

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 30		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2024 - * 010 Amendment No. (req. for Amendments *)	
Filing by The Depository Trust Company Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input checked="" type="checkbox"/>		Amendment * <input type="checkbox"/>		Withdrawal <input type="checkbox"/>	
Section 19(b)(2) * <input checked="" type="checkbox"/>		Section 19(b)(3)(A) * <input type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<input type="checkbox"/> 19b-4(f)(1)		<input type="checkbox"/> 19b-4(f)(4)	
		<input type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input type="checkbox"/> 19b-4(f)(3)		<input type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Decommission the ID Net Service</div>					
Contact Information Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * <div></div> Last Name * <div></div> Title * <div></div> E-mail * <div>RuleFilingAdmin@dtcc.com</div> Telephone * <div></div> Fax <div></div>					
Signature Pursuant to the requirements of the Securities Exchange of 1934, The Depository Trust Company has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date <div>09/12/2024</div> (Title *) By <div></div> <div></div> (Name *) <div>NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.</div> <div>Date: 2024.09.12 12:12:46 -04'00'</div>					

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

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Narrative - DTC ID Net - Final.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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Exhibit 1A - DTC ID Net - Final.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

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Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

☐

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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Exhibit 5 - DTC ID Net - Final.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) The proposed rule change to The Depository Trust Company (“DTC”)¹ is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed change was approved by Enterprise Services Committee of the Board of Directors of DTC at a meeting held on September 10, 2024.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The purpose of this proposed rule change is to (1) amend the DTC Settlement Service Guide (“Settlement Guide”)² to retire the ID Net Service (“ID Net”), a joint service offering of DTC and National Securities Clearing Corporation (“NSCC”), a DTC affiliate,³ and, consequently, (2) remove from the Guide to the DTC Fee Schedule (“Fee Guide”)⁴ the related fee (“ID Net Fee”) associated with ID Net.

¹ Each capitalized term not otherwise defined herein has its respective meaning as set forth the Rules, By-Laws and Organization Certificate of DTC (the “Rules”), available at www.dtcc.com/legal/rules-and-procedures.

² Available at www.dtcc.com/~media/Files/Downloads/legal/service-guides/Settlement.pdf. The Settlement Guide is a Procedure of DTC. Pursuant to the DTC Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to DTC Rule 27, as amended from time to time. See DTC Rule 1, Section 1, supra note 1. They are binding on DTC and each Participant in the same manner that they are bound by the DTC Rules.

³ NSCC also filed a proposed rule change with the Commission in connection with the retirement of ID Net. See NSCC filing SR-NSCC-2024-008.

⁴ Available at www.dtcc.com/~media/Files/Downloads/legal/fee-guides/DTC-Fee-Schedule.pdf.

Background

DTC may accept affirmed institutional transactions (“Affirmed Transactions”)⁵ from a matching utility (“Matching Utility”).⁶ An Affirmed Transaction submitted to DTC is processed on a trade-for-trade basis at DTC, unless it is designated for ID Net processing by the Matching Utility and meets certain eligibility requirements, as described below.

In order for an Affirmed Transaction to be eligible for processing in ID Net, (i) both counterparties to the Affirmed Transaction must be a Member of NSCC and a Participant of DTC, or a bank that is a Participant of DTC, that has subscribed to ID Net; and (ii) the transaction must be (a) in a security eligible for processing through NSCC’s Continuous Net Settlement (“CNS”) system⁷ and (b) affirmed within established timeframes set forth in the Settlement Guide.⁸

⁵ An institutional transaction is one between a broker/dealer and its institutional customer. Such institutional customers are not Participants. Therefore, the counterparties on an Affirmed Transaction submitted by a Matching Utility to DTC are a (i) DTC Participant, acting as clearing broker to the Affirmed Transaction and (ii) DTC Participant bank, acting as the custodian for an institutional customer.

⁶ The Matching Utility must be (i) a clearing agency registered with the U.S. Securities and Exchange Commission (“Commission”) (ii) an entity that has obtained an exemption from such registration from the Commission, or (iii) a “qualified vendor” for trade confirmation/affirmation services as defined by the rules of a self-regulatory organization. See Settlement Guide, supra note 2 at 38. DTCC ITP Matching (US) LLC (“ITP”), a DTC affiliate, is currently the only Matching Utility that submits Affirmed Transactions to DTC.

⁷ CNS is NSCC’s system for accounting and settling CNS-eligible securities. See NSCC Rule 11 (describing the CNS System) and Procedure VII (describing the CNS Accounting Operation), available at www.dtcc.com/-/media/Files/Downloads/legal/rules/nscc_rules.pdf. To be CNS-eligible, a security must be eligible for book-entry transfer on the books of DTC and must be capable of being processed in the CNS system. All eligible compared and recorded transactions for a particular settlement date are netted by issue into one net long (buy), net short (sell) or flat position for each NSCC Member. As a continuous net system, those positions are further netted with positions of the same issue that remain open after their originally scheduled settlement date. NSCC becomes the contra-party for settlement purposes, assuming the obligation of its Members that are receiving securities to receive and pay for those securities, and the obligation of Members that are delivering securities to make the delivery. CNS netting thus reduces the costs associated with securities transfers by reducing the number of securities movements required to settle transactions.

⁸ See Settlement Guide, supra note 2 at 40-41.

