

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 22		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 011 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 type="checkbox"/> 19b-4(f)(4)	
		<input type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input checked="" type="checkbox"/> 19b-4(f)(3)		<input type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Amend the Capital Policy and the Capital Replenishment Plan</div>					
Contact Information Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * <div></div> Last Name * <div></div> Title * <div></div> E-mail * <div>RuleFilingAdmin@dtcc.com</div> Telephone * <div></div> Fax <div></div>					
Signature Pursuant to the requirements of the Securities Exchange of 1934, Fixed Income Clearing Corporation has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date <div>04/25/2025</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: 2025.04.25 10:56:13 -04'00'</div>					

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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Narrative (FICC) - Capital Policy & Pla

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 (FICC) - Capital Policy & Plan

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

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

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

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

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

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Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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

☐

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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Exh 5 (Redacted) - Capital Policy & Pl

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 Proposed Rule Change

(a) The proposed rule change would revise (i) the Clearing Agency Policy on Capital Requirements (“Capital Policy” or “Policy”) of Fixed Income Clearing Corporation (“FICC”) and its affiliates, The Depository Trust Company (“DTC”) and National Securities Clearing Corporation (“NSCC,” and together with DTC and FICC, the “Clearing Agencies”); and (ii) the Clearing Agency Capital Replenishment Plan (“Capital Replenishment Plan” or “Plan”) of the Clearing Agencies. In particular, the proposed revisions to the Capital Policy and Capital Replenishment Plan would (1) make technical revisions to update, simplify, and clarify statements in the Policy and Plan; and (2) update the Plan to document alternate authorizations in case an authorizing officer is not available.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Clearing Agency

The proposed rule change was approved by the Board of Directors of each of DTC, FICC, and NSCC (collectively, “Boards”) at a meeting duly called and held on December 18, 2024.

3. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Clearing Agencies are proposing to revise the Capital Policy and Capital Replenishment Plan, which were adopted by the Clearing Agencies in July 2017¹ and are maintained by the Clearing Agencies in compliance with Rule 17ad-22(e)(15) under the Securities Exchange Act of 1934 (“Act”).²

Overview of the Capital Policy and Capital Replenishment Plan

The Capital Policy sets forth the manner in which each Clearing Agency identifies, monitors, and manages its general business risk with respect to the requirement to hold sufficient liquid net assets (“LNA”) funded by equity to cover potential general business losses so the Clearing Agency can continue operations and services as a going concern if such losses materialize.³ The amount of LNA funded by equity to be held by each of the Clearing Agencies for this purpose is defined in the Policy as the General Business Risk Capital Requirement. The

¹ See Securities Exchange Act Release No. 81105 (July 7, 2017), 82 FR 32399 (July 13, 2017) (SR-DTC-2017-003, SR-FICC-2017-007, SR-NSCC-2017-004).

² 17 CFR 240.17ad-22(e)(15).

³ Id.

Policy provides that the General Business Risk Requirement is calculated for each Clearing Agency as the greatest of three separate calculations – (1) an amount based on that Clearing Agency’s general business risk profile (“Risk-Based Capital Requirement”), (2) an amount based on the time estimated to execute a recovery or orderly wind-down of the critical operations of that Clearing Agency (“Recovery/Wind-down Capital Requirement”), and (3) an amount based on an analysis of that Clearing Agency’s estimated operating expenses for a six-month period (“Operating Expense Capital Requirement”). On an annual basis, each of these three capital requirements are measured, and the General Business Risk Capital Requirement for each Clearing Agency are determined as the greatest of these calculations.

Currently, the Capital Policy also addresses how each Clearing Agency maintains a portion of retained earnings as LNA funded by equity as its Corporate Contribution, as a part of its management of credit risk⁴ and pursuant to its respective rules.⁵ These resources are maintained to address losses due to a participant default, and are held in addition to the LNA funded by equity held by each of the Clearing Agencies as its General Business Risk Capital Requirement. The Capital Policy describes how each Clearing Agency’s General Business Risk Capital Requirement and Corporate Contribution fit within the Clearing Agencies’ Capital Framework, where the Total Capital Requirement of each Clearing Agency is calculated as the sum of its General Business Risk Capital Requirement and Corporate Contribution.

