

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 28		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 016 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 type="checkbox"/> 19b-4(f)(3)		<input checked="" 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 MBSD Rule 33 (Suspension of Rules in Emergency Circumstances)</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>07/23/2025</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: 2025.07.23 10:32:02 -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.			
<div><div>Form 19b-4 Information *</div><div><div>Add</div><div>Remove</div><div>View</div></div><div>Narrative - MBSD Waiver Rule - 2025-</div></div>			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.
<div><div>Exhibit 1 - Notice of Proposed Rule Change *</div><div><div>Add</div><div>Remove</div><div>View</div></div><div>Exh 1A - MBSD Waiver Rule - 2025-0</div></div>			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)
<div><div>Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *</div><div><div>Add</div><div>Remove</div><div>View</div></div></div>			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)
<div><div>Exhibit 2- Notices, Written Comments, Transcripts, Other Communications</div><div><div>Add</div><div>Remove</div><div>View</div></div></div>			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. <div><input type="checkbox"/> Exhibit Sent As Paper Document</div>
<div><div>Exhibit 3 - Form, Report, or Questionnaire</div><div><div>Add</div><div>Remove</div><div>View</div></div></div>			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. <div><input type="checkbox"/> Exhibit Sent As Paper Document</div>
<div><div>Exhibit 4 - Marked Copies</div><div><div>Add</div><div>Remove</div><div>View</div></div></div>			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.
<div><div>Exhibit 5 - Proposed Rule Text</div><div><div>Add</div><div>Remove</div><div>View</div></div><div>Exh 5 - MBSD Waiver Rule - 2025-072</div></div>			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
<div><div>Partial Amendment</div><div><div>Add</div><div>Remove</div><div>View</div></div></div>			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”)<sup>1</sup> is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

## **2. Procedures of the Clearing Agency**

The proposed rule change was approved on July 23, 2025 by a Deputy General Counsel of FICC pursuant to delegated authority from FICC’s Board of Directors.

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

### **(a) Purpose**

The proposed rule change would revise the FICC Mortgage-Backed Securities Division (“MBSD”) Clearing Rules (“MBSD Rules”) to (1) amend MBSD Rule 33 (Suspension of Rules in Emergency Circumstances) and, (2) based on those amendments, update title cross-references to MBSD Rule 33 in two locations of the MBSD Rules, as described in detail below.

### **(i) Background**

MBSD Rule 33 authorizes FICC, in general, to waive, suspend, or extend an MBSD Rule or a requirement under an MBSD Rule. However, MBSD Rule 33 currently limits any waiver, extension or suspension of an MBSD Rule to “emergency circumstances” and imposes several reporting obligations on FICC when relying on the rule. More specifically, MBSD Rule 33 requires (i) the existence of an “emergency;” (ii) the waiver, suspension, or extension of the MBSD Rules to be necessary for FICC to facilitate the prompt and accurate clearance and settlement of securities transactions and to provide FICC’s services in a safe and sound manner; (iii) notice to the U.S. Securities and Exchange Commission (“Commission”) within two hours of FICC’s determination to extend, waive, or suspend an MBSD Rule, but no later than one hour before the close of the Federal Reserve Banks’ Fedwire Funds Service if the action taken relates to a settlement extension on the settlement day; (iv) a written report to be submitted to the Commission no later than three calendar days after the implementation of the extension, waiver or suspension of a rule, procedure, or regulation issued by FICC; and (v) FICC to submit a proposed rule change to the Commission, pursuant to Rule 19b-4 under the Securities Exchange

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<sup>1</sup> Capitalized terms not otherwise defined herein are defined in the MBSD Rules, as applicable, available at <http://www.dtcc.com/legal/rules-and-procedures>.

Act of 1934 (“Act”),<sup>2</sup> if the extension, waiver or suspension is to last for longer than 30 calendar days.

Over time, FICC has come to realize that the extensive limitations on the scope of MBSD Rule 33 and the considerable administrative obligations imposed by the current requirements of the rule greatly restrict FICC’s ability to manage situations in MBSD that do not rise to the level of an emergency but still require waiver, extension or suspension of an MBSD Rule or a requirement under an MBSD Rule. Not every situation in which FICC would need to waive, extend, or suspend an MBSD Rule or a requirement under an MBSD Rule is an emergency, nor would every waiver, extension or suspension necessarily support FICC’s prompt and accurate clearance and settlement of securities transactions; yet, the absence of an emergency or support of clearance and settlement means FICC may not rely on MBSD Rule 33 to help address such a situation. Moreover, the current scope and regulatory reporting requirements of MBSD Rule 33 are now more appropriately covered by MBSD Rule 40 (Market Disruption and Force Majeure),<sup>3</sup> which was adopted after MBSD Rule 33.