If an Affirmed Transaction is designated for ID Net by the Matching Utility and meets the eligibility criteria described above, then DTC will direct the transaction to ID Net, which facilitates the netting of a broker/dealer's side of an Affirmed Transaction with that broker/dealer's CNS activity via omnibus accounts that are maintained by NSCC at DTC and designated for ID Net activity. If a bank is a counterparty to the ID Net-eligible Affirmed Transaction, then it will either receive or deliver the subject shares versus payment, on a trade-for-trade basis, via the ID Net omnibus accounts.

While ID Net was designed to allow broker/dealers to realize the benefit of netting for Affirmed Transactions by allowing the broker/dealer to net its ID Net-eligible Affirmed Transactions with its transactions in CNS, banks using ID Net settle ID Net transactions on a trade-for-trade basis as they would for other Affirmed Transactions, as described above. In this regard, ID Net's main benefit is to streamline clearance and settlement of ID Net-eligible Affirmed Transactions for broker/dealers.

Proposed Changes

NSCC and DTC continually evaluate the efficiency and effectiveness of the services they each provide. As part of these evaluations, and in furtherance of their ongoing modernization efforts, both DTC and NSCC are seeking to streamline and simplify their services and processes, including through the elimination of underutilized services. DTC and NSCC have identified ID Net as an underused service that may be eliminated as part of their modernization efforts. They each propose to retire ID Net due to (i) limited uptake and usage of the service since its adoption⁹ and (ii) complexity of the processing logic required to maintain the service,¹⁰ especially given its limited usage.

DTC believes that the retirement of ID Net would have minimal impact on its Participants because (1) only 13 broker/dealers and 20 banks subscribe to ID Net, with not all of them even using the service, and (2) Affirmed Transactions can simply settle trade-for-trade, directly between the counterparties, if not eligible for ID Net, like they do today.

To implement the proposed change, DTC would remove all provisions relating to ID Net from the Settlement Guide, including (i) the entire text of the section titled "ID Net," which

⁹ ID Net-related transactions currently comprise less than 1 percent of all activity processed by CNS. DTC believes that ID Net usage has been limited since its implementation in 2008 because, in part, the service needs both parties to an ID Net transaction to be subscribers of ID Net, as described above, which is not always the case.

¹⁰ This complexity includes (i) special eligibility checks versus the ID Net eligibility criteria described above, and (ii) leveraging of the above-mentioned omnibus accounts to simultaneously allow (a) a bank to process ID Net-eligible transactions on a trade-for-trade basis and (b) the broker/dealer side of an ID Net-eligible transaction to settle via CNS.

contains the DTC Procedures for processing of ID Net transactions,¹¹ and (ii) a reference to ID Net relating to messaging in the section titled “Affirmed Transactions.”¹²

DTC has performed direct outreach to Participants that use ID Net and has also announced its plans to decommission ID Net through Important Notice. There have been no material objections or concerns raised by Participants.

In addition, DTC would delete the associated ID Net Fee of 2 cents per transaction from the Fee Guide¹³ because the fee would be obsolete. Instead, such transactions would, by default, be charged the standard fee charged for Affirmed Transactions of 4 cents per transaction.¹⁴

Implementation Timeframe

Subject to approval by the Commission, DTC and NSCC would implement the proposed rule change using a phased approach. First, DTC Participants and NSCC Members have been informed that they may be unsubscribed from ID Net voluntarily at any time prior to termination of the service on November 15, 2024. Second, upon approval of the proposed rule change by the Commission prior to November 15, 2024, any DTC Participants and NSCC Members that have been inactive in the service for at least the last twelve (12) months will be offboarded from the service. Finally, NSCC and DTC will continue to fully support ID Net processing for any remaining active users until November 15, 2024, at which time the service will be fully retired. NSCC and DTC will work with their respective Members and Participants to support all required offboarding activities.

(b) Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to a registered clearing agency. Section 17A(b)(3)(F) of the Act¹⁵ requires that the rules of a clearing agency be designed to, among other things, promote the prompt and accurate clearance and settlement of securities transactions. DTC believes the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act for the reasons stated below.

The proposed rule change would amend the Settlement Guide to decommission ID Net, and remove the ID Net Fee from the Fee Guide, because the service is hardly used yet challenging to maintain. As discussed above, DTC believes that the retirement of ID Net would have minimal impact on its Participants given the limited usage of the service. Furthermore,

¹¹ See Settlement Guide, supra note 2 at 40-46.

¹² Id. at 38.

¹³ See Fee Guide, supra note 4 at 18.

¹⁴ Id.

¹⁵ 15 U.S.C. 78q-1(b)(3)(F).

Affirmed Transactions that would have otherwise been directed to ID Net can simply settle trade-for-trade, directly between the counterparties, like most other Affirmed Transactions do today. As a result, these Affirmed Transactions would continue to settle promptly and accurately, as other Affirmed Transactions do, outside of ID Net. For these reasons, DTC believes its Rules would continue to promote the prompt and accurate clearance and settlement of securities transactions in accordance with Section 17A(b)(3)(F) of the Act.¹⁶

4. Self-Regulatory Organization's Statement on Burden on Competition

Section 17A(b)(3)(I) of the Act¹⁷ requires that the rules of the clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the Act.

DTC does not believe the proposed rule change to decommission ID Net would present a burden on competition. While the few broker/dealer Participants using the service may see a reduced netting benefit, since Affirmed Transactions will no longer be processed through NSCC's CNS, DTC does not believe such reduction would rise to the level of a burden given the limited usage of the service. Meanwhile, banks using ID Net would continue to process affected Affirmed Transactions trade-for-trade, albeit directly with their counterparties rather than the ID Net omnibus accounts, described above.

