

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 004 Amendment No. (req. for Amendments *)	
Filing by Fixed Income Clearing Corporation Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input checked="" type="checkbox"/>		Amendment * <input type="checkbox"/>		Withdrawal <input type="checkbox"/>	
Section 19(b)(2) * <input type="checkbox"/>		Section 19(b)(3)(A) * <input checked="" type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<input type="checkbox"/> 19b-4(f)(1)		<input checked="" type="checkbox"/> 19b-4(f)(4)	
		<input type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input type="checkbox"/> 19b-4(f)(3)		<input type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
<b>Description</b> Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Amend the Clearing Agency Risk Management Framework</div>					
<b>Contact Information</b> Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * <div></div> Last Name * <div></div> Title * <div></div> E-mail * <div>RuleFilingAdmin@dtcc.com</div> Telephone * <div></div> Fax <div></div>					
<b>Signature</b> Pursuant to the requirements of the Securities Exchange of 1934, Fixed Income Clearing Corporation has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date <div>03/10/2025</div> By <div></div> <div>(Name *)</div> <div></div> <div>(Title *)</div> <div></div> <div>NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.</div> <div>Date: 2025.03.10 11:06:21 -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 (FICC) - Clearing Agency Ri

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

**Exhibit 1 - Notice of Proposed Rule Change \***

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Exhibit 1A (FICC) - Clearing Agency F

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

**Exhibit 5 - Proposed Rule Text**

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Exhibit 5 - (Redacted) - Clearing Agen

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

**Partial Amendment**

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

## **1. Text of the Proposed Rule Change**

(a) The proposed rule change of Fixed Income Clearing Corporation (“FICC”) as provided in Exhibit 5 amends the Clearing Agency Risk Management Framework (“Risk Management Framework” or “Framework”) of FICC and its affiliates, The Depository Trust Company (“DTC”) and National Securities Clearing Corporation (“NSCC,” and together with FICC, the “CCPs” and the CCPs together with DTC, the “Clearing Agencies”).<sup>1</sup> Specifically, the proposed rule change would amend the Risk Management Framework to make changes to clarify and update the Framework. The proposed changes would update and clarify (a) the quarterly review escalation process, (b) the annual review process as it relates to “done-away” clearing activity, (c) removal of references to Systemic Risk Council, and (d) other immaterial changes for clarification purposes.

(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 FICC at a meeting duly called and held on September 10, 2024.

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

### **(a) Purpose**

The Clearing Agencies adopted the Risk Management Framework<sup>2</sup> to provide an outline for how each of the Clearing Agencies (i) maintains a well-founded, clear, transparent and enforceable legal basis for each aspect of its activities; (ii) comprehensively manages legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by it; (iii) identifies, monitors, and manages risks related to links it establishes with

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<sup>1</sup> See Securities Exchange Act Release Nos. 81635 (Sept. 15, 2017), 82 FR 44224 (Sept. 21, 2017) (SR-DTC-2017-013, SR-FICC-2017-016, SR-NSCC-2017-012) (“Initial Filing”); 89271 (July 9, 2020), 85 FR 42933 (July 15, 2020) (SR-NSCC-2020-012); 89269 (July 9, 2020), 85 FR 42954 (July 15, 2020) (SR-DTC-2020-009); 89270 (July 9, 2020), 85 FR 42927 (July 15, 2020) (SR-FICC-2020-007); 96799 (Feb. 03, 2023), 88 FR 8506 (Feb. 9, 2023) (SR-DTC-2023-001); 96800 (Feb. 3, 2023), 88 FR 8491 (Feb. 9, 2023) (SR-FICC-2023-001); 96801 (Feb. 3, 2023), 88 FR 8502 (Feb. 9, 2023) (SR-NSCC-2023-001); 99097 (Dec. 6, 2023), 88 FR 86186 (Dec. 12, 2023) (SR-FICC-2023-016); 99098 (Dec. 6, 2023), 88 FR 86183 (Dec. 12, 2023) (SR-NSCC-2023-012); 99108 (Dec. 07, 2023), 88 FR 86430 (Dec. 13, 2023) (SR-DTC-2023-012); and 101685 (Nov. 21, 2024), 89 FR 93689 (Nov. 27, 2024) (SR-DTC-2024-003, SR-FICC-2024-006, SR-NSCC-2024-003) (together with the Initial Filing, the “Framework Filings”).