MBSD Rule 40 addresses FICC’s authority to take certain actions upon the occurrence and during the pendency of a “Market Disruption Event,” as defined in the rule. A Market Disruption Event includes, for example, events that lead to the suspension or limitation of trading or banking in the markets in which FICC operates, or the unavailability or failure of any material payment, bank transfer, wire, or security settlement system.<sup>4</sup> In other words, the Market Disruption Events covered by MBSD Rule 40 are essentially emergencies.

Much like MBSD Rule 33, MBSD Rule 40 also imposes heightened reporting obligations on FICC, given the emergency nature of Market Disruption Events that would require use of MBSD Rule 40. Specifically, if relying on MBSD Rule 40, the rule requires FICC to (i) attempt to consult with the Commission prior to taking action under the rule; (ii) advise the Commission by telephone, confirmed in writing, as soon as practicable after taking such action; and (iii) promptly file a record of that writing with FICC’s corporate records, which shall be made available for inspection by any FICC Member.<sup>5</sup> Then, upon the ending of the Market Disruption Event and the associated action taken under MBSD Rule 40, the rule requires FICC to (A) advise the Commission of such by telephone, confirmed in writing, as soon as practicable; and (B) promptly file a record of that writing with FICC’s corporate records, which shall be made available for inspection by any Member.<sup>6</sup>

With the adoption of MBSD Rule 40 to address emergency situations, MBSD now has two rules that address essentially the same situations; yet, it lacks a rule to address situations that

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

<sup>3</sup> MBSD Rule 40, supra note 1.

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> Id.

may not constitute emergencies or relate to clearance and settlement, but still require waiver, extension or suspension of an MBSD Rule or a requirement under an MBSD Rule. As such, FICC proposes to amend MBSD Rule 33 to handle situations that may not rise to the level of an emergency and may not relate to clearance and settlement, but that still require a waiver, extension or suspension of an MBSD Rule or a requirement under an MBSD Rule. The proposed amendments would align with an existing rule of FICC's Government Securities Division ("GSD"), as well as existing rules of FICC's affiliate clearing agencies, National Securities Clearing Corporation ("NSCC") and The Depository Trust Company ("DTC"), as discussed below.<sup>7</sup>

(ii) Proposed Amendments to MBSD Rule 33

The proposed amendments to MBSD Rule 33 would eliminate the requirements that (i) an "emergency" exists; (ii) any extension, waiver or suspension of the MBSD Rules must be necessary for FICC to facilitate the prompt and accurate clearance and settlement of securities transactions and providing FICC's services in a safe and sound manner; (iii) notice be sent to the Commission within two hours of FICC's determination to extend, waive or suspend an MBSD Rule, but no later than one hour before the close of the Federal Reserve Banks' Fedwire Funds Service if the action taken relates to a settlement extension on the settlement day; (iv) a written report be submitted to the Commission no later than three calendar days after the implementation of the extension, waiver or suspension of a rule (although, MBSD would still be required to make and maintain a similar report, as discussed further below); (v) FICC submit a proposed rule change to the Commission, pursuant to Rule 19b-4 under the Act,<sup>8</sup> if the extension, waiver or suspension is to last for longer than 30 calendar days; and (vi) the extension, waiver or suspension will not remain in effect if the Commission notifies the Corporation in writing that it objects to such extension, waiver or suspension.

The proposed amendments to MBSD Rule 33 would add language to (i) establish "reasonable and appropriate" as the new standard for when an extension, waiver or suspension may occur; (ii) explain that an extension, waiver or suspension may not continue in effect for more than 60 calendar days unless such action is approved by FICC's Board of Directors prior to the 60<sup>th</sup> day; (iii) require action under the rule to be in consideration of FICC's obligations as a clearing agency, as explained further below; and (iv) similar to the current reporting requirement, require FICC to promptly make and maintain for inspection by Members a report of any extension, waiver or suspension (other than an extension of time of less than eight hours) stating the pertinent facts, the identity of the person or persons who authorized the action, and the reason such action was reasonable and appropriate. Finally, the proposed rule change would update the title of MBSD Rule 33 to "Extension, Waiver or Suspension of Rules" and update two title

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<sup>7</sup> NSCC and DTC are affiliates of FICC under their parent holding company, The Depository Trust & Clearing Corporation.