Furthermore, DTC does not believe the removal of the ID Net Fee, which would become obsolete with the decommissioning ID Net, would impose a burden on competition. Upon the decommissioning of ID Net, Affirmed Transactions that were previously processed via ID Net will now be subject to the existing standard charge for Affirmed Transactions of 4 cents¹⁸ per transaction instead of the ID Net Fee of 2 cents.¹⁹ Notwithstanding the increased fee, DTC does believe the application of the standard fee applied to Affirmed Transactions will be significant or burdensome for Participants because of the limited amount of activity that was processed through ID Net.

5. Self-Regulatory Organization'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 by DTC, 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

¹⁶ Id.

¹⁷ 15 U.S.C. 78q-1(b)(3)(I).

¹⁸ See Fee Guide, supra note 4 at 18.

¹⁹ Id.

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/regulatory-actions/how-to-submit-comments. 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 not to respond to any comments received.

6. Extension of Time Period for Commission Action

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act²⁰ for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing, and Settlement Supervision Act of 2010

Not applicable.

²⁰ 15 U.S.C. 78s(b)(2).

11. Exhibits

Exhibit 1 – Not applicable.

Exhibit 1A – Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 – Not applicable.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

Exhibit 5 – Proposed changes to the Settlement Guide and Fee Guide.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[____]; File No. SR-DTC-2024-010)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of
Proposed Rule Change to Decommission the ID Net Service

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 September __, 2024, The Depository Trust Company (“DTC”) 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. 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 is to (1) amend the DTC Settlement Service Guide (“Settlement Guide”)³ to retire the ID Net Service (“ID Net”), a joint service offering of DTC and National Securities Clearing Corporation (“NSCC”), a DTC affiliate,⁴ and,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Available at www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Settlement.pdf. The Settlement Guide is a Procedure of DTC. Pursuant to the DTC Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to DTC Rule 27, as amended from time to time. See DTC Rule 1, Section 1, infra note 6. They are binding on DTC and each Participant in the same manner that they are bound by the DTC Rules.

⁴ NSCC also filed a proposed rule change with the Commission in connection with the retirement of ID Net. See NSCC filing SR-NSCC-2024-008.

consequently, (2) remove from the Guide to the DTC Fee Schedule (“Fee Guide”)⁵ the related fee (“ID Net Fee”) associated with ID Net, as described in greater detail below.⁶

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 purpose of this proposed rule change is to (1) amend the Settlement Guide to retire the ID Net, a joint service offering of DTC and NSCC and, consequently, (2) remove from the Fee Guide the ID Net Fee associated with ID Net.

⁵ Available at www.dtcc.com/~media/Files/Downloads/legal/fee-guides/DTC-Fee-Schedule.pdf.

⁶ Each capitalized term not otherwise defined herein has its respective meaning as set forth the Rules, By-Laws and Organization Certificate of DTC (the “Rules”), available at www.dtcc.com/legal/rules-and-procedures.

Background

DTC may accept affirmed institutional transactions (“Affirmed Transactions”)⁷ from a matching utility (“Matching Utility”).⁸ An Affirmed Transaction submitted to DTC is processed on a trade-for-trade basis at DTC, unless it is designated for ID Net processing by the Matching Utility and meets certain eligibility requirements, as described below.

In order for an Affirmed Transaction to be eligible for processing in ID Net, (i) both counterparties to the Affirmed Transaction must be a Member of NSCC and a Participant of DTC, or a bank that is a Participant of DTC, that has subscribed to ID Net; and (ii) the transaction must be (a) in a security eligible for processing through NSCC’s

⁷ An institutional transaction is one between a broker/dealer and its institutional customer. Such institutional customers are not Participants. Therefore, the counterparties on an Affirmed Transaction submitted by a Matching Utility to DTC are a (i) DTC Participant, acting as clearing broker to the Affirmed Transaction and (ii) DTC Participant bank, acting as the custodian for an institutional customer.

⁸ The Matching Utility must be (i) a clearing agency registered with the Commission (ii) an entity that has obtained an exemption from such registration from the Commission, or (iii) a “qualified vendor” for trade confirmation/affirmation services as defined by the rules of a self-regulatory organization. See Settlement Guide, *supra* note 3 at 38. DTCC ITP Matching (US) LLC (“ITP”), a DTC affiliate, is currently the only Matching Utility that submits Affirmed Transactions to DTC.

Continuous Net Settlement (“CNS”) system⁹ and (b) affirmed within established timeframes set forth in the Settlement Guide.¹⁰

If an Affirmed Transaction is designated for ID Net by the Matching Utility and meets the eligibility criteria described above, then DTC will direct the transaction to ID Net, which facilitates the netting of a broker/dealer’s side of an Affirmed Transaction with that broker/dealer’s CNS activity via omnibus accounts that are maintained by NSCC at DTC and designated for ID Net activity. If a bank is a counterparty to the ID Net-eligible Affirmed Transaction, then it will either receive or deliver the subject shares versus payment, on a trade-for-trade basis, via the ID Net omnibus accounts.