<sup>2</sup> Supra note 1.

one or more clearing agencies, financial market utilities, or trading markets; (iv) meets the requirements of its participants and the markets it serves efficiently and effectively; (v) uses, or at a minimum accommodates, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing and settlement; and (vi) publicly discloses certain information, including market data. In this way, the Risk Management Framework currently supports the Clearing Agencies' compliance with Rules 17ad-22(e)(1), (3), (18), (20), (21), (22) and (23) under the Securities Exchange Act of 1934, as amended ("Act"),<sup>3</sup> as described in the Framework Filings. In addition to setting forth the manner in which each of the Clearing Agencies addresses these requirements, the Risk Management Framework also contains a section titled "Framework Ownership and Change Management" that, among other matters, describes the Framework ownership and the required governance process for review and approval of changes to the Framework. In connection with the annual review and approval of the Framework by the Board of Directors of each of NSCC, DTC and FICC (each a "Board" and collectively, the "Boards"), the Clearing Agencies are proposing to make certain revisions to the Framework.

The proposed changes would clarify and enhance the descriptions in the Risk Management Framework and correct errors in those descriptions by, for example, (1) updating the quarterly review escalation process; (2) correcting errors in the description of the annual review process associated with "done-away" clearing activity in Section 3.4.2; (3) removing references to Systemic Risk Council, which has been disbanded and (4) making other immaterial changes that do not alter how the Clearing Agencies comply with the applicable requirements of Rule 17ad-22(e) under the Act.<sup>4</sup>

### *Proposed Changes*

#### 1. Update Governance Process

The last paragraph of Section 3 of the Framework describes the governance process related to risk tolerance statements as a means of identifying, assessing, measuring, monitoring, mitigating and reporting risks. The proposed changes aim to clarify and refine the escalation process related to the quarterly reviews of the Clearing Agencies' performance against the risk tolerance statements. The proposed change does not reflect changes to how the Clearing Agencies comply with the applicable requirements of Rule 17ad-22(e) under the Act.<sup>5</sup>

#### 2. Annual Review of "Done-Away" Clearing Activity

Upon implementation of SR-DTC-2024-003, SR-FICC-2024-006, and SR-NSCC-2024-003 (the "2024 Filings"), Section 3.4.2 of the Framework will describe the process by which the

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<sup>3</sup> 17 CFR 240.17ad-22(e)(1), (3), (18), (20), (21), (22) and (23).

<sup>4</sup> 17 CFR 240.17ad-22(e).

<sup>5</sup> Id.

Clearing Agencies conduct an annual review of FICC/GSD access models.<sup>6</sup> The relevant language proposed in the 2024 Filings<sup>7</sup> indicated GSD does not currently offer “done-away” clearing and therefore needs to establish policies and procedures to enable such activity. However, GSD does offer “done-away” clearing and instead intends to further facilitate such activity. The proposed change to Section 3.4.2, Item (2) would therefore more accurately describe the role of this annual review and reflect the current state as it relates to “done-away” clearing activity.

### 3. Removal of References to Systemic Risk Council

Section 4.2 of the Framework describes how the Clearing Agencies manage risks related to material interdependencies and external links. The Systemic Risk Council (“Council”) was tasked with discussing matters relating to such systemic risks, however, the Clearing Agencies determined that the role of the Council was unnecessarily duplicative with that of the MRC and has therefore disbanded the Council. The proposed change would update the Framework to reflect this change.