The Policy also provides a plan for the replenishment of capital through the Capital Replenishment Plan. The Capital Replenishment Plan was adopted by the Clearing Agencies as a plan for the replenishment of capital by each Clearing Agency should its equity fall close to or below the amount being held as its Total Capital Requirement pursuant to the Capital Policy. The Capital Replenishment Plan identifies the circumstances that would trigger implementation of the Plan; the roles, responsibilities, and guiding principles for implementation of the Plan; and an overview and description of each of the tools that may be used to replenish capital.

Proposed Revisions to the Capital Policy and Capital Replenishment Plan

As described in greater detail herein, the Clearing Agencies are proposing to make certain revisions to the Capital Policy and Capital Replenishment Plan. First, the proposal would make technical revisions to update, simplify, and clarify statements in the Policy and Plan. Second, the

⁴ LNA funded by equity held as the Clearing Agencies’ Corporate Contribution is held in addition to resources held by the Clearing Agencies for credit risk in compliance with Rule 17ad-22(e)(4) under the Act and in addition to resources held by the Clearing Agencies for liquidity risk in compliance with Rule 17ad-22(e)(7). 17 CFR 240.17ad-22(e)(4), (7).

⁵ The Rules, By-laws and Organization Certificate of DTC (“DTC Rules”), the Rulebook of the Government Securities Division of FICC (“GSD Rules”), the Clearing Rules of the Mortgage-Backed Securities Division of FICC (“MBSD Rules”), or the Rules & Procedures of NSCC (“NSCC Rules,” and together with the DTC Rules, GSD Rules and MBSD Rules, the “Clearing Agencies’ Rules”), available at www.dtcc.com/legal/rules-and-procedures.

proposed revisions would update the Plan to document alternate authorizations in case an authorizing officer is not available. These proposed revisions are designed to enhance the clarity of the Policy and Plan and help ensure that they continue to operate as intended.

1. Technical Revisions

The Clearing Agencies are proposing technical revisions to the descriptions within the Capital Policy and Capital Replenishment Plan that would update, simplify, and clarify statements, including, for example, removing in the Policy the unnecessary reference to the Plan as an Addendum to the Policy, rephrasing certain sentences for clarity without changing the meaning, and relocating language from one sentence or section to another.

Such revisions would also update the documents. For example, in the Policy, the proposed changes would more accurately refer to the Policy as a policy instead of a framework, and refer to the senior most management committee, which reflects the term now used by the Clearing Agencies to refer to the highest-level committee of the Clearing Agencies. In the Plan, these revisions would include removing references to credit risk from the risk scenarios that may trigger the Plan to reflect the Clearing Agencies' current rules and procedures allowing the Corporate Contribution to be used for both participant default as well as non-participant default losses.

2. Alternate Authorizations

Section 3.2 of the Plan describes the role and responsibilities of the Treasury group ("Treasury") in the implementation of the Plan in the event the Plan is triggered pursuant to the Policy. This section lists the steps to be taken by Treasury in implementing the plan as well as the relevant internal parties within Treasury tasked with providing any required authorizations. The proposed changes would provide alternate stakeholders that may provide any required authorizations in the absence of those already outlined in the steps referenced above. This change would allow for business continuity and timely implementation of the plan in the absence of any specific authorizing party.

(b) Statutory Basis

The Clearing Agencies believe that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, the Clearing Agencies believe that the proposed changes to the Capital Policy and Capital Replenishment Plan are both consistent with Section 17A(b)(3)(F) of the Act⁶ and Rule 17ad-22(e)(15) under the Act,⁷ for the reasons described below.

Section 17A(b)(3)(F) of the Act 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

⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ 17 CFR 240.17ad-22(e)(15).

control of the Clearing Agency or for which it is responsible.⁸ Together, the Capital Policy and Capital Replenishment Plan are designed to ensure that each of the Clearing Agencies hold sufficient LNA funded by equity to cover potential general business losses so that it can continue the prompt and accurate clearance and settlement of securities transactions, and can continue to assure the safeguarding of securities and funds which are in its custody or control or for which it is responsible if those losses materialize. By making technical revisions to update, simplify, and clarify statements in the Policy and Plan, and updating the Plan to document alternate authorizing parties, the proposed revisions would allow the Clearing Agencies to maintain these documents to operate in the way they were intended. Therefore, such proposed revisions would be consistent with the requirements of Section 17A(b)(3)(F) of the Act.⁹