While ID Net was designed to allow broker/dealers to realize the benefit of netting for Affirmed Transactions by allowing the broker/dealer to net its ID Net-eligible Affirmed Transactions with its transactions in CNS, banks using ID Net settle ID Net transactions on a trade-for-trade basis as they would for other Affirmed Transactions, as

⁹ CNS is NSCC’s system for accounting and settling CNS-eligible securities. See NSCC Rule 11 (describing the CNS System) and Procedure VII (describing the CNS Accounting Operation), available at www.dtcc.com/-/media/Files/Downloads/legal/rules/nscc_rules.pdf. To be CNS-eligible, a security must be eligible for book-entry transfer on the books of DTC and must be capable of being processed in the CNS system. All eligible compared and recorded transactions for a particular settlement date are netted by issue into one net long (buy), net short (sell) or flat position for each NSCC Member. As a continuous net system, those positions are further netted with positions of the same issue that remain open after their originally scheduled settlement date. NSCC becomes the contra-party for settlement purposes, assuming the obligation of its Members that are receiving securities to receive and pay for those securities, and the obligation of Members that are delivering securities to make the delivery. CNS netting thus reduces the costs associated with securities transfers by reducing the number of securities movements required to settle transactions.

¹⁰ See Settlement Guide, supra note 3 at 40-41.

described above. In this regard, ID Net's main benefit is to streamline clearance and settlement of ID Net-eligible Affirmed Transactions for broker/dealers.

Proposed Changes

NSCC and DTC continually evaluate the efficiency and effectiveness of the services they each provide. As part of these evaluations, and in furtherance of their ongoing modernization efforts, both DTC and NSCC are seeking to streamline and simplify their services and processes, including through the elimination of underutilized services. DTC and NSCC have identified ID Net as an underused service that may be eliminated as part of their modernization efforts. They each propose to retire ID Net due to (i) limited uptake and usage of the service since its adoption¹¹ and (ii) complexity of the processing logic required to maintain the service,¹² especially given its limited usage.

DTC believes that the retirement of ID Net would have minimal impact on its Participants because (1) only 13 broker/dealers and 20 banks subscribe to ID Net, with not all of them even using the service, and (2) Affirmed Transactions can simply settle trade-for-trade, directly between the counterparties, if not eligible for ID Net, like they do today.

¹¹ ID Net-related transactions currently comprise less than 1 percent of all activity processed by CNS. DTC believes that ID Net usage has been limited since its implementation in 2008 because, in part, the service needs both parties to an ID Net transaction to be subscribers of ID Net, as described above, which is not always the case.

¹² This complexity includes (i) special eligibility checks versus the ID Net eligibility criteria described above, and (ii) leveraging of the above-mentioned omnibus accounts to simultaneously allow (a) a bank to process ID Net-eligible transactions on a trade-for-trade basis and (b) the broker/dealer side of an ID Net-eligible transaction to settle via CNS.

To implement the proposed change, DTC would remove all provisions relating to ID Net from the Settlement Guide, including (i) the entire text of the section titled “ID Net,” which contains the DTC Procedures for processing of ID Net transactions,¹³ and (ii) a reference to ID Net relating to messaging in the section titled “Affirmed Transactions.”¹⁴

DTC has performed direct outreach to Participants that use ID Net and has also announced its plans to decommission ID Net through Important Notice. There have been no material objections or concerns raised by Participants.

In addition, DTC would delete the associated ID Net Fee of 2 cents per transaction from the Fee Guide¹⁵ because the fee would be obsolete. Instead, such transactions would, by default, be charged the standard fee charged for Affirmed Transactions of 4 cents per transaction.¹⁶

Implementation Timeframe

Subject to approval by the Commission, DTC and NSCC would implement the proposed rule change using a phased approach. First, DTC Participants and NSCC Members have been informed that they may be unsubscribed from ID Net voluntarily at any time prior to termination of the service on November 15, 2024. Second, upon approval of the proposed rule change by the Commission prior to November 15, 2024,

¹³ See Settlement Guide, supra note 3 at 40-46.

¹⁴ Id. at 38.

¹⁵ See Fee Guide, supra note 5 at 18.

¹⁶ Id.

any DTC Participants and NSCC Members that have been inactive in the service for at least the last twelve (12) months will be offboarded from the service. Finally, NSCC and DTC will continue to fully support ID Net processing for any remaining active users until November 15, 2024, at which time the service will be fully retired. NSCC and DTC will work with their respective Members and Participants to support all required offboarding activities.

2. Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Section 17A(b)(3)(F) of the Act¹⁷ requires that the rules of a clearing agency be designed to, among other things, promote the prompt and accurate clearance and settlement of securities transactions. DTC believes the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act for the reasons stated below.

The proposed rule change would amend the Settlement Guide to decommission ID Net, and remove the ID Net Fee from the Fee Guide, because the service is hardly used yet challenging to maintain. As discussed above, DTC believes that the retirement of ID Net would have minimal impact on its Participants given the limited usage of the service. Furthermore, Affirmed Transactions that would have otherwise been directed to ID Net can simply settle trade-for-trade, directly between the counterparties, like most other Affirmed Transactions do today. As a result, these Affirmed Transactions would continue to settle promptly and accurately, as other Affirmed Transactions do, outside of ID Net. For these reasons, DTC believes its Rules would continue to promote the prompt

¹⁷ 15 U.S.C. 78q-1(b)(3)(F).

and accurate clearance and settlement of securities transactions in accordance with Section 17A(b)(3)(F) of the Act.¹⁸

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

Section 17A(b)(3)(I) of the Act¹⁹ requires that the rules of the clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the Act.

DTC does not believe the proposed rule change to decommission ID Net would present a burden on competition. While the few broker/dealer Participants using the service may see a reduced netting benefit, since Affirmed Transactions will no longer be processed through NSCC's CNS, DTC does not believe such reduction would rise to the level of a burden given the limited usage of the service. Meanwhile, banks using ID Net would continue to process affected Affirmed Transactions trade-for-trade, albeit directly with their counterparties rather than the ID Net omnibus accounts, described above.

