

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 51 | | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | | File No. * SR 2025 - * 003 Amendment No. (req. for Amendments *) 1 | |
| Filing by The Depository Trust Company Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934 | | | | | |
| Initial * <input type="checkbox"/> | | Amendment * <input checked="" type="checkbox"/> | | Withdrawal <input type="checkbox"/> | |
| Pilot <input type="checkbox"/> | | Extension of Time Period for Commission Action * <input type="checkbox"/> | | Date Expires * <input type="text"/> | |
| | | Section 19(b)(2) * <input checked="" type="checkbox"/> | | Section 19(b)(3)(A) * <input type="checkbox"/> | |
| | | | | Section 19(b)(3)(B) * <input type="checkbox"/> | |
| | | | | 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"/> | | | Section 806(e)(2) * <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></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 * <input type="text"/> Last Name * <input type="text"/> Title * <input type="text"/> E-mail * <input type="text"/> RuleFilingAdmin@dtcc.com Telephone * <input type="text"/> Fax <input type="text"/> | | | | | |
| 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 <input type="text"/> 06/20/2025 (Title *) By <input type="text"/> (Name *) 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>Date: 2025.06.20 11:35:09 -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) - Amd No. 1 - System

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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Exh 1A (DTC) - Amd No. 1 - Systems

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.

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Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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Exh 4 (DTC) - Amd No. 1 - Systems D

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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Exh 5 (DTC) - Amd No. 1 - Systems D

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 amended proposed rule change of The Depository Trust Company (“DTC”) is provided in Exhibit 5. A comparison of that amended Exhibit 5 with the originally filed Exhibit 5, marked to indicate additions and deletions, is provided in Exhibit 4.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Risk Committee of the Board of Directors of DTC on February 13, 2024.

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

(a) Purpose

On March 14, 2025, DTC, along with its two affiliate clearing agencies, Fixed Income Clearing Corporation (“FICC”) and National Securities Clearing Corporation (“NSCC,” and together with DTC and FICC, the “Clearing Agencies,” or “Clearing Agency” when referring to one of any of the three Clearing Agencies)¹ each filed with the U.S. Securities and Exchange Commission (“Commission”) substantively similar proposals (“Original Proposal”)² to amend their respective rules currently titled Systems Disconnect: Threat of Significant Impact to the Corporation’s Systems.³ Each respective filing was written from the perspective of the Clearing Agencies, collectively, instead of DTC, FICC, and NSCC individually, but application of the

¹ The Clearing Agencies are each a subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC operates on a shared service model with respect to the Clearing Agencies. Most corporate functions are established and managed on an enterprise-wide basis pursuant to intercompany agreements under which it is generally DTCC that provides relevant services to the Clearing Agencies.

² Securities Exchange Act Release Nos. 102711 (Mar. 21, 2025), 90 FR 13926 (Mar. 27, 2025) (SR-NSCC-2025-003); 102713 (Mar. 21, 2025), 90 FR 13942 (Mar. 27, 2025) (SR-FICC-2025-006); and 102712 (Mar. 21, 2025), 90 FR 13919 (Mar. 27, 2025) (SR-DTC-2025-003) (collectively, “Original Filings”).

³ Rule 60A of the NSCC Rules & Procedures (“NSCC Rules”), Rule 50A of the FICC Government Securities Division (“FICC-GSD”) Rulebook (“FICC-GSD Rules”), Rule 40A of the FICC Mortgage-Backed Securities Division (“FICC-MBSD”) Clearing Rules (“FICC-MBSD Rules”), and Rule 38(A) of the Rules, By-Laws and Organization Certificate of DTC (“DTC Rules”) (collectively, the “Disruption Rules”), available at <https://www.dtcc.com/legal/rules-and-procedures>.

proposed rule changes would only apply to the DTCC Systems Participant (as defined below) of the corresponding Clearing Agency or Clearing Agencies.⁴

On April 17, 2025, the Securities Industry and Financial Markets Association (“SIFMA”) submitted a comment letter to the Original Proposal (“SIFMA Letter”).⁵ Based on comments made in the SIFMA Letter and further review of the Original Proposal, the Clearing Agencies are now filing this amendment to the Original Proposal (“Amendment No. 1”).

This Amendment No. 1 would modify the Original Proposal by (i) amending the proposed definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and proposing to add Third-Party Provider as a new defined term; (ii) simplifying the notification requirements and requested details of a Participant System Disruption; (iii) allowing for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) making technical, ministerial, and other conforming and clarifying changes, as discussed below.

Current Disruption Rules & Original Proposal

The Clearing Agencies’ current Disruption Rules contain provisions identifying the events or circumstances that would be considered a Major Event.⁶ During the pendency of a Major Event, the Disruption Rules authorize the Clearing Agencies to take certain actions, within a prescribed governance framework, to mitigate the effect of the Major Event on the Clearing Agencies, their respective members or participants as defined in the respective rules of the

⁴ Capitalized terms not otherwise defined herein have the meaning as set forth in the respective rules of the Clearing Agencies, available at <https://www.dtcc.com/legal/rules-and-procedures>, or in the Original Filings, supra note 2.

⁵ Letter from Stephen Byron, Managing Director, Head of Operations, Technology, Cyber & BCP, SIFMA (Apr. 17, 2025). SIFMA also submitted an earlier, two-page letter, on April 16, 2025, requesting additional time to submit a comment letter to the Original Proposal and highlighting some potential concerns that were then covered in the follow-up SIFMA Letter. Letter from Stephen Byron, Managing Director, Head of Operations, Technology, Cyber & BCP, SIFMA (Apr. 16, 2025).

⁶ “Major Event” is currently defined in the Disruption Rules as, “the happening of one or more System Disruption(s) that is reasonably likely to have a significant impact on the Corporation’s operations, including the DTCC Systems, that affect the business, operations, safeguarding of securities or funds, or physical functions of the Corporation, [Respective Participants] and/or other market participants.” Disruption Rules, supra note 3, Section 1.

applicable Clearing Agency (hereinafter, “Respective Participants”),⁷ their Affiliates, and the industry more broadly.⁸

The Original Proposal proposed to and would continue to (i) update and add definitions used throughout the Disruption Rules; (ii) update the provisions and governance for declaring a Major Event (which would be redefined as a Major System Event⁹); (iii) clarify and enhance the requirements of the DTCC Systems Participant, as amended below, to notify the Clearing Agencies of a Systems Disruption (which would be redefined as a Participant System Disruption, as amended below); (iv) add provisions incorporating the reporting, testing, and approval requirements, process, legal obligations, and governance necessary for “reconnection” (as defined by the Original Proposal)¹⁰ of a DTCC Systems Participant that was “disconnected” from DTCC Systems¹¹ pursuant to a Disruption Rule; and (v) make technical, ministerial, and

⁷ Under the current Disruption Rules, Respective Participants for NSCC are Members and Limited Members; for DTC, Participants; for FICC-GSD and FICC-MBSD, Members. Disruption Rules, supra note 3, Section 1. Under the Original Proposal, Respective Participants for NSCC will be Members, Limited Members, and Sponsored Members; for DTC, Participants, Limited Participants, and Pledgees; for FICC-GSD, Netting Members, CCIT Members, Comparison Only Members, and Funds-Only Settling Bank Members; and for FICC-MBSD, Members, Clearing Members, and Cash Settling Bank Members. Original Filings, supra note 2.

⁸ See Disruption Rules, supra note 3, Section 1.

⁹ Pursuant to this proposed rule change, Major Event would be deleted and replaced with “Major System Event,” to be defined as, “a Participant System Disruption that has or is reasonably anticipated to, for example, disrupt, degrade, cause a delay in, interrupt or otherwise alter the normal operation of DTCC Systems; result in unauthorized access to DTCC Systems; result in the loss of control of, disclosure of, or loss of DTCC Confidential Information; or cause a strain on, loss of, or overall threat to the Corporation’s resources, functions, security or operations.”

¹⁰ Pursuant to the Original Proposal, “Reconnection” would be defined as the reestablishment of connectivity between DTCC Systems and the DTCC Systems Participant that was the subject of action taken pursuant to a Disruption Rule. Original Filings, supra note 2.

¹¹ “DTCC Systems” is currently defined in the Disruption Rules as, “the systems, equipment and technology networks of DTCC, the Corporation and/or their Affiliates, whether owned, leased, or licensed, software, devices, IP addresses, or other addresses or accounts used in connection with providing the services set forth in the Rules, or used to transact business or to manage the connection with the Corporation.” Disruption Rules, supra note 3, Section 1. Pursuant to the Original Proposal, the definition would be updated to mean “the systems, equipment and technology networks of DTCC, the Corporation and/or any Affiliates of DTCC or the Corporation, whether owned, leased, or licensed, and including software, hardware, applications, devices, IP addresses, or other

other conforming and clarifying changes, including updating the name of the Disruption Rules.¹² Other than the below described amendments proposed in this Amendment No. 1, the proposed changes of the Original Proposal remain.

Proposed Amendments

As noted above, based on comments raised in the SIFMA Letter and further review of the Original Proposal, the Clearing Agencies are filing this Amendment No. 1 to (i) amend the proposed definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments, as described below.

1. Definitional Amendments

DTCC Systems Participant – “DTCC Systems Participant” is currently defined in Section 1 of the Disruption Rules as, “a [Respective Participant], or third party service provider, or service bureau that is connecting with the DTCC Systems.”¹³ Pursuant to the Original Proposal, DTCC Systems Participant would have been redefined in the Disruption Rules as, “(A) any [Respective Participant], or an Affiliate of any [Respective Participant], that directly or indirectly connects with DTCC Systems; or (B) any third-party service provider, service bureau, or other similar entity that directly or indirectly connects with DTCC Systems on behalf of or for the benefit of any [Respective Participant], or an Affiliate of any [Respective Participant].”¹⁴

In consideration of the comments raised by SIFMA, generally,¹⁵ and after further review of the proposed definition, the Clearing Agencies believe that the proposed definition of DTCC Systems Participant could be drafted differently to better reflect the entities that the definition is intended to cover (i.e., Respective Participants connected to DTCC Systems directly and third-party service providers connected to DTCC Systems on behalf of or for the benefit of Respective Participants). Therefore, the Clearing Agencies propose to amend the proposed definition to

addresses or accounts used in connection with such systems, equipment and technology networks, to provide the services set forth in these [Rules & Procedures/Rules and the Procedures/Rules], or otherwise used to transact business or connect with DTCC, the Corporation, or any Affiliates of DTCC or the Corporation.” Original Filings, supra note 2.