<sup>8</sup> 17 CFR 240.19b-4.

cross-references to MBSD Rule 33 in MBSD Rules 3 (Ongoing Membership Requirements) and 3A (Cash Settling Bank Members), as described below.<sup>9</sup>

As noted above, the proposed changes would align the language, purpose, and governance of MBSD Rule 33 with the equivalent, existing waiver, suspension, and extension rules of FICC GSD Rule 42,<sup>10</sup> NSCC Rule 22,<sup>11</sup> and DTC Rule 18.<sup>12</sup> Those equivalent rules do not require emergency situations, a relationship to clearance and settlement, or outreach to the Commission or the filing of a rule change where the authority would last longer than 30 days. Instead, like MBSD, the rules of GSD, NSCC, and DTC each include their own Market Disruption and Force Majeure rules to manage emergency situations.<sup>13</sup>

Although the proposed changes to MBSD Rule 33 would not require notification to the Commission, submission of a report to the Commission, or a filing with the Commission if the exercised authority would continue for more than 30 calendar days, as noted above, the proposed modifications still would require FICC to write a report, as described above, except for an extension of time of less than eight hours. The report would need to include almost the same information currently required by the rule, except the report would no longer include the nature of the emergency because an emergency would no longer be required, nor would it include why the action was necessary to facilitate the prompt and accurate clearance and settlement of securities transactions and providing FICC's services in a safe and sound manner because that necessity also would no longer be required. FICC would be required to file the report in FICC's corporate records, and make it available to Members for inspection. Moreover, the proposed amendments would limit any exercised authority under MBSD Rule 33 to no more than 60 calendar days, unless such action is approved by FICC's Board of Directors prior to the 60<sup>th</sup> calendar day. Each of these governance concepts are consistent with the corresponding GSD, NSCC, and DTC rules noted above.

As described above, the proposed changes eliminate the requirement that an emergency must exist and that any extension, waiver or suspension must be necessary to facilitate the prompt and accurate clearance and settlement of securities transactions. Instead, the proposed changes introduce a "reasonable and appropriate" standard, under which FICC may act to prevent, correct, mitigate or otherwise address an event or situation that, if left unaddressed, could result in a failure to satisfy a requirement of the MBSD Rules. The proposed rule change

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<sup>9</sup> MBSD Rules 3 and 3A, supra note 1.

<sup>10</sup> FICC GSD Rulebook ("FICC GSD Rules"), available at [https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc\\_gov\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_gov_rules.pdf).

<sup>11</sup> NSCC Rules & Procedures ("NSCC Rules"), available at [https://dtcc.com/~media/Files/Downloads/legal/rules/nscc\\_rules.pdf](https://dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf).

<sup>12</sup> DTC Rules, By-laws and Organization Certificate ("DTC Rules"), available at [https://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc_rules.pdf).

<sup>13</sup> FICC GSD Rule 50, supra note 10; NSCC Rule 60, supra note 11; DTC Rule 38, supra note 12.

also clarifies that such authority may not be used to circumvent FICC's regulatory obligations provided under MBSD Rule 40 in the event of a Market Disruption.

In determining whether to exercise the authority provided by the proposed changes to MBSD Rule 33, the proposed rule text would require FICC to consider its obligation to facilitate the prompt and accurate clearance and settlement of securities transactions; to safeguard securities and funds which are in its custody or control; and, in general, to protect investors and the public interest. Examples of the types of actions that may be considered reasonable and appropriate include, but are not limited to, temporarily suspending margin charges or extending margin submissions due to an operational error; extending a payment deadline in cases where billing information is not readily available to Members; waiving applicable charges related to processing or submission failures that result from operational constraints; or reversing fees assessed in connection with erroneous activity resulting from misunderstanding of established procedures.

Note, though, any extension, waiver or suspension under the proposed changes to MBSD Rule 33 could not be a permanent action, nor would the rule permit extension, waiver or suspension of any regulatory obligations of FICC.

