plausible market conditions³⁶ (*i.e.*, the "Cover One standard").

DTC's liquidity needs are driven by its need to protect against a Participant failing to pay its settlement obligations. The tools available to DTC, including the above described Debit Caps, allow it to regularly test the sufficiency of its liquid resources on an intraday and end-of-day basis and adjust to stressed circumstances during a settlement day to protect itself and Participants against liquidity exposure under normal and stressed market conditions. DTC calculates its liquidity needs per Participant (at a legal entity level) and further aggregates these amounts at a family level (that is, including all affiliated Participants, based on the assumption that all such affiliates may fail simultaneously). In this regard, DTC monitors settlement flows and net-debit obligations daily, and its current available liquidity resources are sufficient to satisfy the Cover One standard.

As described above, the proposed rule change would only permit an increase to the maximum Debit Caps to an amount below DTC's total available liquidity, which is currently made up of the Participants Fund, LOC, and any Debt Issuance, and it would not otherwise alter the way DTC monitors settlement flows and net-debit obligations. Also, the proposed rule change would require Unaffiliated Participants to contribute to the Liquidity Fund to cover exposures relating to their use of liquidity above \$2.15 BN, ensuring that all Participants contribute to DTC's liquidity resources in a proportionate manner. Moreover, DTC would provide all Participants notice at least 10 Business Days prior to

³⁴ 15 U.S.C. 78q-1(b)(3)(F).

³⁵ 17 CFR 240.17ad-22(e)(7)(i).

³⁶ *Id.*

decreasing Debit Caps, including specific outreach to affected Participants. Therefore, DTC believes the proposal is consistent with Rule 17ad-22(e)(7)(i), cited above, because the proposed increase would remain aligned with DTC's continued maintenance of sufficient liquid resources to satisfy its Cover One standard and not change DTC's monitoring of settlement flows and net-debit obligations.

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

DTC does not believe that the proposed rule change would impose a burden on competition.³⁷ The proposed rule change would simply allow DTC to maintain a flexible maximum Debt Cap, with a ceiling less than the total amount of DTC's available liquidity resources, as described above. The flexibility of the Debit Cap would apply to each Participant, including Unaffiliated Participants and Affiliated Families equally, as applicable.

Also, the proposed rule change provides that Unaffiliated Participants that utilize liquidity in an amount above \$2.15 BN would be obligated to contribute to the Liquidity Fund in the same way as an Affiliated Family does today. That is, the obligation only would apply to Unaffiliated Participants whose activity results in needing liquidity in excess of \$2.15 BN and would be directly proportional to the Unaffiliated Participant's activity, as determined by the algorithms used to calculate allocations under the Liquidity Fund, as is done for Affiliated Families today. At the same time, it would be less likely that the Unaffiliated Participant's activity would pend or that it would need to submit SPPs since it would have a greater Debit Cap. Nevertheless, if an Unaffiliated Participant did not want to contribute to the Liquidity Fund, despite the benefits, then it could simply manage its activity to stay below the \$2.15 BN liquidity threshold. Therefore, DTC does not believe this proposed change would impose a burden on competition.

DTC believes the proposed rule change may promote competition because it alleviates the need for some Participants to wait for DVP credits or submit SPPs for their transactions to process. Moreover, any Participant that is a Deliverer in a DVP transaction may realize processing efficiencies when the Receiver maintains a higher Debit Cap, as the transaction may not pend due to the higher maximum.

³⁷ 15 U.S.C. 78q-1(b)(3)(I).

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

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, they would 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.

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

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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-DTC-2025-019 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-2025-019. 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 DTC 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-DTC-2025-019 and should be submitted on or before January 20, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁸

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104491; File No. SR-NYSE-2025-47]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change To Adopt New Rule 8.201 (Generic)

December 22, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³ notice is hereby given that on December 10, 2025, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items

³⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.