¹² Original Filings, supra note 2 (providing specifics of each proposed change of the Original Proposal).

¹³ Disruption Rules, supra note 3, Section 1.

¹⁴ Original Filings, supra note 2.

¹⁵ SIFMA Letter, supra note 5.

simply state that a DTCC Systems Participant is “any [Respective Participant] that connects with DTCC Systems either directly or indirectly via a Third-Party Provider.”

Systems Disruption/Participant System Disruption – “Systems Disruption” is currently defined in Section 1 of the Disruption Rules as, “the unavailability, failure, malfunction, overload, or restriction (whether partial or total) of a DTCC Systems Participant’s systems that disrupts or degrades the normal operation of such DTCC Systems Participant’s systems; or anything that impacts or alters the normal communication, or the files that are received, or information transmitted, to or from the DTCC Systems.”¹⁶ Pursuant to the Original Proposal, Systems Disruption would be deleted and replaced with “Participant System Disruption,” which would have been defined as, “the actual or reasonably anticipated unauthorized access to, or unavailability, failure, malfunction, overload, corruption, or restriction (whether partial or total) of one or more systems of a DTCC Systems Participant.”¹⁷

In consideration of the comments raised by SIFMA,¹⁸ and after further review of the proposed definition, the Clearing Agencies believe that the proposed definition of Participant System Disruption could be interpreted too broadly. The proposed definition is intended to capture only disruptions to systems connected to DTCC Systems, whether via a direct connection from the Respective Participant or through the Respective Participant’s third-party service provider. It is not intended to capture every disruption to every system of the Respective Participant or its provider. Therefore, the Clearing Agencies propose to amend the proposed definition to a narrower list of “incidents” and explicitly state that the systems in scope are only those “connected to DTCC Systems.” Specifically, the amended definition of Participant System Disruption would read, “an incident resulting from the unintended or unauthorized access to, or the malfunction or corruption (whether partial or total) of one or more systems, of a DTCC Systems Participant or its Third-Party Provider, connected to DTCC Systems.”

Third-Party Cybersecurity Firm – The Original Proposal proposed to add the definition “Third-Party Cybersecurity Firm” to the Disruption Rules to mean, “a firm that, in [the Clearing Agencies’] reasonable judgement, (A) (i) is well-known and reputable; (ii) is not affiliated with DTCC, [the Clearing Agencies], an Affiliate of DTCC or [the Clearing Agencies], a DTCC Systems Participant, or an Affiliate of a DTCC Systems Participant; (iii) specializes in financial-sector cybersecurity; and (iv) employs Best Practices; or (B) is otherwise determined to be a Third-Party Cybersecurity Firm by [the Clearing Agencies].”¹⁹

In consideration of the comments raised by SIFMA,²⁰ and after further review of the proposed definition, the Clearing Agencies believe that the “not affiliated with” language and the

¹⁶ Disruption Rules, supra note 3, Section 1.

¹⁷ Original Filings, supra note 2.

¹⁸ SIFMA Letter, supra note 5, at 2-4.

¹⁹ Original Filings, supra note 2.

²⁰ SIFMA Letter, supra note 5, at 4-5.

“specializes” term in the definition could be clearer and simpler. Accordingly, the Clearing Agencies propose to amend the definition of Third-Party Cybersecurity Firm to (i) remove the proposed “not affiliated with” language and, instead, simply state that the Third-Party Cybersecurity Firm cannot be the subject DTCC Systems Participant, an Affiliate thereof, or a Third-Party Provider thereof; and (ii) replace “specialized” with “experienced,” a more objective standard.

Third-Party Provider – The Original Proposal did not include a separate defined term to cover Affiliates of Respective Participants, third-party service providers, service bureaus, or other similar entities that connect to DTCC Systems on behalf of or for the benefit of the Respective Participant. Rather, the Original Proposal attempted to capture such entities and such connectivity via the proposed DTCC Systems Participant definition.²¹

In consideration of the comments raised by SIFMA, generally,²² and after further review of how the DTCC Systems Participant definition worked throughout the Disruption Rules, the Clearing Agencies believe a new, separate defined term would be clearer, simpler, and better capture the intended purpose (i.e., to cover a DTCC Systems Participant’s third-party connections). Therefore, the Clearing Agencies propose to add the definition “Third-Party Provider,” which would mean, “an Affiliate of any [Respective Participant], or a third-party service provider, service bureau or other similar entity, that connects to DTCC Systems on behalf of or for the benefit of a DTCC Systems Participant.”

This proposed amendment also would work to accommodate the proposed amendments to the definitions of DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, described above. Additionally, with this amendment and the proposed amendment to the definition of DTCC System Participant, the Respective Participants would be the sole the responsible parties under the Disruption Rules, whether they connect directly or indirectly to DTCC Systems. As such, the Clearing Agencies propose to amend Section 7(e) of the Disruption Rules in the Original Proposal to remove language that was originally proposed to cover entities that may not be Respective Participants.²³

2. Notice and Reporting Amendments

Section 2(a) of the Disruption Rules in the Original Proposal required, in part, a DTCC Systems Participant experiencing a Participant System Disruption to notify the applicable Clearing Agency of the disruption “on behalf of itself and any Affiliate of the DTCC Systems Participant....”²⁴ It also required in Section 2(b) that a DTCC Systems Participant that had “actual knowledge that an unaffiliated DTCC Systems Participant [was] experiencing a

²¹ Original Filings, supra note 2.

²² SIFMA Letter, supra note 5.

²³ Original Filings, supra note 2.

²⁴ Id.

Participant System Disruption” to notify the applicable Clearing Agency, if legally permitted to do so.²⁵

In consideration of the comments raised by SIFMA,²⁶ and after further review of those proposed requirements, the Clearing Agencies no longer believe that the proposed “and any Affiliate” language in Section 2(a) and the entire language in Section 2(b) are needed. Rather, the Clearing Agencies believe that the intended purpose of those requirements (i.e., to cover a DTCC Systems Participant’s third-party connections) is now better addressed with the proposed definitional amendments described above. Therefore, the Clearing Agencies propose to amend Section 2(a) by removing the “and any Affiliate” language, and Section 2(b) by removing it completely. As such, proposed Section 2(c) would now become proposed Section 2(b) and certain reference language would be updated accordingly.

Section 2(c) of the Disruption Rules in the Original Proposal, which would now be amended Section 2(b), as noted immediately above, proposes a list of information to be reported to the applicable Clearing Agency, by the DTCC Systems Participant, regarding the Participant System Disruption.²⁷ With this Amendment No. 1, the Clearing Agencies propose some technical changes to simplify the originally proposed language and clarify the information requested in the proposed Contact Information and Scope subsections. Additionally, in consideration of the comments raised by SIFMA,²⁸ and after further review of the proposed requirements, the Clearing Agencies propose to amend the Notice subsection to only request notices and other information regarding the Participant System Disruption that has been made “public.” Although the originally proposed language did limit the request to only notices and information that could be provided legally, the scope of the language was arguably too broad, which the proposed amendment now addresses.

3. *Third-Party Cybersecurity Firm Report Amendment*

Section 5 of the Disruption Rules in the Original Proposal required, in part, that prior to reestablishing connectivity to DTCC Systems pursuant to the Disruption Rules, the subject DTCC Systems Participant must provide the applicable Clearing Agency with a detailed, comprehensive, and auditable report from a Third-Party Cybersecurity Firm.²⁹ In consideration of the comments raised by SIFMA,³⁰ and after further review of the proposed requirements, the Clearing Agencies propose to amend that requirement to also allow a “summary” of such report, in lieu of providing the report itself, in order to alleviate concerns about potentially providing the

²⁵ Id.

²⁶ SIFMA Letter, supra note 5, at 6.

²⁷ Original Filings, supra note 2.

²⁸ SIFMA Letter, supra note 5, at 7.

²⁹ Original Filings, supra note 2.

³⁰ SIFMA Letter, supra note 5, at 8-9.

Clearing Agencies with material, non-public information, notwithstanding the fact that the Clearing Agencies would need to maintain any confidential information accordingly pursuant to their existing rules.³¹

4. *Technical, Ministerial, and Other Conforming and Clarifying Amendments*

Based on the proposed amendments described above, and after further review of the overall language of the Original Proposal, the Clearing Agencies propose to make a handful of technical, ministerial, and other conforming and clarifying amendments, such as removing unneeded terms, updating terms, modifying language, and reorganizing sentence structure.

(b) Statutory Basis

The Clearing Agencies believe that the proposed amendments in this Amendment No. 1 are consistent with the requirements of the Securities Exchange Act of 1934 (“Act”) and the rules and regulations thereunder applicable to each of the Clearing Agencies. In particular, the Clearing Agencies believe that the proposed amendments are consistent with Section 17A(b)(3)(F) of the Act³² and Rule 17ad-22(e)(17)(i) promulgated under the Act,³³ as described below.

Consistency with Section 17A(b)(3)(F)

Section 17A(b)(3)(F) of the Act³⁴ requires, in part, that the rules of the Clearing Agencies be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to assure the safeguarding of securities and funds which are in the custody or control of the Clearing Agencies or for which they are responsible.

As described above, the Clearing Agencies are filing this Amendment No. 1 to (i) amend the definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments.

The Clearing Agencies believe that these proposed amendments would improve Respective Participants’ ability to understand and comply with the overall proposed changes to

³¹ DTC Rule 2, Section 1; NSCC Rule 2A, Sec. 1.C; FICC-GSD Rule 2A, Section 5; FICC-MBSD Rule 2A, Section 6, available at <https://www.dtcc.com/legal/rules-and-procedures>.

³² 15 U.S.C. 78q-1(b)(3)(F).

³³ 17 CFR 240.17ad-22(e)(17)(i).