Rule 17ad-22(e)(15) under the Act requires, in part, that the Clearing Agencies establish, implement, maintain and enforce written policies and procedures reasonably designed to identify, monitor, and manage their respective general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that the Clearing Agencies can continue operations and services as a going concern if those losses materialize.¹⁰ As originally implemented, the Capital Policy and Capital Replenishment Plan were designed to meet the requirements of Rule 17ad-22(e)(15).¹¹ As stated above, the proposal would make technical revisions to update, simplify, and clarify statements in the Policy and Plan, and would update the Plan to document alternate authorizing parties. In this way, the proposed changes would allow the Clearing Agencies to maintain these documents in a way that meets these requirements. Therefore, such proposed revisions would be consistent with the requirements of Rule 17ad-22(e)(15) under the Act.¹²

4. Clearing Agency's Statement on Burden on Competition

The Clearing Agencies believe that the proposed revisions to the Capital Policy and the Capital Replenishment Plan would not have any impact, or impose any burden, on competition. The Policy and the Plan are maintained by the Clearing Agencies in order to satisfy their regulatory requirements and generally reflect internal tools and procedures. Tools and procedures that have a direct impact on the rights, responsibilities or obligations of members or participants of the Clearing Agencies are reflected in the Clearing Agencies' Rules. Accordingly, the Capital Policy and Capital Replenishment Plan themselves are documents that enhance the Clearing Agencies' regulatory compliance and internal management and do not have any impact, or impose any burden, on competition.

⁸ 15 U.S.C. 78q-1(b)(3)(F).

⁹ Id.

¹⁰ 17 CFR 240.17ad-22(e)(15).

¹¹ See supra note 1.

¹² 17 CFR 240.17ad-22(e)(15).

The proposed revisions to update the Capital Policy and Capital Replenishment Plan would not effect any changes on the fundamental purpose or operation of these documents and, as such, would also not have any impact, or impose any burden, on competition.

5. 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 proposed rule change. If any written comments are received, the Clearing Agencies will amend their respective filings to publicly file such comments as an Exhibit 2 to the 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 Securities and 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. 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

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 change is to take effect immediately upon filing pursuant to paragraph A of Section 19(b)(3) of the Act.¹³

(b) The proposed rule change would permit the Clearing Agencies to update the Capital Policy and Capital Replenishment Plan in connection with their ongoing maintenance and would not effect any material changes on the operation of these documents. As such, the proposed changes are concerned solely with the administration of the Clearing Agencies.¹⁴

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(3).

(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 changes are not based on the rules of another self-regulatory organization or of the Commission, both the Capital Policy and the Capital Replenishment Plan are applicable to each of the Clearing Agencies, and each of the Clearing Agencies has filed similar proposed revisions to these documents concurrently with this filing.

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

Not applicable.

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

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 –

- Exhibit 5a – Proposed changes to Capital Policy. *Omitted and filed separately with the Commission. Confidential treatment of this Exhibit 5a pursuant to 17 CFR 240.24b-2 being requested.*
- Exhibit 5b – Proposed changes to Capital Replenishment Plan. *Omitted and filed separately with the Commission. Confidential treatment of this Exhibit 5b pursuant to 17 CFR 240.24b-2 being requested.*

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[____]; File No. SR-FICC-2025-011)

[DATE]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Capital Policy and the Capital Replenishment Plan

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on April __, 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 Act³ and Rule 19b-4(f)(3) thereunder.⁴ 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 consists of amendments to (i) the Clearing Agency Policy on Capital Requirements (“Capital Policy” or “Policy”) of FICC and its affiliates, The Depository Trust Company (“DTC”) and National Securities Clearing Corporation (“NSCC,” and together with DTC and FICC, the “Clearing Agencies”); and (ii) the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(3).

Clearing Agency Capital Replenishment Plan (“Capital Replenishment Plan” or “Plan”) of the Clearing Agencies. In particular, the proposed revisions to the Capital Policy and Capital Replenishment Plan would (1) make technical revisions to update, simplify, and clarify statements in the Policy and Plan; and (2) update the Plan to document alternate authorizations in case an authorizing officer is not available.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Clearing Agencies are proposing to revise the Capital Policy and Capital Replenishment Plan, which were adopted by the Clearing Agencies in July 2017⁵ and are maintained by the Clearing Agencies in compliance with Rule 17ad-22(e)(15) under the Act.⁶

⁵ See Securities Exchange Act Release No. 81105 (July 7, 2017), 82 FR 32399 (July 13, 2017) (SR-DTC-2017-003, SR-FICC-2017-007, SR-NSCC-2017-004).

⁶ 17 CFR 240.17ad-22(e)(15).

