

Equities Clearing Enhancements: CNS[®] Exemptions

DTCC's modernized CNS[®] will deliver a more advanced, resilient platform for clearing. All CNS obligations will be sent directly to DTC's Inventory Management System, which warehouses transactions for settlement and enables clients to submit settlement instructions or manage settlement profiles, including authorization/approval and exemptions.

What's Changing?

Phased decommission of CNS[®] Exemption processing; NSCC has discontinued CNS Level 2 exemption processing and is migrating CNS Level 1 processing to DTC's deliverer authorization capability.

It is important to note that the consolidation of the NSCC exemption capabilities will not be included in the initial Q3 2027 implementation. Members can continue to exempt CNS activity through NSCC until the service is decommissioned. The decommission date for NSCC exemption processing has not yet been determined.

Client Impact

- Clients who use NSCC's Level 1 CNS exemption processing will need to migrate over to DTC's Inventory Management delivery authorization process.
- Clients that used NSCC's Level 2 processing functionality transitioned to alternative methods, as the Level 2 functionality has been discontinued.
- Clients who use NSCC Level 0 or Level 3 CNS exemption will not need to take any action as all CNS obligations will be sent directly to DTC's Inventory Management System as they currently are.

Benefits

- Optimizing CNS processes will maximize resource utilization.
- Simplified and standardized workflows will increase processing efficiency.
- Enhanced resiliency and scalability will help support long-term clearing stability.

Timeline

Clients began migrating NSCC Exemptions Level 1 to Inventory Management Delivery Authorization beginning in Q3 2025. This migration does not need to be completed by Q4 2026 – a later date will be determined and communicated.

WHERE CAN I GET MORE INFORMATION?

Read our [Functional Change Document](#), visit [DTCCTransformation.com](https://www.dtcc.com) or [Contact Us](#).