³⁴ 15 U.S.C. 78q-1(b)(3)(F).

the Disruption Rules because the amendments simplify and clarify the Original Proposal and are primarily in response to Respective Participants' concerns outlined in the SIFMA Letter. By improving compliance with the Disruption Rules, the Clearing Agencies would be better positioned to identify a Participant System Disruption and then take action because of such disruption, as needed. In other words, the proposed amendments help mitigate risk and better protect the Clearing Agencies, their Respective Participants, and the industry more broadly from a Major System Event. By helping to mitigate risk and better protect those parties, the Clearing Agencies would be better situated to promote the prompt and accurate clearance and settlement of securities transactions and better safeguard securities and funds that are in their custody or control, consistent with Section 17A(b)(3)(F) of the Act.³⁵

Consistency with Rule 17ad-22(e)(17)(i)

Rule 17ad-22(e)(17)(i) promulgated under the Act³⁶ requires that the Clearing Agencies establish, implement, maintain, and enforce written policies and procedures reasonably designed to manage operational risks by identifying plausible sources of operational risk, both internal and external, and mitigating their impact through the use of appropriate systems, policies, procedures, and controls.

The Clearing Agencies are filing this Amendment No. 1 to (i) amend the definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments, each of which were described above.

By providing greater clarity and simplicity in the definitions of the parties that are the subject of the Disruption Rules, and also clarifying and simplifying what information needs to be reported to the Clearing Agencies in the event of a Participant System Disruption or a DTCC Systems Participant looking to reconnect to DTCC Systems, this Amendment No. 1 would improve the Clearing Agencies' ability to identify and collect information about applicable disruptions experienced by the entities connected to DTCC Systems, whether the Respective Participant is connected directly or indirectly via a Third-Party Provider. With better information, the Clearing Agencies could react more quickly and effectively to the disruption, in protection of their systems, as well as the systems of other entities connected to the Clearing Agencies. Therefore, these amendments better position the Clearing Agencies to identify and address operational risk presented by a Participant System Disruption, consistent with the requirements of Rule 17ad-22(e)(17)(i) promulgated under the Act.³⁷

³⁵ Id.

³⁶ 17 CFR 240.17ad-22(e)(17)(i).

³⁷ Id.

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

The Clearing Agencies do not believe the proposed amendments in this Amendment No. 1 would have any impact on competition because they are only simplifying, clarifying, and improving definitions; limiting notice and reporting requirements; allowing for the submission of a summary report; and making a handful of technical, ministerial, and other conforming and clarifying amendments overall, which the Clearing Agencies do not believe would have any effect on a Respective Participant's competitive position.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Clearing Agencies have not received or solicited any written comments relating to this Amendment No. 1. If any written comments are received, the Clearing Agencies will amend their respective filings to publicly file such comments as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting written 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 <https://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.

The Clearing Agencies reserve the right to not respond to any comments received.

6. Extension of Time Period for Commission Action

The Clearing Agencies do not consent to an extension of the time period specified in Section 19(b)(2) of the Act³⁸ 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.

³⁸ 15 U.S.C. 78s(b)(2).

(c) Not applicable.

(d) Not applicable.

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

While this Amendment No. 1 is not based on the rules of another self-regulatory organization or of the Commission, the Clearing Agencies have each filed similar amendments concurrently.

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.

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 – Marked comparison between Original Proposal and Amendment No. 1.

Exhibit 5 – Proposed changes to the Disruption Rule.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[____]; File No. SR-DTC-2025-003)

[DATE]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of
Amendment No. 1 to Proposed Rule Change Relating to a Participant System Disruption

On March 14, 2025, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-DTC-2025-003 (“Filing”) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder.² The Filing was published for comment in the Federal Register on March 27, 2025. Notice is hereby given that on June __, 2025, DTC filed with the Commission Amendment No. 1 to the Filing (“Amendment No. 1”) as described in Items I and II below, which Items have been prepared by DTC. The Commission is publishing this notice to solicit comments on this Amendment No. 1 from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

DTC, along with its two affiliate clearing agencies, Fixed Income Clearing Corporation (“FICC”) and National Securities Clearing Corporation (“NSCC,” and together with DTC and FICC, the “Clearing Agencies,” or “Clearing Agency” when referring to one of any of the three Clearing Agencies)³ each filed with the Commission

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Clearing Agencies are each a subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC operates on a shared service model with respect to the Clearing Agencies. Most corporate functions are established and managed on

substantively similar proposals (“Original Proposal”)⁴ to amend their respective rules currently titled Systems Disconnect: Threat of Significant Impact to the Corporation’s Systems.⁵ Each respective filing was written from the perspective of the Clearing Agencies, collectively, instead of DTC, FICC, and NSCC individually, but application of the proposed rule changes would only apply to the DTCC Systems Participant (as defined below) of the corresponding Clearing Agency or Clearing Agencies.⁶

On April 17, 2025, the Securities Industry and Financial Markets Association (“SIFMA”) submitted a comment letter to the Original Proposal (“SIFMA Letter”).⁷

an enterprise-wide basis pursuant to intercompany agreements under which it is generally DTCC that provides relevant services to the Clearing Agencies.

⁴ Securities Exchange Act Release Nos. 102711 (Mar. 21, 2025), 90 FR 13926 (Mar. 27, 2025) (SR-NSCC-2025-003); 102713 (Mar. 21, 2025), 90 FR 13942 (Mar. 27, 2025) (SR-FICC-2025-006); and 102712 (Mar. 21, 2025), 90 FR 13919 (Mar. 27, 2025) (SR-DTC-2025-003) (collectively, “Original Filings”).

⁵ Rule 60A of the NSCC Rules & Procedures (“NSCC Rules”), Rule 50A of the FICC Government Securities Division (“FICC-GSD”) Rulebook (“FICC-GSD Rules”), Rule 40A of the FICC Mortgage-Backed Securities Division (“FICC-MBSD”) Clearing Rules (“FICC-MBSD Rules”), and Rule 38(A) of the Rules, By-Laws and Organization Certificate of DTC (“DTC Rules”) (collectively, the “Disruption Rules”), available at <https://www.dtcc.com/legal/rules-and-procedures>.

⁶ Capitalized terms not otherwise defined herein have the meaning as set forth in the respective rules of the Clearing Agencies, available at <https://www.dtcc.com/legal/rules-and-procedures>, or in the Original Filings, supra note 4.

⁷ Letter from Stephen Byron, Managing Director, Head of Operations, Technology, Cyber & BCP, SIFMA (Apr. 17, 2025). SIFMA also submitted an earlier, two-page letter, on April 16, 2025, requesting additional time to submit a comment letter to the Original Proposal and highlighting some potential concerns that were then covered in the follow-up SIFMA Letter. Letter from Stephen Byron, Managing Director, Head of Operations, Technology, Cyber & BCP, SIFMA (Apr. 16, 2025).

Based on comments made in the SIFMA Letter and further review of the Original Proposal, the Clearing Agencies are now filing this Amendment No. 1.

This Amendment No. 1 would modify the Original Proposal by (i) amending the proposed definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and proposing to add Third-Party Provider as a new defined term; (ii) simplifying the notification requirements and requested details of a Participant System Disruption; (iii) allowing for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) making technical, ministerial, and other conforming and clarifying changes.

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

On March 14, 2025, the Clearing Agencies each filed the Original Proposal⁸ to amend their respective rules currently titled Systems Disconnect: Threat of Significant Impact to the Corporation's Systems. Each respective filing was written from the

⁸ Original Filings, supra note 4.

perspective of the Clearing Agencies, collectively, instead of DTC, FICC, and NSCC individually, but application of the proposed rule changes would only apply to the DTCC Systems Participant of the corresponding Clearing Agency or Clearing Agencies.

On April 17, 2025, SIFMA submitted the SIFMA Letter.⁹ Based on comments made in the SIFMA Letter and further review of the Original Proposal, the Clearing Agencies are now filing this Amendment No. 1.

This Amendment No. 1 would modify the Original Proposal by (i) amending the proposed definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and proposing to add Third-Party Provider as a new defined term; (ii) simplifying the notification requirements and requested details of a Participant System Disruption; (iii) allowing for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) making technical, ministerial, and other conforming and clarifying changes, as discussed below.

Current Disruption Rules & Original Proposal

The Clearing Agencies' current Disruption Rules contain provisions identifying the events or circumstances that would be considered a Major Event.¹⁰ During the pendency of a Major Event, the Disruption Rules authorize the Clearing Agencies to take certain actions, within a prescribed governance framework, to mitigate the effect of the

⁹ SIFMA Letter, supra note 7.

¹⁰ “Major Event” is currently defined in the Disruption Rules as, “the happening of one or more System Disruption(s) that is reasonably likely to have a significant impact on the Corporation’s operations, including the DTCC Systems, that affect the business, operations, safeguarding of securities or funds, or physical functions of the Corporation, [Respective Participants] and/or other market participants.” Disruption Rules, supra note 5, Section 1.

Major Event on the Clearing Agencies, their respective members or participants as defined in the respective rules of the applicable Clearing Agency (hereinafter, “Respective Participants”),¹¹ their Affiliates, and the industry more broadly.¹²

The Original Proposal proposed to and would continue to (i) update and add definitions used throughout the Disruption Rules; (ii) update the provisions and governance for declaring a Major Event (which would be redefined as a Major System Event¹³); (iii) clarify and enhance the requirements of the DTCC Systems Participant, as amended below, to notify the Clearing Agencies of a Systems Disruption (which would be redefined as a Participant System Disruption, as amended below); (iv) add provisions incorporating the reporting, testing, and approval requirements, process, legal obligations, and governance necessary for “reconnection” (as defined by the Original Proposal)¹⁴ of a

¹¹ Under the current Disruption Rules, Respective Participants for NSCC are Members and Limited Members; for DTC, Participants; for FICC-GSD and FICC-MBSD, Members. Disruption Rules, supra note 5, Section 1. Under the Original Proposal, Respective Participants for NSCC will be Members, Limited Members, and Sponsored Members; for DTC, Participants, Limited Participants, and Pledgees; for FICC-GSD, Netting Members, CCIT Members, Comparison Only Members, and Funds-Only Settling Bank Members; and for FICC-MBSD, Members, Clearing Members, and Cash Settling Bank Members. Original Filings, supra note 4.