### 4. Immaterial Changes for Clarification Purposes

These proposed changes would (i) add reference to 17 CFR 240.17ad-22(e)(18) in footnote 1, (ii) move a portion of the second paragraph of Section 3.1 up to Section 3, (iii) remove the unnecessary reference to escalating out of tolerance conditions at the end of the fourth paragraph in Section 3, (iv) clarify the terms reviewed by the General Counsel’s office in the example provided in Section 4.2.1, (v) make grammatical edits in Section 3.3.1, (vi) reflect the retirement of the DTCC Limit Monitoring tool in Section 4.1. The proposed changes do not reflect changes to how the Clearing Agencies comply with the applicable requirements of Rule 17ad-22(e) under the Act.<sup>8</sup>

### Implementation Timeframe

The Clearing Agencies would implement the proposed rule change on March 24, 2025.

### (b) Statutory Basis

The Clearing Agencies believe that the proposed changes are consistent with Section 17A(b)(3)(F) of the Act<sup>9</sup> for the reasons described below. Section 17A(b)(3)(F) of the Act requires, in part, that the rules of a registered clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to assure the safeguarding of

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<sup>6</sup> See Securities Exchange Act Release No. 101685 (Nov. 21, 2024), 89 FR 93689 (Nov. 27, 2024) (SR-DTC-2024-003, SR-FICC-2024-006, SR-NSCC-2024-003).

<sup>7</sup> Id.

<sup>8</sup> 17 CFR 240.17ad-22(e).

<sup>9</sup> 15 U.S.C. 78q-1(b)(3)(F).

securities and funds which are in the custody or control of the clearing agency or for which it is responsible.<sup>10</sup> The proposed changes would clarify and enhance the descriptions in the Risk Management Framework and correct errors in those descriptions by, for example, (1) updating the quarterly review escalation process; (2) correcting errors in the description of the annual review process associated with “done-away” clearing activity in Section 3.4.2; (3) removing references to Systemic Risk Council, which has been disbanded and (4) making other immaterial changes, that do not reflect changes to how the Clearing Agencies comply with the applicable requirements of Rule 17ad-22(e) under the Act.<sup>11</sup> By creating clearer, updated descriptions and correcting errors, the Clearing Agencies believe that the proposed changes would make the Risk Management Framework more effective in providing an overview of the important risk management activities of the Clearing Agencies, as described therein.

As described in the Framework Filings, the risk management functions described in the Risk Management Framework allow the Clearing Agencies to continue to promote the prompt and accurate clearance and settlement of securities transactions and continue to assure the safeguarding of securities and funds which are in their custody or control or for which they are responsible notwithstanding the default of a member of an affiliated family. The proposed changes to improve the clarity and accuracy of the descriptions of risk management functions within the Framework would assist the Clearing Agencies in carrying out these risk management functions. Therefore, the Clearing Agencies believe these proposed changes are consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>12</sup>

#### **4. Self-Regulatory Organization’s Statement on Burden on Competition**

The Clearing Agencies do not believe that the proposed changes to the Framework described above would have any impact, or impose any burden, on competition. As described above, the proposed rule changes would improve the comprehensiveness of the Framework by creating clearer, updated descriptions and correcting errors, thereby making the Risk Management Framework more effective in providing an overview of the important risk management activities of the Clearing Agencies. As such, the Clearing Agencies do not believe the proposed rule changes would have any impact on competition.

#### **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 proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Securities and

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<sup>10</sup> Id.

<sup>11</sup> 17 CFR 240.17ad-22(e).

<sup>12</sup> 15 U.S.C. 78q-1(b)(3)(F).



Exchange Commission (“Commission”) does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission’s instructions on how to submit comments, available at [www.sec.gov/regulatory-actions/how-to-submit-comments](http://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](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

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

## **6. Extension of Time Period for Commission Action**

Not applicable.

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

(a) The proposed rule changes are to take effect immediately upon filing pursuant to paragraph A of Section 19(b)(3) of the Act<sup>13</sup> and subparagraph 19b-4(f)(4) thereunder.<sup>14</sup>

(b) The proposed rule change effects a change in an existing service of a registered clearing agency that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of the clearing agency or persons using the service. As noted above, the proposed changes are mostly technical and non-material in nature. Therefore, the proposed rule change would not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and would not significantly affect the rights or obligations of the clearing agency or its participants consistent with Rule 19b-4(f)(4)(i) under the Act.<sup>15</sup>

(c) Not applicable.