Furthermore, DTC does not believe the removal of the ID Net Fee, which would become obsolete with the decommissioning ID Net, would impose a burden on competition. Upon the decommissioning of ID Net, Affirmed Transactions that were previously processed via ID Net will now be subject to the existing standard charge for Affirmed Transactions of 4 cents²⁰ per transaction instead of the ID Net Fee of 2 cents.²¹

¹⁸ Id.

¹⁹ 15 U.S.C. 78q-1(b)(3)(I).

²⁰ See Fee Guide, supra note 5 at 18.

²¹ Id.

Notwithstanding the increased fee, DTC does believe the application of the standard fee applied to Affirmed Transactions will be significant or burdensome for Participants because of the limited amount of activity that was processed through ID Net.

(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 by DTC, 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/regulatory-actions/how-to-submit-comments. 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 not to 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
(www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-DTC-2024-010 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-2024-010. This file number should be included on the subject line if e-mail 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 (www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the

Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC 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-DTC-2024-010 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

Secretary

²² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Bold, underlined text indicates proposed added language.

~~Bold, strikethrough text~~ indicates proposed deleted language.

[Changes to this Settlement Service Guide, as amended by File No. SR-DTC-2024-010, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. On November 15, 2024, these changes will be implemented, and this legend will automatically be removed from this Settlement Service Guide.]

SETTLEMENT

SERVICE GUIDE

FEBRUARY 1, 2024 [DATE, 2024]

Affirmed Transactions

DTC may accept eligible affirmed institutional transactions ("Affirmed Transactions") from a utility that provides a matching service⁴ ("Matching Utility"). The Matching Utility must be (i) a clearing agency registered pursuant to Section 17A of the Securities Exchange Act of 1934, as amended (the "Act"), (ii) an entity that has obtained an exemption from such registration from the U.S. Securities and Exchange Commission, or (iii) a "qualified vendor" for trade confirmation/affirmation services as defined by the rules of a self-regulatory organization. A Matching Utility must establish a connection to DTC in accordance with DTC's reasonable requirements in order to be able to submit Affirmed Transactions to DTC. In this regard, in order for a Matching Utility to establish and maintain a connection with DTC the Matching Utility must be able to balance with DTC in an automated way⁵ and communicate transactions to and from DTC with the necessary mandated fields.⁶ Also, Matching Utilities that intend to establish a new connection with DTC must promptly contact DTC in order to start planning for establishment of the connection and allow adequate time to develop and adequately test the interface prior to the date it expects to implement its connection to DTC.

⁴ A "matching service" is an electronic service to match trade information, centrally, between a broker-dealer and its institutional customer.

⁵ For each Matching Utility interfacing with DTC, DTC requires the Matching Utility to deliver a daily message on each business day shortly after noon from the Matching Utility with their accepted item counts of institutional delivery ~~and ID-Net (defined below)~~ transaction totals for Settlement Date minus one transactions. DTC's system will compare the totals from the Matching Utility to its accepted item counts. If the totals match, an "acknowledged balance" balance file will be sent to the Matching Utility. If the totals do not match, DTC will respond with the list of Settlement Date minus one control numbers received from the Matching Utility, along with their respective transaction types for the originating Matching Utility to compare.

⁶ The mandated fields for this purpose are the transaction control number, DTC receiver and deliverer account number, CUSIP, message type, share quantity, market type, buy-sell indicator, broker ID, ID agent internal account number, broker internal account number, agent bank ID, settlement amount, origination entity, recipient of message, institution, and settlement date.

ID Net Service

Benefits

The ID Net Service, or "ID Net", is a service that ultimately benefits all parties involved in institutional trading. ID Net processing:

- ◆ **Reduces the aggregate value of settlements system wide through netting efficiencies**
- ◆ **Presents cost savings for banks and brokers through reduced fees and/or deliveries**
- ◆ **Increases the certainty of settlement for matched institutional trades**
- ◆ **Encourages early affirmation**

Overview

Unlike exchange trades and most prime broker trades, most institutional delivery transactions do not currently flow through NSCC's Continuous Net Settlement system ("CNS"). Rather these institutional transactions settle at DTC. The ID Net Service allows subscribers to the service to net all eligible Affirmed Transactions against their CNS transactions, if any.

Eligibility for the ID Net Service requires that a participating entity be: (i) a Member of NSCC and a Participant of DTC ("ID Net Firm"), or (ii) a bank that is a Participant of DTC ("ID Net Bank") (collectively, "ID Net Subscribers"). In addition, eligibility for ID Net processing is based on the underlying security being processed, the type of transaction submitted for processing and the timing of affirmation/matching. Participation in the ID Net Service is voluntary and is governed by the DTC Rules and Procedures applicable to the ID Net Service. All ID Net Subscribers are required to enter into separate ID Net Subscriber agreements with NSCC and/or DTC, as applicable which govern their use of the ID Net Service.

To facilitate the processing of ID Net transactions, NSCC maintains two securities accounts at DTC on behalf of all ID Net Firms that have elected to use the ID Net Service: the "ID Netting Subscriber Deliver Account" and the "ID Netting Subscriber Receive Account" (collectively referred to as the "ID Netting Subscriber Accounts"). NSCC is the owner of both accounts and acts as agent for the ID Net Firms. NSCC processes ID Net transactions through these accounts on behalf of participating ID Net Firms. While NSCC directs transactions through these accounts on behalf of ID Net Firms, the ID Net Firms, not NSCC, are responsible for satisfying applicable DTC risk management controls and Participant Fund requirements for their respective activity through the ID Netting Subscriber Accounts.