¹² See Disruption Rules, supra note 5, Section 1.

¹³ Pursuant to this proposed rule change, Major Event would be deleted and replaced with “Major System Event,” to be defined as, “a Participant System Disruption that has or is reasonably anticipated to, for example, disrupt, degrade, cause a delay in, interrupt or otherwise alter the normal operation of DTCC Systems; result in unauthorized access to DTCC Systems; result in the loss of control of, disclosure of, or loss of DTCC Confidential Information; or cause a strain on, loss of, or overall threat to the Corporation’s resources, functions, security or operations.”

¹⁴ Pursuant to the Original Proposal, “Reconnection” would be defined as the reestablishment of connectivity between DTCC Systems and the DTCC Systems

DTCC Systems Participant that was “disconnected” from DTCC Systems¹⁵ pursuant to a Disruption Rule; and (v) make technical, ministerial, and other conforming and clarifying changes, including updating the name of the Disruption Rules.¹⁶ Other than the below described amendments proposed in this Amendment No. 1, the proposed changes of the Original Proposal remain.

Proposed Amendments

As noted above, based on comments raised in the SIFMA Letter and further review of the Original Proposal, the Clearing Agencies are filing this Amendment No. 1 to (i) amend the proposed definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-

Participant that was the subject of action taken pursuant to a Disruption Rule. Original Filings, supra note 4.

¹⁵ “DTCC Systems” is currently defined in the Disruption Rules as, “the systems, equipment and technology networks of DTCC, the Corporation and/or their Affiliates, whether owned, leased, or licensed, software, devices, IP addresses, or other addresses or accounts used in connection with providing the services set forth in the Rules, or used to transact business or to manage the connection with the Corporation.” Disruption Rules, supra note 5, Section 1. Pursuant to the Original Proposal, the definition would be updated to mean “the systems, equipment and technology networks of DTCC, the Corporation and/or any Affiliates of DTCC or the Corporation, whether owned, leased, or licensed, and including software, hardware, applications, devices, IP addresses, or other addresses or accounts used in connection with such systems, equipment and technology networks, to provide the services set forth in these [Rules & Procedures/Rules and the Procedures/Rules], or otherwise used to transact business or connect with DTCC, the Corporation, or any Affiliates of DTCC or the Corporation.” Original Filings, supra note 4.

¹⁶ Original Filings, supra note 4 (providing specifics of each proposed change of the Original Proposal).

Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments, as described below.

1. Definitional Amendments

DTCC Systems Participant – “DTCC Systems Participant” is currently defined in Section 1 of the Disruption Rules as, “a [Respective Participant], or third party service provider, or service bureau that is connecting with the DTCC Systems.”¹⁷ Pursuant to the Original Proposal, DTCC Systems Participant would have been redefined in the Disruption Rules as, “(A) any [Respective Participant], or an Affiliate of any [Respective Participant], that directly or indirectly connects with DTCC Systems; or (B) any third-party service provider, service bureau, or other similar entity that directly or indirectly connects with DTCC Systems on behalf of or for the benefit of any [Respective Participant], or an Affiliate of any [Respective Participant].”¹⁸

In consideration of the comments raised by SIFMA, generally,¹⁹ and after further review of the proposed definition, the Clearing Agencies believe that the proposed definition of DTCC Systems Participant could be drafted differently to better reflect the entities that the definition is intended to cover (i.e., Respective Participants connected to DTCC Systems directly and third-party service providers connected to DTCC Systems on behalf of or for the benefit of Respective Participants). Therefore, the Clearing Agencies propose to amend the proposed definition to simply state that a DTCC Systems

¹⁷ Disruption Rules, supra note 5, Section 1.

¹⁸ Original Filings, supra note 4.

¹⁹ SIFMA Letter, supra note 7.

Participant is “any [Respective Participant] that connects with DTCC Systems either directly or indirectly via a Third-Party Provider.”

Systems Disruption/Participant System Disruption – “Systems Disruption” is currently defined in Section 1 of the Disruption Rules as, “the unavailability, failure, malfunction, overload, or restriction (whether partial or total) of a DTCC Systems Participant’s systems that disrupts or degrades the normal operation of such DTCC Systems Participant’s systems; or anything that impacts or alters the normal communication, or the files that are received, or information transmitted, to or from the DTCC Systems.”²⁰ Pursuant to the Original Proposal, Systems Disruption would be deleted and replaced with “Participant System Disruption,” which would have been defined as, “the actual or reasonably anticipated unauthorized access to, or unavailability, failure, malfunction, overload, corruption, or restriction (whether partial or total) of one or more systems of a DTCC Systems Participant.”²¹

In consideration of the comments raised by SIFMA,²² and after further review of the proposed definition, the Clearing Agencies believe that the proposed definition of Participant System Disruption could be interpreted too broadly. The proposed definition is intended to capture only disruptions to systems connected to DTCC Systems, whether via a direct connection from the Respective Participant or through the Respective Participant’s third-party service provider. It is not intended to capture every disruption to every system of the Respective Participant or its provider. Therefore, the Clearing

²⁰ Disruption Rules, supra note 5, Section 1.

²¹ Original Filings, supra note 4.

²² SIFMA Letter, supra note 7, at 2-4.

Agencies propose to amend the proposed definition to a narrower list of “incidents” and explicitly state that the systems in scope are only those “connected to DTCC Systems.” Specifically, the amended definition of Participant System Disruption would read, “an incident resulting from the unintended or unauthorized access to, or the malfunction or corruption (whether partial or total) of one or more systems, of a DTCC Systems Participant or its Third-Party Provider, connected to DTCC Systems.”

Third-Party Cybersecurity Firm – The Original Proposal proposed to add the definition “Third-Party Cybersecurity Firm” to the Disruption Rules to mean, “a firm that, in [the Clearing Agencies’] reasonable judgement, (A) (i) is well-known and reputable; (ii) is not affiliated with DTCC, [the Clearing Agencies], an Affiliate of DTCC or [the Clearing Agencies], a DTCC Systems Participant, or an Affiliate of a DTCC Systems Participant; (iii) specializes in financial-sector cybersecurity; and (iv) employs Best Practices; or (B) is otherwise determined to be a Third-Party Cybersecurity Firm by [the Clearing Agencies].”²³

In consideration of the comments raised by SIFMA,²⁴ and after further review of the proposed definition, the Clearing Agencies believe that the “not affiliated with” language and the “specializes” term in the definition could be clearer and simpler. Accordingly, the Clearing Agencies propose to amend the definition of Third-Party Cybersecurity Firm to (i) remove the proposed “not affiliated with” language and, instead, simply state that the Third-Party Cybersecurity Firm cannot be the subject DTCC

²³ Original Filings, supra note 4.

²⁴ SIFMA Letter, supra note 7, at 4-5.

Systems Participant, an Affiliate thereof, or a Third-Party Provider thereof; and (ii) replace “specialized” with “experienced,” a more objective standard.

Third-Party Provider – The Original Proposal did not include a separate defined term to cover Affiliates of Respective Participants, third-party service providers, service bureaus, or other similar entities that connect to DTCC Systems on behalf of or for the benefit of the Respective Participant. Rather, the Original Proposal attempted to capture such entities and such connectivity via the proposed DTCC Systems Participant definition.²⁵

In consideration of the comments raised by SIFMA, generally,²⁶ and after further review of how the DTCC Systems Participant definition worked throughout the Disruption Rules, the Clearing Agencies believe a new, separate defined term would be clearer, simpler, and better capture the intended purpose (i.e., to cover a DTCC Systems Participant’s third-party connections). Therefore, the Clearing Agencies propose to add the definition “Third-Party Provider,” which would mean, “an Affiliate of any [Respective Participant], or a third-party service provider, service bureau or other similar entity, that connects to DTCC Systems on behalf of or for the benefit of a DTCC Systems Participant.”

This proposed amendment also would work to accommodate the proposed amendments to the definitions of DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, described above. Additionally, with this amendment and the proposed amendment to the definition of DTCC System Participant,

²⁵ Original Filings, supra note 4.

²⁶ SIFMA Letter, supra note 7.

the Respective Participants would be the sole the responsible parties under the Disruption Rules, whether they connect directly or indirectly to DTCC Systems. As such, the Clearing Agencies propose to amend Section 7(e) of the Disruption Rules in the Original Proposal to remove language that was originally proposed to cover entities that may not be Respective Participants.²⁷

2. Notice and Reporting Amendments

Section 2(a) of the Disruption Rules in the Original Proposal required, in part, a DTCC Systems Participant experiencing a Participant System Disruption to notify the applicable Clearing Agency of the disruption “on behalf of itself and any Affiliate of the DTCC Systems Participant....”²⁸ It also required in Section 2(b) that a DTCC Systems Participant that had “actual knowledge that an unaffiliated DTCC Systems Participant [was] experiencing a Participant System Disruption” to notify the applicable Clearing Agency, if legally permitted to do so.²⁹

In consideration of the comments raised by SIFMA,³⁰ and after further review of those proposed requirements, the Clearing Agencies no longer believe that the proposed “and any Affiliate” language in Section 2(a) and the entire language in Section 2(b) are needed. Rather, the Clearing Agencies believe that the intended purpose of those requirements (i.e., to cover a DTCC Systems Participant’s third-party connections) is now better addressed with the proposed definitional amendments described above.

²⁷ Original Filings, supra note 4.

²⁸ Id.

²⁹ Id.

³⁰ SIFMA Letter, supra note 7, at 6.

Therefore, the Clearing Agencies propose to amend Section 2(a) by removing the “and any Affiliate” language, and Section 2(b) by removing it completely. As such, proposed Section 2(c) would now become proposed Section 2(b) and certain reference language would be updated accordingly.

Section 2(c) of the Disruption Rules in the Original Proposal, which would now be amended Section 2(b), as noted immediately above, proposes a list of information to be reported to the applicable Clearing Agency, by the DTCC Systems Participant, regarding the Participant System Disruption.³¹ With this Amendment No. 1, the Clearing Agencies propose some technical changes to simplify the originally proposed language and clarify the information requested in the proposed Contact Information and Scope subsections. Additionally, in consideration of the comments raised by SIFMA,³² and after further review of the proposed requirements, the Clearing Agencies propose to amend the Notice subsection to only request notices and other information regarding the Participant System Disruption that has been made “public.” Although the originally proposed language did limit the request to only notices and information that could be provided legally, the scope of the language was arguably too broad, which the proposed amendment now addresses.