The proposed changes to MBSD Rule 33, as described above, would help ensure that MBSD is able to respond reasonably and appropriately to situations that may not be emergencies and may not be related to clearance and settlement but still require a waiver, suspension, or extension of an MBSD Rule or a requirement under an MBSD Rule in the same way that GSD, NSCC, and DTC can respond to such situations – without the limited scope and administrative burdens currently contained in MBSD Rule 33. This harmonization is important to help ensure that both FICC divisions, as well as NSCC and DTC, can consistently manage such situations that may apply across multiple divisions, clearing agencies, or common members, while still maintaining the authority and process to manage situations that are emergencies under separate authority. That is, upon the occurrence of a Market Disruption Event, as defined in MBSD Rule 40, and the need for FICC to exercise the authority provided by MBSD Rule 40, the process and authority set forth in MBSD Rule 40 would be followed.

(b) Statutory Basis

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, inter alia, 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> FICC believes that the proposed rule change is consistent with the Section 17A(b)(3)(F) of the Act, as cited above.

As described above, the proposed rule change would update MBSD Rule 33 to remove language that restricts the applicable scope of the rule and certain regulatory reporting obligations to the Commission when the rule is exercised. Meanwhile, the proposed rule change would add language to MBSD Rule 33 to include a “reasonable and appropriate” use standard, limit any extension, waiver or suspension beyond 60 days without engagement by FICC's Board of Directors but exclude the need for a written report where an extension under the rule is for less

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<sup>14</sup> 15 U.S.C. 78q-1(b)(3)(F).

than eight hours. Finally, the proposed rule change would update two title cross-references to MBSD Rule 33 in MBSD Rules 3 (Ongoing Membership Requirements) and 3A (Cash Settling Bank Members).

The proposed rule change would help ensure that MBSD is able to respond reasonably, appropriately, and effectively to situations that may not constitute an emergency and may not involve FICC's clearance and settlement of transactions but still require a waiver, suspension, or extension of an MBSD Rule or obligation under an MBSD Rule. The proposed changes also would enable MBSD to respond to such situations in the same way that GSD, NSCC, and DTC can currently respond under their respective rules, without the limited scope and administrative reporting burdens currently contained in MBSD Rule 33, yet maintaining the same governance structure that exists in those corresponding rules. For Market Disruption Events, FICC would continue to rely on MBSD Rule 40 to help address such emergency situations. Additionally, updating the two title cross-references to MBSD Rule 33 in the MBSD Rules helps ensure the rules remain clear and accurate for Members.

Therefore, by helping to ensure that MBSD can respond more efficiently and effectively to more situations that require a waiver, suspension, or extension of an MBSD Rule or obligation under an MBSD Rule, and helping to ensure that cross-references in the MBSD Rules remain clear and accurate, FICC believes the proposed rule change would help to assure the safeguarding of securities and funds which are in the custody or control of FICC or for which it is responsible, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F) of the Act, cited above.

#### **4. Clearing Agency's Statement on Burden on Competition**

FICC does not believe that the proposed rule change will have any impact or impose any burden on competition because, as described above, the proposed changes would not affect the rights and obligations of the MBSD membership. Rather, the proposed changes would enable FICC to employ MBSD Rule 33 more efficiently and effectively when responding to situations that may not constitute an emergency or relate to clearance and settlement, yet still require waiver, suspension, or extension of an MBSD Rule or obligation under an MBSD Rule. As such, FICC believes the proposed rule change would not have any impact on competition.

#### **5. Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

FICC has not received or solicited any written comments relating to this proposal. If any written comments are received, FICC will amend this filing 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](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

FICC reserves 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<sup>15</sup> and Rule 19b-4(f)(6) thereunder.<sup>16</sup>

(b) The proposed rule change (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. As noted above, the proposed changes would remove language that restricts the applicable scope of the rule and certain regulatory reporting obligations to the Commission when the rule is exercised, but also establish a "reasonable and appropriate" standard, which would enable FICC to employ MBSD Rule 33 more efficiently and effectively when responding to situations that may not constitute an emergency or relate to clearance and settlement, yet still require waiver, suspension, or extension of an MBSD Rule or obligation under an MBSD Rule. The proposed rule change would also update title cross-references to MBSD Rule 33 in MBSD Rules 3 (Ongoing Membership Requirements) and 3A (Cash Settling Bank Members), based on the amendments noted above. Therefore, these proposed changes would not affect the protection of investors or the public interest, nor would these changes impose any burden on competition, for the reasons described above.