Overview of the Capital Policy and Capital Replenishment Plan

The Capital Policy sets forth the manner in which each Clearing Agency identifies, monitors, and manages its general business risk with respect to the requirement to hold sufficient liquid net assets (“LNA”) funded by equity to cover potential general business losses so the Clearing Agency can continue operations and services as a going concern if such losses materialize.⁷ The amount of LNA funded by equity to be held by each of the Clearing Agencies for this purpose is defined in the Policy as the General Business Risk Capital Requirement. The Policy provides that the General Business Risk Requirement is calculated for each Clearing Agency as the greatest of three separate calculations – (1) an amount based on that Clearing Agency’s general business risk profile (“Risk-Based Capital Requirement”), (2) an amount based on the time estimated to execute a recovery or orderly wind-down of the critical operations of that Clearing Agency (“Recovery/Wind-down Capital Requirement”), and (3) an amount based on an analysis of that Clearing Agency’s estimated operating expenses for a six-month period (“Operating Expense Capital Requirement”). On an annual basis, each of these three capital requirements are measured, and the General Business Risk Capital Requirement for each Clearing Agency are determined as the greatest of these calculations.

Currently, the Capital Policy also addresses how each Clearing Agency maintains a portion of retained earnings as LNA funded by equity as its Corporate Contribution, as

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Id.

a part of its management of credit risk⁸ and pursuant to its respective rules.⁹ These resources are maintained to address losses due to a participant default, and are held in addition to the LNA funded by equity held by each of the Clearing Agencies as its General Business Risk Capital Requirement. The Capital Policy describes how each Clearing Agency's General Business Risk Capital Requirement and Corporate Contribution fit within the Clearing Agencies' Capital Framework, where the Total Capital Requirement of each Clearing Agency is calculated as the sum of its General Business Risk Capital Requirement and Corporate Contribution.

The Policy also provides a plan for the replenishment of capital through the Capital Replenishment Plan. The Capital Replenishment Plan was adopted by the Clearing Agencies as a plan for the replenishment of capital by each Clearing Agency should its equity fall close to or below the amount being held as its Total Capital Requirement pursuant to the Capital Policy. The Capital Replenishment Plan identifies the circumstances that would trigger implementation of the Plan; the roles, responsibilities, and guiding principles for implementation of the Plan; and an overview and description of each of the tools that may be used to replenish capital.

⁸ LNA funded by equity held as the Clearing Agencies' Corporate Contribution is held in addition to resources held by the Clearing Agencies for credit risk in compliance with Rule 17ad-22(e)(4) under the Act and in addition to resources held by the Clearing Agencies for liquidity risk in compliance with Rule 17ad-22(e)(7). 17 CFR 240.17ad-22(e)(4), (7).

⁹ The Rules, By-laws and Organization Certificate of DTC ("DTC Rules"), the Rulebook of the Government Securities Division of FICC ("GSD Rules"), the Clearing Rules of the Mortgage-Backed Securities Division of FICC ("MBSD Rules"), or the Rules & Procedures of NSCC ("NSCC Rules," and together with the DTC Rules, GSD Rules and MBSD Rules, the "Clearing Agencies' Rules"), available at www.dtcc.com/legal/rules-and-procedures.

Proposed Revisions to the Capital Policy and Capital Replenishment Plan

As described in greater detail herein, the Clearing Agencies are proposing to make certain revisions to the Capital Policy and Capital Replenishment Plan. First, the proposal would make technical revisions to update, simplify, and clarify statements in the Policy and Plan. Second, the proposed revisions would update the Plan to document alternate authorizations in case an authorizing officer is not available. These proposed revisions are designed to enhance the clarity of the Policy and Plan and help ensure that they continue to operate as intended.

1. Technical Revisions

The Clearing Agencies are proposing technical revisions to the descriptions within the Capital Policy and Capital Replenishment Plan that would update, simplify, and clarify statements, including, for example, removing in the Policy the unnecessary reference to the Plan as an Addendum to the Policy, rephrasing certain sentences for clarity without changing the meaning, and relocating language from one sentence or section to another.

Such revisions would also update the documents. For example, in the Policy, the proposed changes would more accurately refer to the Policy as a policy instead of a framework, and refer to the senior most management committee, which reflects the term now used by the Clearing Agencies to refer to the highest-level committee of the Clearing Agencies. In the Plan, these revisions would include removing references to credit risk from the risk scenarios that may trigger the Plan to reflect the Clearing Agencies' current rules and procedures allowing the Corporate Contribution to be used for both participant default as well as non-participant default losses.