The ID Net Service offers netting efficiency and reduced security movements for ID Net Subscribers that are NSCC Members. NSCC Members, however, may need to make system changes to reflect how institutional deliveries are processed through their system. For ID Net Banks the ID Net service was specifically designed to minimize development and to make ID Net processing as transparent as possible.

Note: A Participant should contact its Relationship Manager for more information.

Eligibility

~~A. Participant Eligibility~~

~~ID Net Firms must be NSCC Members eligible for CNS processing as well as Participants in DTC. ID Net Banks must be DTC Participants. All agent ID numbers associated with a given ID Net Bank are included for processing.~~

- ~~• A subscriber to the ID Net Service must submit an ID Net subscriber form to both DTC and NSCC in order to become an ID Net Subscriber.~~
- ~~• Upon receipt of the form, DTC's Account Administration reviews it for all required information and authorization.~~
- ~~• If acceptable, the appropriate master file update takes place that evening at approximately 8 p.m.~~
- ~~• Once the update has occurred, Affirmed Transactions from that evening between the new ID Net Subscriber and other eligible ID Net Subscribers are routed into the ID Net process. Thus, the earliest time that eligible Affirmed Transactions of the new ID Net Subscriber are processed in ID Net is on the following night.~~

~~Note: A Participant should contact its Relationship Manager about testing with DTC and NSCC prior to signing up for ID Net.~~

~~B. ID Net Security Eligibility~~

~~Most equity securities that are eligible for CNS are eligible for ID Net processing.~~

ID Net Processing Eligibility

In addition to Participant and security eligibility requirements, for a transaction to be eligible for ID Net:

- ~~• The trade must be affirmed/matched by a Matching Utility.~~
- ~~• DTC should receive the Affirmed Transaction from the Matching Utility no later than 9:00 p.m. eastern time on the business day immediately preceding settlement date ("SD-1") to be considered for ID Net eligibility.~~
- ~~• The transaction must be between an ID Net Firm and an ID Net Bank, on behalf of an institutional customer.~~

Inventory Management System (IMS) Processing

Authorization, Exemption and Cancel Processing for ID Net Banks

When an institutional delivery from a bank is affirmed, the delivery is sent to DTC's Inventory Management System (IMS). ID Net was developed to minimize systemic changes required by ID Net Banks.

If a trade is flagged as ID Net eligible, DTC will automatically "flip" the original clearing firm from the receiver field into the third party field of the ID trade and will put the ID Netting Subscriber Deliver Account (# 719) in the receiver field. ID Net Banks will only be notified of this change if they elect to receive new messages that are produced by DTC specifically for ID Net.

- ID Net Banks may exempt, authorize or cancel ID deliveries before the night cycle. However for the day cycle, it is recommended that ID Net Banks authorize their individual ID deliveries and discontinue the practice of sending Deliver Orders (DO) for these trades. Otherwise, the contra Participant may reclaim, subject to DTC's risk management controls and applicable RAD limits, the DOs since these trades are set up for settlement in ID Net. Authorization of individual ID deliveries versus sending DOs is more cost effective for banks.**
- If an ID Net Bank cancels an ID trade, it can no longer be acted upon. If a trade is in the ID Net process and is cancelled the trade can no longer be acted upon and the trade will be immediately exited from ID Net processing.**
- Transactions exempted by an ID Net Bank remain in ID Netting until 11:30 a.m. on settlement date. At 11:30 a.m., if still exempted, the delivery is removed from the ID Net Service. IMS will return the original clearing firm's Participant number back to the receiver field and populate the third party field of the delivery with the ID Netting Subscriber Deliver Account (#719). If a transaction is subsequently authorized by the bank, it will be delivered to the original clearing Participant on a trade for trade basis with all applicable comment information remaining intact.**

The ID Net processing cut off time of 11:30 a.m. eastern time will allow ID Net to give the obligations back to the original parties with sufficient time to allow them to complete the delivery from their account or borrow the security to complete the transaction.

Authorization, Exemption and Cancel Processing for ID Net Firms

ID Net Firms may exempt a receive before the night of SD 1 from a bank that is in the ID Net Service via a new IMS capability. This receive exemption will only be permitted on a trade for trade basis. This exemption will exit the transaction from ID Net by returning the original clearing firm number back into the receiver field and making the appropriate CNS adjustment entries. The transaction will then be available for trade for trade settlement.

ID Net Firms should continue to authorize/exempt/cancel their deliveries from their account as they do today.

- Authorization of ID Net Firm deliveries by the ID Net Firm is not necessary.**
- ID Net Firms may exempt their deliveries in the ID Net process either through an IMS function option or systematically on a trade for trade basis by submitting the Institutional Delivery (ID) control number.**
- Global exemptions of ID Net deliveries are only available via the Settlement User Interface. If an ID Net Firm sends in a global exemption systematically for its account, it will not apply to its ID Net deliveries.**

- ~~If an ID Net Firm's delivery is exempted or pend cancelled by the ID Net Firm, the transaction will be exited from ID Net. For exempted transactions, the ID Net Firm can no longer act upon that delivery, i.e., authorize it at a later time.~~
- ~~If an ID Net Firm's trade is exited from the ID Net process, it will not revert back to an original ID trade from the ID Net Firm's account. The ID Net Firm will need to submit the delivery itself or use the re-introduced drop feature described below.~~