FICC has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.<sup>17</sup>

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

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

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

<sup>17</sup> See id.

action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule should be approved or disapproved.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is based on the rules of another self-regulatory organization. Specifically, the proposed rule change would more closely align MBSD Rule 33 to the equivalent GSD Rule 42, DTC Rule 18 and NSCC Rule 22, cited above.

**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 – Proposed changes to the MBSD Rules.

**EXHIBIT 1A**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-[\_\_\_\_]; File No. SR-FICC-2025-016)

[DATE]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend MBSD Rule 33 (Suspension of Rules in Emergency Circumstances)

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 July \_\_, 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)(6) 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 consists of amendments to the FICC Mortgage-Backed Securities Division (“MBSD”) Clearing Rules (“MBSD Rules”) to (1) amend MBSD Rule 33 (Suspension of Rules in Emergency Circumstances) and, (2) based on those

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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)(6).

amendments, update title cross-references to MBSD Rule 33 in two locations of the MBSD Rules.<sup>5</sup>

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 proposed rule change would revise the MBSD Rules to (1) amend MBSD Rule 33 (Suspension of Rules in Emergency Circumstances) and, (2) based on those amendments, update title cross-references to MBSD Rule 33 in two locations of the MBSD Rules, as described in detail below.

(i) Background

MBSD Rule 33 authorizes FICC, in general, to waive, suspend, or extend an MBSD Rule or a requirement under an MBSD Rule. However, MBSD Rule 33 currently limits any waiver, extension or suspension of an MBSD Rule to “emergency circumstances” and imposes several reporting obligations on FICC when relying on the

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<sup>5</sup> Capitalized terms not otherwise defined herein are defined in the MBSD Rules, as applicable, available at <http://www.dtcc.com/legal/rules-and-procedures>.

rule. More specifically, MBSD Rule 33 requires (i) the existence of an “emergency;” (ii) the waiver, suspension, or extension of the MBSD Rules to be necessary for FICC to facilitate the prompt and accurate clearance and settlement of securities transactions and to provide FICC’s services in a safe and sound manner; (iii) notice to the Commission within two hours of FICC’s determination to extend, waive, or suspend an MBSD Rule, but no later than one hour before the close of the Federal Reserve Banks’ Fedwire Funds Service if the action taken relates to a settlement extension on the settlement day; (iv) a written report to be submitted to the Commission no later than three calendar days after the implementation of the extension, waiver or suspension of a rule, procedure, or regulation issued by FICC; and (v) FICC to submit a proposed rule change to the Commission, pursuant to Rule 19b-4 under the Act,<sup>6</sup> if the extension, waiver or suspension is to last for longer than 30 calendar days.

Over time, FICC has come to realize that the extensive limitations on the scope of MBSD Rule 33 and the considerable administrative obligations imposed by the current requirements of the rule greatly restrict FICC’s ability to manage situations in MBSD that do not rise to the level of an emergency but still require waiver, extension or suspension of an MBSD Rule or a requirement under an MBSD Rule. Not every situation in which FICC would need to waive, extend, or suspend an MBSD Rule or a requirement under an MBSD Rule is an emergency, nor would every waiver, extension or suspension necessarily support FICC’s prompt and accurate clearance and settlement of securities transactions; yet, the absence of an emergency or support of clearance and settlement means FICC may not rely on MBSD Rule 33 to help address such a situation. Moreover,

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<sup>6</sup> 17 CFR 240.19b-4.

the current scope and regulatory reporting requirements of MBSD Rule 33 are now more appropriately covered by MBSD Rule 40 (Market Disruption and Force Majeure),<sup>7</sup> which was adopted after MBSD Rule 33.

MBSD Rule 40 addresses FICC's authority to take certain actions upon the occurrence and during the pendency of a "Market Disruption Event," as defined in the rule. A Market Disruption Event includes, for example, events that lead to the suspension or limitation of trading or banking in the markets in which FICC operates, or the unavailability or failure of any material payment, bank transfer, wire, or security settlement system.<sup>8</sup> In other words, the Market Disruption Events covered by MBSD Rule 40 are essentially emergencies.