2. *Alternate Authorizations*

Section 3.2 of the Plan describes the role and responsibilities of the Treasury group (“Treasury”) in the implementation of the Plan in the event the Plan is triggered pursuant to the Policy. This section lists the steps to be taken by Treasury in implementing the plan as well as the relevant internal parties within Treasury tasked with providing any required authorizations. The proposed changes would provide alternate stakeholders that may provide any required authorizations in the absence of those already outlined in the steps referenced above. This change would allow for business continuity and timely implementation of the plan in the absence of any specific authorizing party.

2. Statutory Basis

The Clearing Agencies believe that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, the Clearing Agencies believe that the proposed changes to the Capital Policy and Capital Replenishment Plan are both consistent with Section 17A(b)(3)(F) of the Act¹⁰ and Rule 17ad-22(e)(15) under the Act,¹¹ for the reasons described below.

Section 17A(b)(3)(F) of the Act 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

¹⁰ 15 U.S.C. 78q-1(b)(3)(F).

¹¹ 17 CFR 240.17ad-22(e)(15).

the custody or control of the Clearing Agency or for which it is responsible.¹² Together, the Capital Policy and Capital Replenishment Plan are designed to ensure that each of the Clearing Agencies hold sufficient LNA funded by equity to cover potential general business losses so that it can continue the prompt and accurate clearance and settlement of securities transactions, and can continue to assure the safeguarding of securities and funds which are in its custody or control or for which it is responsible if those losses materialize. By making technical revisions to update, simplify, and clarify statements in the Policy and Plan, and updating the Plan to document alternate authorizing parties, the proposed revisions would allow the Clearing Agencies to maintain these documents to operate in the way they were intended. Therefore, such proposed revisions would be consistent with the requirements of Section 17A(b)(3)(F) of the Act.¹³

Rule 17ad-22(e)(15) under the Act requires, in part, that the Clearing Agencies establish, implement, maintain and enforce written policies and procedures reasonably designed to identify, monitor, and manage their respective general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that the Clearing Agencies can continue operations and services as a going concern if those losses materialize.¹⁴ As originally implemented, the Capital Policy and Capital Replenishment Plan were designed to meet the requirements of Rule 17ad-22(e)(15).¹⁵ As stated above, the proposal would make technical revisions to update, simplify, and

¹² 15 U.S.C. 78q-1(b)(3)(F).

¹³ Id.

¹⁴ 17 CFR 240.17ad-22(e)(15).

¹⁵ See supra note 5.

clarify statements in the Policy and Plan, and would update the Plan to document alternate authorizing parties. In this way, the proposed changes would allow the Clearing Agencies to maintain these documents in a way that meets these requirements.

Therefore, such proposed revisions would be consistent with the requirements of Rule 17ad-22(e)(15) under the Act.¹⁶

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

The Clearing Agencies believe that the proposed revisions to the Capital Policy and the Capital Replenishment Plan would not have any impact, or impose any burden, on competition. The Policy and the Plan are maintained by the Clearing Agencies in order to satisfy their regulatory requirements and generally reflect internal tools and procedures. Tools and procedures that have a direct impact on the rights, responsibilities or obligations of members or participants of the Clearing Agencies are reflected in the Clearing Agencies' Rules. Accordingly, the Capital Policy and Capital Replenishment Plan themselves are documents that enhance the Clearing Agencies' regulatory compliance and internal management and do not have any impact, or impose any burden, on competition.

The proposed revisions to update the Capital Policy and Capital Replenishment Plan would not effect any changes on the fundamental purpose or operation of these documents and, as such, would also not have any impact, or impose any burden, on competition.

¹⁶ 17 CFR 240.17ad-22(e)(15).

(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 proposed rule change. If any written comments are received, the Clearing Agencies will amend their respective filings to publicly file such comments as an Exhibit 2 to the 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 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)¹⁷ of the Act and paragraph (f)¹⁸ of Rule 19b-4 thereunder. At any time within 60 days of

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FICC-2025-011 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-2025-011. 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 FICC 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-FICC-2025-011 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.¹⁹

Secretary

¹⁹ 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) information that concerns 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 each 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 the proposed rule change filing, thus allowing for meaningful public comment.

Embedded File(s):

- Exhibit 5a; 4 pages; proposed changes to Clearing Agency Policy on Capital Requirements.
- Exhibit 5b; 8 pages; proposed changes to Clearing Agency Capital Replenishment Plan.

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