3. Third-Party Cybersecurity Firm Report Amendment

Section 5 of the Disruption Rules in the Original Proposal required, in part, that prior to reestablishing connectivity to DTCC Systems pursuant to the Disruption Rules, the subject DTCC Systems Participant must provide the applicable Clearing Agency with

³¹ Original Filings, supra note 4.

³² SIFMA Letter, supra note 7, at 7.

a detailed, comprehensive, and auditable report from a Third-Party Cybersecurity Firm.³³ In consideration of the comments raised by SIFMA,³⁴ and after further review of the proposed requirements, the Clearing Agencies propose to amend that requirement to also allow a “summary” of such report, in lieu of providing the report itself, in order to alleviate concerns about potentially providing the Clearing Agencies with material, non-public information, notwithstanding the fact that the Clearing Agencies would need to maintain any confidential information accordingly pursuant to their existing rules.³⁵

4. *Technical, Ministerial, and Other Conforming and Clarifying Amendments*

Based on the proposed amendments described above, and after further review of the overall language of the Original Proposal, the Clearing Agencies propose to make a handful of technical, ministerial, and other conforming and clarifying amendments, such as removing unneeded terms, updating terms, modifying language, and reorganizing sentence structure.

2. Statutory Basis

The Clearing Agencies believe that the proposed amendments in this Amendment No. 1 are consistent with the requirements of the Act and the rules and regulations thereunder applicable to each of the Clearing Agencies. In particular, the Clearing

³³ Original Filings, supra note 4.

³⁴ SIFMA Letter, supra note 7, at 8-9.

³⁵ DTC Rule 2, Section 1; NSCC Rule 2A, Sec. 1.C; FICC-GSD Rule 2A, Section 5; FICC-MBSD Rule 2A, Section 6, available at <https://www.dtcc.com/legal/rules-and-procedures>.

Agencies believe that the proposed amendments are consistent with Section 17A(b)(3)(F) of the Act³⁶ and Rule 17ad-22(e)(17)(i) promulgated under the Act,³⁷ as described below.

Consistency with Section 17A(b)(3)(F)

Section 17A(b)(3)(F) of the Act³⁸ requires, in part, that the rules of the Clearing Agencies be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to assure the safeguarding of securities and funds which are in the custody or control of the Clearing Agencies or for which they are responsible.

As described above, the Clearing Agencies are filing this Amendment No. 1 to (i) amend the definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments.

The Clearing Agencies believe that these proposed amendments would improve Respective Participants' ability to understand and comply with the overall proposed changes to the Disruption Rules because the amendments simplify and clarify the Original Proposal and are primarily in response to Respective Participants' concerns outlined in the SIFMA Letter. By improving compliance with the Disruption Rules, the Clearing Agencies would be better positioned to identify a Participant System Disruption

³⁶ 15 U.S.C. 78q-1(b)(3)(F).

³⁷ 17 CFR 240.17ad-22(e)(17)(i).

³⁸ 15 U.S.C. 78q-1(b)(3)(F).

and then take action because of such disruption, as needed. In other words, the proposed amendments help mitigate risk and better protect the Clearing Agencies, their Respective Participants, and the industry more broadly from a Major System Event. By helping to mitigate risk and better protect those parties, the Clearing Agencies would be better situated to promote the prompt and accurate clearance and settlement of securities transactions and better safeguard securities and funds that are in their custody or control, consistent with Section 17A(b)(3)(F) of the Act.³⁹

Consistency with Rule 17ad-22(e)(17)(i)

Rule 17ad-22(e)(17)(i) promulgated under the Act⁴⁰ requires that the Clearing Agencies establish, implement, maintain, and enforce written policies and procedures reasonably designed to manage operational risks by identifying plausible sources of operational risk, both internal and external, and mitigating their impact through the use of appropriate systems, policies, procedures, and controls.

The Clearing Agencies are filing this Amendment No. 1 to (i) amend the definitions for DTCC Systems Participant, Participant System Disruption, and Third-Party Cybersecurity Firm, and to add Third-Party Provider as a new defined term; (ii) simplify the notification requirements and reporting details of a Participant System Disruption; (iii) allow for the submission of a summary of the Third-Party Cybersecurity Firm report, in lieu of the report itself; and (iv) make technical, ministerial, and other conforming and clarifying amendments, each of which were described above.

³⁹ Id.

⁴⁰ 17 CFR 240.17ad-22(e)(17)(i).

By providing greater clarity and simplicity in the definitions of the parties that are the subject of the Disruption Rules, and also clarifying and simplifying what information needs to be reported to the Clearing Agencies in the event of a Participant System Disruption or a DTCC Systems Participant looking to reconnect to DTCC Systems, this Amendment No. 1 would improve the Clearing Agencies' ability to identify and collect information about applicable disruptions experienced by the entities connected to DTCC Systems, whether the Respective Participant is connected directly or indirectly via a Third-Party Provider. With better information, the Clearing Agencies could react more quickly and effectively to the disruption, in protection of their systems, as well as the systems of other entities connected to the Clearing Agencies. Therefore, these amendments better position the Clearing Agencies to identify and address operational risk presented by a Participant System Disruption, consistent with the requirements of Rule 17ad-22(e)(17)(i) promulgated under the Act.⁴¹

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

The Clearing Agencies do not believe the proposed amendments in this Amendment No. 1 would have any impact on competition because they are only simplifying, clarifying, and improving definitions; limiting notice and reporting requirements; allowing for the submission of a summary report; and making a handful of technical, ministerial, and other conforming and clarifying amendments overall, which the Clearing Agencies do not believe would have any effect on a Respective Participant's competitive position.

⁴¹ Id.

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

The Clearing Agencies have not received or solicited any written comments relating to this Amendment No. 1. If any written comments are received, the Clearing Agencies will amend their respective filings to publicly file such comments as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting written 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 <https://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.

The Clearing Agencies reserve 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
(<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-DTC-2025-003 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-2025-003. 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 (<http://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-2025-003 and should be submitted on or before [insert date 21 days after publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴²

Secretary

⁴² 17 CFR 200.30-3(a)(12).

EXHIBIT 4

Bold and underlined text indicates proposed added language.

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

Bold, underlined, blue highlighted black text represents language proposed to be added by this Amendment No. 1.

~~Bold, strikethrough, blue highlighted black text~~ represents language in the current rule that is now being proposed to be deleted by this Amendment No. 1.

~~Bold, strikethrough, blue highlighted red text~~ represents initially proposed language that is no longer being proposed and is now being deleted by this Amendment No. 1.

**RULES, BY-LAWS AND ORGANIZATION CERTIFICATE OF
THE DEPOSITORY TRUST COMPANY**

RULE 38(A)

SYSTEMS DISCONNECT: THREAT OF SIGNIFICANT IMPACT TO THE CORPORATION'S SYSTEMS PARTICIPANT SYSTEM DISRUPTION

Section 1. **Major Event Definitions**

For purposes of this Rule **38(A)**, the following terms shall have the following meanings:

“Affiliate” means a Person that controls or is controlled by or is under common control with another Person. Control of a Person means the direct or indirect ownership, or power to vote more than 50% of any class of the voting securities or other voting interests of such Person.

“Best Practices” means policies, procedures, practices or similar standards and guidelines that are reasonably designed and consistent with then current financial-sector cybersecurity standards issued by an authoritative body that is a U.S. governmental entity or agency, an association of a U.S. governmental entity or agency, or a widely recognized industry organization.

“DTCC Systems” means the systems, equipment and technology networks of DTCC, the Corporation and/or ~~their~~ **any Affiliates of DTCC or the Corporation**, whether owned, leased, or licensed, **and including** software, **hardware, applications**, devices, IP addresses, or other addresses or accounts used in connection with **such systems, equipment and technology networks, to provide**ing the services set forth in ~~these the~~ Rules **and the Procedures**, or **otherwise** used to transact business or ~~to manage the connection connect~~ with **DTCC**, the Corporation, **or any Affiliates of DTCC or the Corporation**.

“DTCC Systems Participant” means ~~(A) any Participant, Limited Participant, or Pledgee, or an Affiliate of any Participant, Limited Participant, or Pledgee, that directly or indirectly connects with DTCC Systems; or (B) any third party service provider, or service bureau, or other similar entity that is directly connecting or indirectly connects with the DTCC Systems on behalf of or for the benefit of any Participant, Limited Participant, Pledgee, or an Affiliate of any Participant, Limited Participant, or Pledgee that connects with DTCC Systems either directly or indirectly via a Third-Party Provider.~~ **(A) any Participant, Limited Participant, or Pledgee, or an Affiliate of any Participant, Limited Participant, or Pledgee, that directly or indirectly connects with DTCC Systems; or (B) any third party service provider, or service bureau, or other similar entity that is directly connecting or indirectly connects with the DTCC Systems on behalf of or for the benefit of any Participant, Limited Participant, Pledgee, or an Affiliate of any Participant, Limited Participant, or Pledgee that connects with DTCC Systems either directly or indirectly via a Third-Party Provider.**

~~“Major Event” means the happening of one or more Systems Disruption(s) that is reasonably likely to have a significant impact on the Corporation’s operations, including the DTCC Systems, that affect the business, operations, safeguarding of securities or funds, or physical functions of the Corporation, Participants and/or other market participants.~~

“Major System Event” means a Participant System Disruption that has or is reasonably anticipated to, for example, disrupt, degrade, cause a delay in, interrupt or otherwise alter the normal operation of DTCC Systems; result in unauthorized access to DTCC Systems; result in the loss of control of, disclosure of, or loss of DTCC Confidential Information; or cause a strain on, loss of, or overall threat to the Corporation’s resources, functions, security or operations.

“Participant System Disruption” means an incident resulting from the actual or reasonably anticipated unintended or unauthorized access to, or unavailability, failure, the malfunction or ,overload, corruption, or restriction (whether partial or total) of one or more systems, of a DTCC Systems Participant or its Third-Party Provider, connected to DTCC Systems.