(d) Not applicable.

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

While the proposed rule change is not based on the rules of another self-regulatory organization or of the Commission, the Framework is applicable to each of the Clearing

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(4).

<sup>15</sup> 17 CFR 240.19b-4(f)(4)(i).

Agencies, and each of the Clearing Agencies has filed similar proposed rule changes concurrently with this filing.

**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 – Not applicable.

Exhibit 5 – Risk Management Framework (marked). *Omitted and filed separately with the Commission. Confidential treatment of this Exhibit 5 being requested pursuant to 17 CFR 240.24b-2.*



**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_]; File No. SR-FICC-2025-004)

[DATE]

Self-Regulatory Organizations; Fixed Income Clearing Corporation (“FICC”); Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Clearing Agency Risk Management Framework

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March \_\_, 2025, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(4) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change amends the Clearing Agency Risk Management Framework (“Risk Management Framework” or “Framework”) of FICC and its affiliates, The Depository Trust Company (“DTC”) and National Securities Clearing Corporation (“NSCC,” and together with FICC, the “CCPs” and the CCPs together with DTC, the

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(4).

“Clearing Agencies”).<sup>5</sup> Specifically, the proposed rule change would amend the Risk Management Framework to make changes to clarify and update the Framework. The proposed changes would update and clarify (a) the quarterly review escalation process, (b) the annual review process as it relates to “done-away” clearing activity, (c) removal of references to Systemic Risk Council, and (d) other immaterial changes for clarification purposes.

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.

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<sup>5</sup> See Securities Exchange Act Release Nos. 81635 (Sept. 15, 2017), 82 FR 44224 (Sept. 21, 2017) (SR-DTC-2017-013, SR-FICC-2017-016, SR-NSCC-2017-012) (“Initial Filing”); 89271 (July 9, 2020), 85 FR 42933 (July 15, 2020) (SR-NSCC-2020-012); 89269 (July 9, 2020), 85 FR 42954 (July 15, 2020) (SR-DTC-2020-009); 89270 (July 9, 2020), 85 FR 42927 (July 15, 2020) (SR-FICC-2020-007); 96799 (Feb. 03, 2023), 88 FR 8506 (Feb. 9, 2023) (SR-DTC-2023-001); 96800 (Feb. 3, 2023), 88 FR 8491 (Feb. 9, 2023) (SR-FICC-2023-001); 96801 (Feb. 3, 2023), 88 FR 8502 (Feb. 9, 2023) (SR-NSCC-2023-001); 99097 (Dec. 6, 2023), 88 FR 86186 (Dec. 12, 2023) (SR-FICC-2023-016); 99098 (Dec. 6, 2023), 88 FR 86183 (Dec. 12, 2023) (SR-NSCC-2023-012); 99108 (Dec. 07, 2023), 88 FR 86430 (Dec. 13, 2023) (SR-DTC-2023-012); and 101685 (Nov. 21, 2024), 89 FR 93689 (Nov. 27, 2024) (SR-DTC-2024-003, SR-FICC-2024-006, SR-NSCC-2024-003) (together with the Initial Filing, the “Framework Filings”).

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Clearing Agencies adopted the Risk Management Framework<sup>6</sup> to provide an outline for how each of the Clearing Agencies (i) maintains a well-founded, clear, transparent and enforceable legal basis for each aspect of its activities; (ii) comprehensively manages legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by it; (iii) identifies, monitors, and manages risks related to links it establishes with one or more clearing agencies, financial market utilities, or trading markets; (iv) meets the requirements of its participants and the markets it serves efficiently and effectively; (v) uses, or at a minimum accommodates, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing and settlement; and (vi) publicly discloses certain information, including market data. In this way, the Risk Management Framework currently supports the Clearing Agencies' compliance with Rules 17ad-22(e)(1), (3), (18), (20), (21), (22) and (23) under the Act,<sup>7</sup> as described in the Framework Filings. In addition to setting forth the manner in which each of the Clearing Agencies addresses these requirements, the Risk Management Framework also contains a section titled "Framework Ownership and Change Management" that, among other matters, describes the Framework ownership and the required governance process for review and approval of changes to the Framework. In connection with the annual

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<sup>6</sup> Supra note 5.

