

Equities Clearing Enhancements: ETF Expansion with OCC

To support the continued rapid growth in the ETF industry, a new partnership between NSCC and the Options Clearing Corporation (OCC) will provide clients with operationally optimized infrastructure and a robust, scalable risk management framework. Creating a more streamlined and resilient infrastructure for the clearing and settlement of ETFs, particularly those involving options, benefits market participants by enhancing operational efficiency, reducing risk, and improving liquidity management.

What's Changing?

An enhanced partnership between NSCC and OCC will be established to allow ETFs with option components to centrally clear and settle, removing manual intervention and automating the process.

This partnership will operate like the existing Automated Customer Account Transfer Service (ACATS) connection. NSCC's ETF service will handle the intake of Create and Redeem orders for ETFs and any underlying securities that are cleared and settled by NSCC and DTC. For underlying options components that are ineligible for clearing through NSCC, such as FLEX options and covered call options, NSCC will seamlessly route these to OCC to facilitate the transfer of options positions purchased in connection with the Create / Redeem.

The collaboration also involves enhanced information sharing between NSCC and OCC. As NSCC moves towards a fully optimized ETF market infrastructure ecosystem, this partnership with OCC will prove out a concept which could be replicated for other asset classes (e.g. government securities, crypto) or other global market infrastructures (Canada, Europe, APAC).

Client Impact

These changes will be optional for clients.

Benefits

- Mitigates operational challenges - drives efficiency, reduces risk.
- Improves capital efficiency with NSCC acting as a central hub for ETF order processing.

Timeline

- Q4 2025: OCC Phase 1 PSE (test environment) deployment
- Q2 2026: OCC Phase 1 Production go-live

WHERE CAN I GET MORE INFORMATION?

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