Settlement and Risk Management Processing

Changes to Risk Management Control Updates for ID Net Firms

~~ID Net processes an ID Net Firm's DTC debits and credits for its eligible ID trades through the NSCC ID Netting Subscriber accounts. These ID trades have offsetting debits and credits in the CNS system. As a result, NSCC may owe DTC on any given day for the net of all the ID Net trades processed for all ID Net Firms. In order to protect DTC from having a failure exported from NSCC for liquidity purposes, updates to Participants' net debit caps and collateral monitors are necessary as described below:~~

~~An ID Net collateral monitor and net debit cap balance is recorded in the processing system. The ID Net collateral monitor records the net balance of collateral generated for all ID transactions processed through the ID Net service. If the balance of collateral generated by all ID Net receives and delivers is positive, the ID Net Firm's collateral monitor will not be increased by that amount. However, if an ID Net transaction requires collateral, the system will use the ID Net collateral surplus for that ID Net Firm before attempting to use other collateral from that ID Net Firm. If there is insufficient ID Net collateral for that ID Net Firm, the system will look to the ID Net Firm's excess collateral in its account.~~

~~Similar to collateral, the system creates an ID Net settlement balance. When this balance is a net credit from deliveries on the ID Net Firm's behalf through the #919 account, it is only used to offset incoming ID Net receives to the #719 account. If there is an insufficient ID Net credit to absorb the debit of the ID Net delivery to the #719 account for that ID Net Firm, the system will create an ID Net debit that will effectively treat the ID Net debit as a reduction of the ID Net Firm's net debit cap and will be displayed via the Risk Management Control Inquiry function. The ID Net debit is only used for net debit cap calculation purposes and does not represent a Participant's actual settlement balance.~~

- ~~If the ID Net Firm has insufficient collateral or net debit cap, the transaction will pend until 11:30 a.m. eastern time on settlement date.~~

Risk Controls for the ID Netting Subscriber Deliver Account:

- ~~Authorized bank deliveries are checked for position and collateral. The original clearing firm, which is identified in the third party field, is responsible for collateralizing the ID Net securities being processed into the ID Netting Subscriber Deliver Account #719.~~
- ~~Receives into the ID Netting Subscriber Deliver Account #719 for the ID Net Firm are available for immediate delivery to CNS. The original clearing firm's memo seg, if any, is not applicable.~~

Risk Controls for ID Netting Subscriber Receive Account:

- ~~Receives from CNS into the ID Netting Subscriber Receive Account #919 for the original clearing firm are available for immediate delivery to ID Net Banks. The original clearing ID Net Firm's memo seg, if any, is not applicable.~~

- ~~An ID Net Firm can also cancel a pending ID Net delivery (referred to as a pend cancel) from the ID Netting Subscriber Receive Account #919 account through the Settlement User Interface.~~

~~Deliveries from the CNS account to the ID Netting Subscriber Receive Account # 919 will be on a higher priority basis except for buy-in receives, corporate actions and other delivery types as determined periodically by the clearing corporation. By placing the ID Netting Subscriber Receive Account #919 on a higher priority for long allocations, the number and value of ID Net fails is reduced.~~

Processing of ID Net Firm Trades Exited from ID Net

~~A previously eligible ID Net trade can be exited from the ID Net process for a number of reasons. If an ID Net trade is exited from the ID Net Service, it will revert back to an original ID trade from the ID Net Firm's account, despite the fact that the ID Net Firm or IMS may have already performed the authorization or exemption process for ID trades from its account. Trades that are exited from ID Net before settlement processing begins on the night of SD-1 will be placed back into an unprocessed state in IMS and the ID Net Firm has to authorize these trades if it intends to deliver them. Applicable output messages are available for all exited ID Net trades.~~

~~If an ID Net trade is exempted or pend cancelled, the transaction will be exited from ID Net. For exempted transactions, the ID Net Firm can no longer act upon that delivery, i.e., authorize it at a later time.~~

~~Some of the reasons that a trade may be exited from ID Net are as follows:~~

Change of Eligibility

~~After a trade has been affirmed and deemed eligible for ID Net, the ID Net process will continue to check the transaction's eligibility up until 8 p.m. on the night of SD-1. If a trade becomes ineligible, for example, a Reorganization is announced, the trade will be removed from the ID Net process regardless of whether it is in an authorized or an exempt state. The trade will be staged for trade for trade settlement between the ID Net Firm and the ID Net Bank and will maintain its current state, i.e., authorized trades will remain authorized and exempted trades will remain exempted.~~

Attempts to Cancel

~~After an ID trade is affirmed, ID Net Firms, on occasion, generate an attempt to cancel and exempt the ID trade because the trade may no longer be valid. If the trade is in the ID Net process and is being staged for delivery from the ID Net Subscriber Receive Account #919, ID Net Firms should continue to exempt transactions when an "attempt to cancel" message is generated. Automated exemptions on a trade for trade basis via the Institutional Delivery (ID) control number will still be accepted for ID Net trades from the ID Net Subscriber Receive Account #919.~~

Cut-off of 11:30 a.m. on Settlement Date

~~Trades that are eligible for ID Net but are still in an exempt or unprocessed state or are pending for position or risk management controls at 11:30 a.m. on settlement date will automatically revert to trade for trade settlement versus the original clearing firm. They will be exited from the ID Net process at NSCC through a new "Miscellaneous" adjustment to their CNS position. Any exits from ID Net after the start of the night cycle that create a short or increases an existing short in CNS, are subjected to the one-day settling trade exemption indicator (the default for this indicator is level 1, i.e., the position is exempted). The exit processing for ID Net Banks and ID Net Firms differs as follows:~~