<sup>7</sup> 17 CFR 240.17ad-22(e)(1), (3), (18), (20), (21), (22) and (23).

review and approval of the Framework by the Board of Directors of each of NSCC, DTC and FICC (each a “Board” and collectively, the “Boards”), the Clearing Agencies are proposing to make certain revisions to the Framework.

The proposed changes would clarify and enhance the descriptions in the Risk Management Framework and correct errors in those descriptions by, for example, (1) updating the quarterly review escalation process; (2) correcting errors in the description of the annual review process associated with “done-away” clearing activity in Section 3.4.2; (3) removing references to Systemic Risk Council, which has been disbanded and (4) making other immaterial changes that do not alter how the Clearing Agencies comply with the applicable requirements of Rule 17ad-22(e) under the Act.<sup>8</sup>

#### *Proposed Changes*

##### 1. Update Governance Process

The last paragraph of Section 3 of the Framework describes the governance process related to risk tolerance statements as a means of identifying, assessing, measuring, monitoring, mitigating and reporting risks. The proposed changes aim to clarify and refine the escalation process related to the quarterly reviews of the Clearing Agencies’ performance against the risk tolerance statements. The proposed change does not reflect changes to how the Clearing Agencies comply with the applicable requirements of Rule 17ad-22(e) under the Act.<sup>9</sup>

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<sup>8</sup> 17 CFR 240.17ad-22(e).

<sup>9</sup> Id.

## 2. Annual Review of “Done-Away” Clearing Activity

Upon implementation of SR-DTC-2024-003, SR-FICC-2024-006, and SR-NSCC-2024-003 (the “2024 Filings”), Section 3.4.2 of the Framework will describe the process by which the Clearing Agencies conduct an annual review of FICC/GSD access models.<sup>10</sup> The relevant language proposed in the 2024 Filings<sup>11</sup> indicated GSD does not currently offer “done-away” clearing and therefore needs to establish policies and procedures to enable such activity. However, GSD does offer “done-away” clearing and instead intends to further facilitate such activity. The proposed change to Section 3.4.2, Item (2) would therefore more accurately describe the role of this annual review and reflect the current state as it relates to “done-away” clearing activity.

## 3. Removal of References to Systemic Risk Council

Section 4.2 of the Framework describes how the Clearing Agencies manage risks related to material interdependencies and external links. The Systemic Risk Council (“Council”) was tasked with discussing matters relating to such systemic risks, however, the Clearing Agencies determined that the role of the Council was unnecessarily duplicative with that of the MRC and has therefore disbanded the Council. The proposed change would update the Framework to reflect this change.

## 4. Immaterial Changes for Clarification Purposes

These proposed changes would (i) add reference to 17 CFR 240.17ad-22(e)(18) in footnote 1, (ii) move a portion of the second paragraph of Section 3.1 up to Section 3,

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<sup>10</sup> See Securities Exchange Act Release No. 101685 (Nov. 21, 2024), 89 FR 93689 (Nov. 27, 2024) (SR-DTC-2024-003, SR-FICC-2024-006, SR-NSCC-2024-003).

<sup>11</sup> Id.

(iii) remove the unnecessary reference to escalating out of tolerance conditions at the end of the fourth paragraph in Section 3, (iv) clarify the terms reviewed by the General Counsel's office in the example provided in Section 4.2.1, (v) make grammatical edits in Section 3.3.1, (vi) reflect the retirement of the DTCC Limit Monitoring tool in Section 4.1. The proposed changes do not reflect changes to how the Clearing Agencies comply with the applicable requirements of Rule 17ad-22(e) under the Act.<sup>12</sup>

#### Implementation Timeframe

The Clearing Agencies would implement the proposed rule change on March 24, 2025.