~~“Systems Disruption” means the unavailability, failure, malfunction, overload, or restriction (whether partial or total) of a DTCC Systems Participant’s systems that disrupts or degrades the normal operation of such DTCC Systems Participant’s systems; or anything that impacts or alters the normal communication, or the files that are received, or information transmitted, to or from the DTCC Systems.~~

“Third-Party Cybersecurity Firm” means a firm that, in the Corporation’s reasonable judgement, (A) (i) is well-known and reputable; (ii) is not affiliated with DTCC, the Corporation, an Affiliate of DTCC or the Corporation, a DTCC Systems Participant, or an Affiliate of a the subject DTCC Systems Participant, or an Affiliate or a Third-Party Provider of the subject DTCC Systems Participant; (iii) specializes is experienced in financial-sector cybersecurity; and (iv) employs Best Practices; or (B) is otherwise determined to be a Third-Party Cybersecurity Firm by the Corporation.

“Third-Party Provider” means an Affiliate of any Member, Limited Member, or Sponsored Member, or a third-party service provider, service bureau or other similar entity, that connects to DTCC Systems on behalf of or for the benefit of a DTCC Systems Participant.

Section 2. ~~Powers of the Corporation~~ **Section 4. Notifications of a Participant System Disruption**

(a) ~~Each Participant shall notify the Corporation immediately upon becoming aware of any Major Event and cooperate with the Corporation to identify the root cause and resolution. Any DTCC Systems Participant experiencing a Participant System Disruption shall notify the Corporation of such on behalf of itself and any Affiliate of the DTCC Systems Participant, in writing, immediately, but no later than two hours after experiencing the disruption.~~

(b) ~~The Corporation shall promptly notify the DTCC Systems Participant(s) of any action the Corporation takes or intends to take with respect to such DTCC Systems Participant(s) pursuant to Section 3 of this Rule 38(A). If a DTCC Systems Participant has actual knowledge that an unaffiliated DTCC Systems Participant is experiencing a Participant System Disruption, the DTCC Systems Participant shall, if legally permitted, notify the Corporation of such, in writing, immediately, but no later than two hours after obtaining such knowledge.~~

(e) —Notifications provided pursuant to paragraphs (a) and (b) of this Section 2 shall, at a minimum, include all of the following information, and any such information unconfirmed or otherwise unknown shall be identified by the DTCC Systems Participant as “Unknown”:

- (i) *Legal Entities.* A complete list of the legal entity names of the DTCC Systems Participant ~~and any of its Third-Party Providers~~ experiencing or otherwise affected or potentially affected by the Participant System Disruption.
- (ii) *Contact Information.* A list of ~~persons—the subject DTCC Systems Participant—employees—and—authorized agents,~~ — with their corresponding titles, primary email addresses and phone numbers, and, if those primary email addresses and phone numbers are associated with the systems that are the subject of the Participant System Disruption, alternate email addresses and phone numbers ~~that are external to the subject DTCC Systems Participant’s systems,~~ — who are authorized to act on behalf of the subject DTCC Systems Participant regarding the Participant System Disruption.
- (iii) *Participant System Disruption Details.*
 - (1) Event Type – the type of Participant System Disruption, for example, an insider threat, phishing attack, MITM attack, privilege escalation, denial of service, external threat, malware, unauthorized access, ransomware, compromised user account, SQL injections, brute force attack, system compromise, supply chain attacks (as each term is commonly understood by cybersecurity professionals in the financial sector), or other – if other, please explain.
 - (2) Event Effect – perceived, anticipated, or known effect of the Participant System Disruption, for example, loss of communication, data corruption, security breach, or other – if other, please explain.
 - (3) Start Date – date and time when the Participant System Disruption began.
 - (4) End Date – date and time when the Participant System Disruption ended, if applicable.
 - (5) Discovery Date – date and time when the Participant System Disruption was first identified.
 - (6) Scope – scope of the Participant System Disruption ~~for the subject DTCC Systems Participant,~~ including, but not limited to, a list of each affected or likely affected system or data, including DTCC Systems and data, the degree of such affect, and any supporting evidence of such.

- (7) Notices – whether any formal or informal notices or information ~~regarding of the Participant System Disruption or related information was provided to any third party including, but not limited to, a regulator or other supervisory, enforcement, or investigatory body; another DTCC Systems Participant; or a media outlet; was made public~~ and, if so, provide a copy of such notices or ~~relevant information, if legally permitted.~~

Section 3. Declaration of a Major System Event

(a) Upon becoming aware of a Participant System Disruption, the Corporation will consider whether such Participant System Disruption meets the definition of a Major System Event. The existence of a Major System Event shall be declared by two or more members of the Corporation’s senior most management committee, in their reasonable judgment.

(b) ~~The determination that the Corporation has a reasonable basis to conclude that there has been a Major Event and~~Upon declaration of a Major System Event, the Corporation shall be entitled to act (or refrain from acting) ~~as prescribed in Section 3 of pursuant to Section 4 of this Rule 38(A) to help address, correct, mitigate or alleviate any and all risks presented to the Corporation by or related to the Major System Event. Action taken will be in consideration of the risks presented to the Corporation, including, but not limited to, the risks enumerated in the definition of a Major System Event, based on the facts and circumstances, including, but not limited to, information provided pursuant to Section 2 of this Rule 38(A).~~ may be made by either the Chief Executive Officer, the Chief Financial Officer, the Group Chief Risk Officer, the Chief Information Officer, the Head of Clearing Agency Services or the General Counsel (an “Officer Major Event Action”). As soon as practical following such a decision, any management committee on which all of the foregoing officers serve shall convene, and the Corporation shall convene a Board of Directors meeting as soon as practicable thereafter (and in any event within 5 Business Days following such determination), in each case, to ratify, modify or rescind such Officer Major Event Action.

(c) Following declaration of a Major System Event, the Corporation shall promptly notify the Board of Directors, members of the Corporation’s senior most management committee that did not declare such Major System Event, and the SEC of such declaration.

(d) The Corporation shall provide the Board of Directors an update on the status of the Major System Event and any action taken pursuant to this Rule 38(A) on the earlier of 45 calendar days from the date of declaration of the Major System Event or the next scheduled Board of Directors meeting, or more frequently following material changes to the status of a Major System Event.

Section 3-4. Authority to ~~Take~~ Take Actions and Required Cooperation

~~Upon the determination that there is a Major Event, the Corporation shall be entitled, during the pendency of such Major Event, to:~~

(a) During or in connection with a Major System Event, the Corporation may:

- (i) ~~(a)~~ disconnect the DTCC Systems Participant's system from all the DTCC Systems any and all connections systems of the subject DTCC Systems Participant;
- (ii) ~~(b)~~ suspend the receipt and/or transmission of files or communications to/from the DTCC Systems Participant to the DTCC Systems any and all transmissions, communications, or access between DTCC Systems and the subject DTCC Systems Participant; or
- (iii) ~~(c)~~ take, or refrain from taking, or require the subject DTCC Systems Participant to take or refrain from taking, any and all action that the Corporation considers appropriate to prevent, help address, correct, mitigate or alleviate the Major System Event and, as appropriate and practical, facilitate the continuation of services as may be practicable, and, in that context, issue which may include issuing instructions to the subject DTCC Systems Participant and requiring such DTCC Systems Participant to act on such instructions.

(b) The Corporation shall promptly notify the subject DTCC Systems Participant of any disconnection, suspension, or other material action the Corporation takes with respect to such DTCC Systems Participant pursuant to this Section 4. Notwithstanding any action taken pursuant to this Section 4, the subject DTCC Systems Participant must continue to meet its obligations to the Corporation and comply with these Rules and the Procedures.

(c) The subject DTCC Systems Participant shall cooperate fully and completely with, and to the reasonable satisfaction of, the Corporation in all matters relating to the Participant System Disruption Major System Event, including, but not limited to, (i) conducting timely investigations and inquiries, as the Corporation believes reasonably necessary, with respect to any known or unknown information relating to the Participant System Disruption; (ii) promptly notifying the Corporation of any material changes, updates, or new information learned regarding the Participant System Disruption; and (iii) to the extent legally permitted, promptly providing any documentation or information requested by the Corporation, unless not legally permitted to do so, regarding or related to the Participant System Disruption.

Section 5. Reconnection Requirements

(a) A DTCC Systems Participant that was the subject of action pursuant to Section 4(a) of this Rule 38(A) must provide to the Corporation the following, prior to the Corporation reestablishing connectivity of the DTCC Systems Participant to DTCC Systems (“Reconnection”):

- (i) a detailed, comprehensive, and auditable report, from a Third-Party Cybersecurity Firm, or summary of such report, that, at minimum, includes:**
 - (1) a timeline of the Participant System Disruption, including all material actions, events, and decisions taken for or relating to the Participant System Disruption;**
 - (2) a description of the Participant System Disruption and an explanation of how such disruption was corrected and resolved;**
 - (3) root cause analysis of the Participant System Disruption;**
 - (4) confirmation that any issues identified by the Third-Party Cybersecurity Firm as severe, critical, or moderate, or comparable categorizations, have been resolved;**
 - (5) confirmation of normal or intended operation of the subject ~~DTCC Systems Participant’s~~ systems, including, but not limited to, the return or replacement of key systems and datastores to pre-Participant System Disruption resilience, in a safe, secure, and proper manner for at least 72 hours;**
 - (6) a description of short- and long-term preventive monitoring and detection recommendations from the Third-Party Cybersecurity Firm; and**
 - (7) any other information reasonably requested to be included by the Corporation.**
- (ii) an attestation from a member of the board of directors, a senior executive officer, or other member of senior management of the subject DTCC Systems Participant (“Participant Officer”) that:**
 - (1) the Third-Party Cybersecurity Firm’s report is, to the best of the Participant Officer’s knowledge, accurate and complete;**
 - (2) all short-term preventive monitoring and detection controls recommended by the Third-Party Cybersecurity Firm have been implemented;**

- (3) all medium- and long-term preventive monitoring and detection controls recommended by the Third-Party Cybersecurity Firm will be promptly implemented;
- (4) the Participant Officer recommends Reconnection to DTCC Systems; and
- (5) the DTCC Systems Participant will continue to oversee the full and complete remediation of any and all open action items regarding the Participant System Disruption, will continue to monitor the ~~DTCC Systems Participant's~~ subject systems, and will immediately, but no later than two hours, notify the Corporation of any evidence that indicates or may indicate the continuation of the Participant System Disruption or the existence of a new Participant System Disruption.