ID Net Bank Deliveries

~~ID Net Bank deliveries that remain exempt at 11:30 a.m. eastern time on settlement date will be exited from ID Net as follows:~~

- ~~• ID Net will move the original clearing firm back into the receiver field and the ID Net Subscriber Deliver Account #719 will be placed into the third party field by the ID Net Service. Thus, if a bank authorizes the delivery after the 11:30 a.m. (eastern time) ID Net cutoff, the ID delivery will go directly to the original clearing firm.~~
- ~~• Authorized ID Net Bank deliveries that are pending for position or the deliverer's or receiver's risk management controls will also be exited from ID Net and will continue to recycle in the system to the ID Net Firm. The ID Net Bank delivery will be systematically updated so that the original clearing firm will be moved back from the third party field to the receiver field and the ID Net Subscriber Deliver Account #719 will be placed into the third party field. The transaction will continue to recycle with the same Relative Block Number (RBN—the unique transaction number applied by the processing system); however, if it re-pends or completes, it will be assigned a new RBN # that will point to the original RBN.~~

ID Net Firm Deliveries

- ~~• ID Net Firm deliveries from the ID Netting Subscriber Receive Account #919 that are pending for position or because of risk management controls will drop at 11:30 a.m. eastern time on settlement date~~

Re-introduction of ID Net Deliveries for ID Net Firms

~~Deliveries that do not complete for position or controls will be available for immediate re-introduction from the original clearing firm's account through an optional IMS function at 11:30 a.m. eastern time.~~

~~The ID Net reintroduced drop will appear and will be charged as a regular ID trade (MITS transaction type in IMS). The reintroduced drop can be viewed by the ID Net Firm in the "Transaction Authorization Inquiry" option in IMS. An ID Net reintroduced drop will remain in an Unprocessed state (will not be processed) unless the ID Net Firm authorizes the delivery in IMS. ID Net Firms can elect to have their ID Net reintroduced drops automatically authorized by setting their "ID Net Drop Authorization Profile" to passive. ID Net Firms should use the new "ID Net Drop Auth Profile Update" option in the IMS function to switch their ID Net drop profile from Active (the default) to Passive. ID Net Firms can view their ID Net drop authorization profile in the IMS function by selecting the "ID Net Drop Auth Profile Inquiry" option.~~

Reclaims

~~ID Net same day reclaims are only applicable to deliveries from the ID Netting Subscriber Receive Account #919. These reclaims will be directed to the original clearing firm rather than the omnibus account #919 and are subject to DTC's risk management controls and applicable RAD limits.~~

~~DTC strongly recommends that ID Net reclaims of receives from the ID Netting Subscriber Receive Account #919 include the Relative Block Number (RBN) and Original Date Pend Holds~~

~~ID Net Banks will be permitted to place holds on their ID Net deliveries that are pending for insufficient position in the Pending Transaction function.~~

~~ID Net Firms will not be permitted to place pend holds on their ID Net deliveries that are being processed from the ID Netting Subscriber Receive Account #919.~~

~~NSCC Clearing Fund Offset and Mark-to-Market~~

~~ID Net transactions will be used to offset the balance of any other CNS transactions, and the "net" of those transactions will be used for purposes of determining Clearing Fund obligations pursuant to NSCC's current procedures, subject to a revised mark-to-market calculation applicable to ID Net Firms.~~

~~ID Net transactions will receive their own separate mark-to-market (MTM) calculation. This ID Net MTM total will be added to each member's daily clearing fund requirement.~~

~~DTC Participants Fund~~

~~DTC's Participants Fund calculation is based upon a Participant's legal entity net debit peaks. DTC will continue to include the debits and credits associated with ID Net deliveries that are processed on behalf of an ID Net Firm in its fund calculation.~~

~~Terminating the ID Net Service~~

~~If an ID Net Subscriber wanted to terminate their participation in ID Net, the following procedure would apply:~~

- ~~• A subscriber to the ID Net service will need to submit an ID Net exit notification to DTC's Account Administration area.~~
- ~~• Upon receipt of the form, it will be reviewed for all required information and authorization.~~
- ~~• If acceptable, the appropriate masterfile update will take place that evening at approximately 7 p.m. eastern time.~~
- ~~• Once the update has occurred, affirmed trades would no longer be routed to ID Net after the masterfile update. If an ID Net Subscriber wanted to exit all the trades it had in ID Net, it could do so.~~
- ~~• ID Net Firms and ID Net Banks can cancel or exempt their future ID Net transactions where they are the delivering party.~~
- ~~• ID Net Firms can cancel or exclude their future ID Net transactions where they are the receiving party.~~
- ~~• An ID Net Firm's or ID Net Bank's ID Net receives can also be exited by the Settlement department at DTC by notifying the Settlement Operations department. This request will be processed on a best efforts basis.~~

[Changes to this Guide to the DTC Fee Schedule, as amended by File No. SR-DTC-2024-010 are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. On November 15, 2024, these changes will be implemented, and this legend will automatically be removed from this Guide to the DTC Fee Schedule.]

Guide to the 2024 DTC Fee Schedule

Settlement Services

FEE NAME	AMOUNT (\$)	CONDITIONS
Book-Entry Delivery, Excluding MMIs		

ID Net receive or delivery	0.02	Per receive or delivery
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