#### 2. Statutory Basis

The Clearing Agencies believe that the proposed changes are consistent with Section 17A(b)(3)(F) of the Act<sup>13</sup> for the reasons described below. Section 17A(b)(3)(F) of the Act requires, in part, that the rules of a registered clearing agency 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 agency or for which it is responsible.<sup>14</sup> The proposed changes would clarify and enhance the descriptions in the Risk Management Framework and correct errors in those descriptions by, for example, (1) updating the quarterly review escalation process; (2) correcting errors in the description of the annual review process associated with “done-away” clearing activity in Section 3.4.2; (3) removing references to Systemic Risk

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<sup>12</sup> 17 CFR 240.17ad-22(e).

<sup>13</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>14</sup> Id.

Council, which has been disbanded and (4) making other immaterial changes, that do not reflect changes to how the Clearing Agencies comply with the applicable requirements of Rule 17ad-22(e) under the Act.<sup>15</sup> By creating clearer, updated descriptions and correcting errors, the Clearing Agencies believe that the proposed changes would make the Risk Management Framework more effective in providing an overview of the important risk management activities of the Clearing Agencies, as described therein.

As described in the Framework Filings, the risk management functions described in the Risk Management Framework allow the Clearing Agencies to continue to promote the prompt and accurate clearance and settlement of securities transactions and continue to assure the safeguarding of securities and funds which are in their custody or control or for which they are responsible notwithstanding the default of a member of an affiliated family. The proposed changes to improve the clarity and accuracy of the descriptions of risk management functions within the Framework would assist the Clearing Agencies in carrying out these risk management functions. Therefore, the Clearing Agencies believe these proposed changes are consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>16</sup>

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

The Clearing Agencies do not believe that the proposed changes to the Framework described above would have any impact, or impose any burden, on competition. As described above, the proposed rule changes would improve the comprehensiveness of the Framework by creating clearer, updated descriptions and

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<sup>15</sup> 17 CFR 240.17ad-22(e).

<sup>16</sup> 15 U.S.C. 78q-1(b)(3)(F).



correcting errors, thereby making the Risk Management Framework more effective in providing an overview of the important risk management activities of the Clearing Agencies. As such, the Clearing Agencies do not believe the proposed rule changes would have any impact on competition.

(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 proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at [www.sec.gov/regulatory-actions/how-to-submit-comments](http://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](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form ([www.sec.gov/rules/sro.shtml](http://www.sec.gov/rules/sro.shtml)); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-FICC-2025-004 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-FICC-2025-004. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website

([www.sec.gov/rules/sro.shtml](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 FICC and on DTCC's website ([www.dtcc.com/legal/sec-rule-filings](http://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-FICC-2025-004 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.<sup>17</sup>

Secretary

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<sup>17</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5

The information contained in this Exhibit 5 is subject to exemption from mandatory disclosure under Exemptions #4 and #8 of the Freedom of Information Act because the information concerns (i) trade secrets and commercial information that is privileged or confidential and (ii) the supervision of The Depository Trust Company, Fixed Income Clearing Corporation, and National Securities Clearing Corporation (collectively, the “Clearing Agencies”), which are financial institutions. This Exhibit 5 contains one or more electronic files embedded in a one-page document for filing efficiency, as listed below. The information contained in the embedded file or files is not intended for public disclosure. Accordingly, this Exhibit 5 has been redacted and confidential treatment requested pursuant to 17 CFR 240.24b-2. An unredacted version was filed separately and confidentially with the Securities and Exchange Commission. Notwithstanding the request for confidential treatment, the Clearing Agencies believe the substance of this Exhibit 5 is clearly and adequately described in the accompanying Exhibit 1A and Form 19b-4 narrative to this filing, thus allowing for meaningful public comment.

### Embedded File:

- Clearing Agency Risk Management Framework (marked); 18 pages; proposed changes to the Clearing Agency Risk Management Framework

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