(iii) an executed indemnity to the reasonable satisfaction and judgement of the Corporation in consideration of the facts and circumstances.

(b) In addition to the requirements set forth in paragraph (a) of this Section 5, upon the Corporation's request, the subject DTCC Systems Participant shall promptly provide any missing or additional documentation or information and take, to the Corporation's reasonable satisfaction, any action including, but not limited to, permitting an onsite validation of the subject DTCC Systems Participant by a second Third-Party Cybersecurity Firm.

Section 6. Reconnection Testing and Approval

(a) Prior to any Reconnection pursuant to paragraph (b) of this Section 6, the subject DTCC Systems Participant shall demonstrate, as applicable, to the Corporation's reasonable satisfaction, that it:

- (i) can operate in a test environment, including, but not limited to, sending and receiving messages and transactions;
- (ii) can replay or resubmit previously submitted messages or transactions;
- (iii) can reverse or void previously submitted messages or transactions;
- (iv) can confirm the integrity of messages and transactions;
- (v) has alternative communication methods with the Corporation to facilitate the exchange of messages, transactions, and reports; and
- (vi) can complete any other such requirements as are reasonably requested by the Corporation.

(b) Reconnection of a DTCC Systems Participant shall be approved by two or more members of the Corporation's senior most management committee, in their reasonable judgement, after (1) the Corporation has received all required information, pursuant to Section 5 of this Rule 38(A), in form and substance satisfactory to the Corporation, and (2) the requirements of paragraph (a) of this Section 6 have been satisfied, as applicable.

Section 5-7. Certain Miscellaneous Matters

(a) Without limiting any other provisions in these Rules ~~or the Procedures~~ concerning limitations on liability, ~~neither none of the Corporation, or its Affiliates, nor its or their directors, officers, employees, agents, or contractors shall be liable to any DTCC Systems Participant or any other person (including any third party provider or service bureau acting on behalf of the Participant~~ or any customer or client thereof) for:

- (i) any failure, hindrance, interruption or delay in performance in whole or in part of the obligations of the Corporation under ~~the these~~ Rules or ~~the~~ Procedures, if that failure, hindrance, interruption or delay arises out of or relates to a **Participant System Disruption, Major System Event, or any action or inaction pursuant to this Rule 38(A);** or
- (ii) any loss, liability, damage, cost or expense arising from or relating in any way to any **advice, request, requirement, instruction,** ~~actions taken, or omitted to be taken, inaction~~ pursuant to this Rule 38(A).

(b) The power of the Corporation to take any action pursuant to this Rule 38(A), ~~or to request or require any action, documentation, or information pursuant to this Rule 38(A),~~ also includes the power to **waive,** repeal, rescind, revoke, amend, or vary any such action, ~~request, or requirement in consideration of the facts and circumstances.~~

(c) The powers of the Corporation pursuant to this Rule 38(A) shall be in addition to, and not in **derogation limitation** of, **any** authority granted elsewhere in these Rules ~~or the Procedures~~ to ~~take action act~~ as specified therein.

(d) ~~The Participant(s) shall, in accordance with the Rules, maintain the confidentiality of any DTCC Confidential Information provided to them by the Corporation and/or DTCC in connection with a Major Event. All information related to or regarding a Major System Event and all acts pursuant to this Rule 38(A) shall be considered DTCC Confidential Information pursuant to these Rules and the Procedures.~~

(e) ~~In the event of any conflict between the provisions of this Rule 38(A) and any other Rules or Procedures, the provisions of this Rule 38(A) shall prevail. Failure of a DTCC Systems Participant to comply with the requirements of this Rule 38(A) may subject the DTCC Systems Participant that (A) is a Participant, Limited Participant, or Pledgee, to any and all disciplinary action permitted under these Rules and the Procedures, including, without limitation, the Corporation's right to cease to act pursuant to Rule 10, or (B) is neither a Participant, Limited Participant, nor Pledgee, to any and all actions, obligations, or rights permitted under any agreement made between the entity and the Corporation. A~~

DTCC Systems Participant that has authorized another party, such as a Third-Party Provider, to access and use DTCC Systems will be responsible for such authorized party's compliance with the requirements of this Rule 38(A) and any compliance failure by that authorized party will be deemed to be a failure of the authorizing DTCC Systems Participant.

EXHIBIT 5

Bold and underlined text indicates proposed added language.

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

**RULES, BY-LAWS AND ORGANIZATION CERTIFICATE OF
THE DEPOSITORY TRUST COMPANY**

RULE 38(A)

SYSTEMS DISCONNECT: THREAT OF SIGNIFICANT IMPACT TO THE CORPORATION'S SYSTEMS PARTICIPANT SYSTEM DISRUPTION

Section 1. **Major Event Definitions**

For purposes of this Rule **38(A)**, the following terms shall have the following meanings:

“Affiliate” means a Person that controls or is controlled by or is under common control with another Person. Control of a Person means the direct or indirect ownership, or power to vote more than 50% of any class of the voting securities or other voting interests of such Person.

“Best Practices” means policies, procedures, practices or similar standards and guidelines that are reasonably designed and consistent with then current financial-sector cybersecurity standards issued by an authoritative body that is a U.S. governmental entity or agency, an association of a U.S. governmental entity or agency, or a widely recognized industry organization.

“DTCC Systems” means the systems, equipment and technology networks of DTCC, the Corporation and/or ~~their~~ **any Affiliates of DTCC or the Corporation**, whether owned, leased, or licensed, **and including** software, **hardware, applications**, devices, IP addresses, or other addresses or accounts used in connection with **such systems, equipment and technology networks, to provide**~~ing~~ the services set forth in ~~these the~~ **Rules and the Procedures**, or **otherwise** used to transact business or ~~to manage the connection connect~~ with **DTCC**, the Corporation, **or any Affiliates of DTCC or the Corporation**.

“DTCC Systems Participant” means ~~any~~ Participant, **Limited Participant, or Pledgee or third-party service provider, or service bureau that is connecting with the DTCC Systems that connects with DTCC Systems either directly or indirectly via a Third-Party Provider.**

~~“Major Event” means the happening of one or more Systems Disruption(s) that is reasonably likely to have a significant impact on the Corporation’s operations, including the DTCC Systems, that affect the business, operations, safeguarding of securities or funds, or physical functions of the Corporation, Participants and/or other market participants.~~

“Major System Event” means a Participant System Disruption that has or is reasonably anticipated to, for example, disrupt, degrade, cause a delay in, interrupt or otherwise alter the normal operation of DTCC Systems; result in unauthorized access to DTCC Systems; result in the loss of control of, disclosure of, or loss of DTCC Confidential Information; or cause a strain on, loss of, or overall threat to the Corporation’s resources, functions, security or operations.

“Participant System Disruption” means an incident resulting from the unintended or unauthorized access to, or the malfunction or corruption (whether partial or total) of one or more systems, of a DTCC Systems Participant or its Third-Party Provider, connected to DTCC Systems.

~~“Systems Disruption” means the unavailability, failure, malfunction, overload, or restriction (whether partial or total) of a DTCC Systems Participant’s systems that disrupts or degrades the normal operation of such DTCC Systems Participant’s systems; or anything that impacts or alters the normal communication, or the files that are received, or information transmitted, to or from the DTCC Systems.~~

“Third-Party Cybersecurity Firm” means a firm that, in the Corporation’s reasonable judgement, (A) (i) is well-known and reputable; (ii) is not the subject DTCC Systems Participant, or an Affiliate or a Third-Party Provider of the subject DTCC Systems Participant; (iii) is experienced in financial-sector cybersecurity; and (iv) employs Best Practices; or (B) is otherwise determined to be a Third-Party Cybersecurity Firm by the Corporation.

“Third-Party Provider” means an Affiliate of any Member, Limited Member, or Sponsored Member, or a third-party service provider, service bureau or other similar entity, that connects to DTCC Systems on behalf of or for the benefit of a DTCC Systems Participant.

Section 2. ~~Powers of the Corporation~~ *Section 4.* Notifications of a Participant System Disruption

(a) ~~Each Participant shall notify the Corporation immediately upon becoming aware of any Major Event and cooperate with the Corporation to identify the root cause and resolution. Any DTCC Systems Participant experiencing a Participant System Disruption shall notify the Corporation of such in writing, immediately, but no later than two hours after experiencing the disruption.~~

(b) ~~The Corporation shall promptly notify the DTCC Systems Participant(s) of any action the Corporation takes or intends to take with respect to such DTCC Systems Participant(s) pursuant to Section 3 of this Rule 38(A). Notification provided pursuant to paragraph (a) of this Section 2 shall, at a minimum, include all of the following information, and any such information unconfirmed or otherwise unknown shall be identified by the DTCC Systems Participant as “Unknown”:~~

- (i) *Legal Entities.* A complete list of the legal entity names of the DTCC Systems Participant and any of its Third-Party Providers experiencing or otherwise affected or potentially affected by the Participant System Disruption.
- (ii) *Contact Information.* A list of persons – with their corresponding titles, primary email addresses and phone numbers, and, if those primary email addresses and phone numbers are associated with the systems that are the subject of the Participant System Disruption, alternate email addresses and phone numbers – who are authorized to act on behalf of the subject DTCC Systems Participant regarding the Participant System Disruption.

(iii) Participant System Disruption Details.

- (1) Event Type – the type of Participant System Disruption, for example, an insider threat, phishing attack, MITM attack, privilege escalation, denial of service, external threat, malware, unauthorized access, ransomware, compromised user account, SQL injections, brute force attack, system compromise, supply chain attacks (as each term is commonly understood by cybersecurity professionals in the financial sector), or other – if other, please explain.**
- (2) Event Effect – perceived, anticipated, or known effect of the Participant System Disruption, for example, loss of communication, data corruption, security breach, or other – if other, please explain.**
- (3) Start Date – date and time when the Participant System Disruption began.**
- (4) End Date – date and time when the Participant System Disruption ended, if applicable.**
- (5) Discovery Date – date and time when the Participant System Disruption was first identified.**
- (6) Scope – scope of the Participant System Disruption, including, but not limited to, a list of each affected or likely affected system or data, including DTCC Systems and data, the degree of such affect, and any supporting evidence of such.**
- (7) Notices – whether any formal or informal notices or information regarding the Participant System Disruption was made public and, if so, provide a copy of such notices or information.**

Section 3. Declaration of a Major System Event

(a) Upon becoming aware of a Participant System Disruption, the Corporation will consider whether such Participant System Disruption meets the definition of a Major System Event. The existence of a Major System Event shall be declared by two or more members of the Corporation’s senior most management committee, in their reasonable judgment.

(b) ~~The determination that the Corporation has a reasonable basis to conclude that there has been a Major Event and~~ Upon declaration of a Major System Event, the Corporation shall be entitled to act (or refrain from acting) as prescribed in Section 3 of pursuant to Section 4 of this Rule 38(A) to help address, correct, mitigate or alleviate any and all risks presented to the Corporation by or related to the Major System Event. Action taken

will be in consideration of the risks presented to the Corporation, including, but not limited to, the risks enumerated in the definition of a Major System Event, based on the facts and circumstances, including, but not limited to, information provided pursuant to Section 2 of this Rule 38(A). may be made by either the Chief Executive Officer, the Chief Financial Officer, the Group Chief Risk Officer, the Chief Information Officer, the Head of Clearing Agency Services or the General Counsel (an “Officer Major Event Action”). As soon as practical following such a decision, any management committee on which all of the foregoing officers serve shall convene, and the Corporation shall convene a Board of Directors meeting as soon as practicable thereafter (and in any event within 5 Business Days following such determination), in each case, to ratify, modify or rescind such Officer Major Event Action.

(c) Following declaration of a Major System Event, the Corporation shall promptly notify the Board of Directors, members of the Corporation’s senior most management committee that did not declare such Major System Event, and the SEC of such declaration.

(d) The Corporation shall provide the Board of Directors an update on the status of the Major System Event and any action taken pursuant to this Rule 38(A) on the earlier of 45 calendar days from the date of declaration of the Major System Event or the next scheduled Board of Directors meeting, or more frequently following material changes to the status of a Major System Event.

Section 3-4. Authority to ~~Take~~ Take Actions and Required Cooperation

Upon the determination that there is a Major Event, the Corporation shall be entitled, during the pendency of such Major Event, to:

(a) During or in connection with a Major System Event, the Corporation may:

- (i) ~~(a)~~ disconnect the DTCC Systems Participant’s system from all the DTCC Systems any and all connections of the subject DTCC Systems Participant;
- (ii) ~~(b)~~ suspend the receipt and/or transmission of files or communications to/from the DTCC Systems Participant to the DTCC Systems any and all transmissions, communications, or access between DTCC Systems and the subject DTCC Systems Participant; or
- (iii) ~~(c)~~ take, or refrain from taking, or require the subject DTCC Systems Participant to take or refrain from taking, any and all action that the Corporation considers appropriate to prevent, help address, correct, mitigate or alleviate the Major System Event and, as appropriate and practical, facilitate the continuation of services as may be practicable, and, in that context, issue which may include issuing instructions to the subject DTCC Systems Participant and requiring such DTCC Systems Participant to act on such instructions.

(b) The Corporation shall promptly notify the subject DTCC Systems Participant of any disconnection, suspension, or other material action the Corporation takes with respect to such DTCC Systems Participant pursuant to this Section 4. Notwithstanding any action taken pursuant to this Section 4, the subject DTCC Systems Participant must continue to meet its obligations to the Corporation and comply with these Rules and the Procedures.

(c) The subject DTCC Systems Participant shall cooperate fully and completely with, and to the reasonable satisfaction of, the Corporation in all matters relating to the Major System Event, including, but not limited to, (i) conducting timely investigations and inquiries, as the Corporation believes reasonably necessary, with respect to any known or unknown information relating to the Participant System Disruption; (ii) promptly notifying the Corporation of any material changes, updates, or new information learned regarding the Participant System Disruption; and (iii) promptly providing any documentation or information requested by the Corporation, unless not legally permitted to do so, regarding or related to the Participant System Disruption.

Section 5. Reconnection Requirements

(a) A DTCC Systems Participant that was the subject of action pursuant to Section 4(a) of this Rule 38(A) must provide to the Corporation the following, prior to the Corporation reestablishing connectivity of the DTCC Systems Participant to DTCC Systems ("Reconnection"):

- (i) a detailed, comprehensive, and auditable report from a Third-Party Cybersecurity Firm, or summary of such report, that includes:**
 - (1) a timeline of the Participant System Disruption, including all material actions, events, and decisions taken for or relating to the Participant System Disruption;**
 - (2) a description of the Participant System Disruption and an explanation of how such disruption was corrected and resolved;**
 - (3) root cause analysis of the Participant System Disruption;**
 - (4) confirmation that any issues identified by the Third-Party Cybersecurity Firm as severe, critical, or moderate, or comparable categorizations, have been resolved;**
 - (5) confirmation of normal or intended operation of the subject systems, including, but not limited to, the return or replacement of key systems and datastores to pre-Participant System Disruption resilience, in a safe, secure, and proper manner for at least 72 hours;**

(6) a description of short- and long-term preventive monitoring and detection recommendations from the Third-Party Cybersecurity Firm; and

(7) any other information reasonably requested to be included by the Corporation.

(ii) an attestation from a member of the board of directors, a senior executive officer, or other member of senior management of the subject DTCC Systems Participant (“Participant Officer”) that:

(1) the Third-Party Cybersecurity Firm’s report is, to the best of the Participant Officer’s knowledge, accurate and complete;

(2) all short-term preventive monitoring and detection controls recommended by the Third-Party Cybersecurity Firm have been implemented;

(3) all medium- and long-term preventive monitoring and detection controls recommended by the Third-Party Cybersecurity Firm will be promptly implemented;

(4) the Participant Officer recommends Reconnection to DTCC Systems; and

(5) the DTCC Systems Participant will continue to oversee the full and complete remediation of any and all open action items regarding the Participant System Disruption, will continue to monitor the subject systems, and will immediately, but no later than two hours, notify the Corporation of any evidence that indicates or may indicate the continuation of the Participant System Disruption or the existence of a new Participant System Disruption.

(iii) an executed indemnity to the reasonable satisfaction and judgement of the Corporation in consideration of the facts and circumstances.

(b) In addition to the requirements set forth in paragraph (a) of this Section 5, upon the Corporation’s request, the subject DTCC Systems Participant shall promptly provide any missing or additional documentation or information and take, to the Corporation’s reasonable satisfaction, any action including, but not limited to, permitting an onsite validation of the subject DTCC Systems Participant by a second Third-Party Cybersecurity Firm.

Section 6. Reconnection Testing and Approval

(a) Prior to any Reconnection pursuant to paragraph (b) of this Section 6, the subject DTCC Systems Participant shall demonstrate, as applicable, to the Corporation's reasonable satisfaction, that it:

- (i) can operate in a test environment, including, but not limited to, sending and receiving messages and transactions;**
- (ii) can replay or resubmit previously submitted messages or transactions;**
- (iii) can reverse or void previously submitted messages or transactions;**
- (iv) can confirm the integrity of messages and transactions;**
- (v) has alternative communication methods with the Corporation to facilitate the exchange of messages, transactions, and reports; and**
- (vi) can complete any other such requirements as are reasonably requested by the Corporation.**

(b) Reconnection of a DTCC Systems Participant shall be approved by two or more members of the Corporation's senior most management committee, in their reasonable judgement, after (1) the Corporation has received all required information, pursuant to Section 5 of this Rule 38(A), in form and substance satisfactory to the Corporation, and (2) the requirements of paragraph (a) of this Section 6 have been satisfied, as applicable.

Section 5-7. Certain Miscellaneous Matters

(a) Without limiting any other provisions in these Rules or the Procedures concerning limitations on liability, neither none of the Corporation, or its Affiliates, nor its or their directors, officers, employees, agents, or contractors shall be liable to any DTCC Systems Participant or any other person (including any third party provider or service bureau acting on behalf of the Participant or any customer or client thereof) for:

- (i) any failure, hindrance, interruption or delay in performance in whole or in part of the obligations of the Corporation under the these Rules or the Procedures, if that failure, hindrance, interruption or delay arises out of or relates to a Participant System Disruption, Major System Event, or any action or inaction pursuant to this Rule 38(A); or**
- (ii) any loss, liability, damage, cost or expense arising from or relating in any way to any advice, request, requirement, instruction, actions taken, or omitted to be taken, inaction pursuant to this Rule 38(A).**

(b) The power of the Corporation to take any action pursuant to this Rule 38(A), or to request or require any action, documentation, or information pursuant to this Rule 38(A),

also includes the power to waive, repeal, rescind, revoke, amend, or vary any such action, request, or requirement in consideration of the facts and circumstances.

(c) The powers of the Corporation pursuant to this Rule 38(A) shall be in addition to, and not in ~~derogation~~ limitation of, any authority granted elsewhere in these Rules or the Procedures to ~~take action~~ act as specified therein.

(d) ~~The Participant(s) shall, in accordance with the Rules, maintain the confidentiality of any DTCC Confidential Information provided to them by the Corporation and/or DTCC in connection with a Major Event. All information related to or regarding a Major System Event and all acts pursuant to this Rule 38(A) shall be considered DTCC Confidential Information pursuant to these Rules and the Procedures.~~

(e) ~~In the event of any conflict between the provisions of this Rule 38(A) and any other Rules or Procedures, the provisions of this Rule 38(A) shall prevail. Failure of a DTCC Systems Participant to comply with the requirements of this Rule 38(A) may subject the DTCC Systems Participant to any and all disciplinary action permitted under these Rules and the Procedures, including, without limitation, the Corporation's right to cease to act pursuant to Rule 10. A DTCC Systems Participant that has authorized another party, such as a Third-Party Provider, to access and use DTCC Systems will be responsible for such authorized party's compliance with the requirements of this Rule 38(A) and any compliance failure by that authorized party will be deemed to be a failure of the authorizing DTCC Systems Participant.~~