Much like MBSD Rule 33, MBSD Rule 40 also imposes heightened reporting obligations on FICC, given the emergency nature of Market Disruption Events that would require use of MBSD Rule 40. Specifically, if relying on MBSD Rule 40, the rule requires FICC to (i) attempt to consult with the Commission prior to taking action under the rule; (ii) advise the Commission by telephone, confirmed in writing, as soon as practicable after taking such action; and (iii) promptly file a record of that writing with FICC's corporate records, which shall be made available for inspection by any FICC Member.<sup>9</sup> Then, upon the ending of the Market Disruption Event and the associated action taken under MBSD Rule 40, the rule requires FICC to (A) advise the Commission of such by telephone, confirmed in writing, as soon as practicable; and (B) promptly file

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<sup>7</sup> MBSD Rule 40, supra note 5.

<sup>8</sup> Id.

<sup>9</sup> Id.

a record of that writing with FICC's corporate records, which shall be made available for inspection by any Member.<sup>10</sup>

With the adoption of MBSD Rule 40 to address emergency situations, MBSD now has two rules that address essentially the same situations; yet, it lacks a rule to address situations that may not constitute emergencies or relate to clearance and settlement, but still require waiver, extension or suspension of an MBSD Rule or a requirement under an MBSD Rule. As such, FICC proposes to amend MBSD Rule 33 to handle situations that may not rise to the level of an emergency and may not relate to clearance and settlement, but that still require a waiver, extension or suspension of an MBSD Rule or a requirement under an MBSD Rule. The proposed amendments would align with an existing rule of FICC's Government Securities Division ("GSD"), as well as existing rules of FICC's affiliate clearing agencies, National Securities Clearing Corporation ("NSCC") and The Depository Trust Company ("DTC"), as discussed below.<sup>11</sup>

(ii) Proposed Amendments to MBSD Rule 33

The proposed amendments to MBSD Rule 33 would eliminate the requirements that (i) an "emergency" exists; (ii) any extension, waiver or suspension of the MBSD Rules must be necessary for FICC to facilitate the prompt and accurate clearance and settlement of securities transactions and providing FICC's services in a safe and sound manner; (iii) notice be sent to the Commission within two hours of FICC's determination

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<sup>10</sup> Id.

<sup>11</sup> NSCC and DTC are affiliates of FICC under their parent holding company, The Depository Trust & Clearing Corporation.

to extend, waive or suspend an MBSD Rule, but no later than one hour before the close of the Federal Reserve Banks' Fedwire Funds Service if the action taken relates to a settlement extension on the settlement day; (iv) a written report be submitted to the Commission no later than three calendar days after the implementation of the extension, waiver or suspension of a rule (although, MBSD would still be required to make and maintain a similar report, as discussed further below); (v) FICC submit a proposed rule change to the Commission, pursuant to Rule 19b-4 under the Act,<sup>12</sup> if the extension, waiver or suspension is to last for longer than 30 calendar days; and (vi) the extension, waiver or suspension will not remain in effect if the Commission notifies the Corporation in writing that it objects to such extension, waiver or suspension.

The proposed amendments to MBSD Rule 33 would add language to (i) establish "reasonable and appropriate" as the new standard for when an extension, waiver or suspension may occur; (ii) explain that an extension, waiver or suspension may not continue in effect for more than 60 calendar days unless such action is approved by FICC's Board of Directors prior to the 60<sup>th</sup> day; (iii) require action under the rule to be in consideration of FICC's obligations as a clearing agency, as explained further below; and (iv) similar to the current reporting requirement, require FICC to promptly make and maintain for inspection by Members a report of any extension, waiver or suspension (other than an extension of time of less than eight hours) stating the pertinent facts, the identity of the person or persons who authorized the action, and the reason such action was reasonable and appropriate. Finally, the proposed rule change would update the title of MBSD Rule 33 to "Extension, Waiver or Suspension of Rules" and update two title

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<sup>12</sup> 17 CFR 240.19b-4.



cross-references to MBSD Rule 33 in MBSD Rules 3 (Ongoing Membership Requirements) and 3A (Cash Settling Bank Members), as described below.<sup>13</sup>

As noted above, the proposed changes would align the language, purpose, and governance of MBSD Rule 33 with the equivalent, existing waiver, suspension, and extension rules of FICC GSD Rule 42,<sup>14</sup> NSCC Rule 22,<sup>15</sup> and DTC Rule 18.<sup>16</sup> Those equivalent rules do not require emergency situations, a relationship to clearance and settlement, or outreach to the Commission or the filing of a rule change where the authority would last longer than 30 days. Instead, like MBSD, the rules of GSD, NSCC, and DTC each include their own Market Disruption and Force Majeure rules to manage emergency situations.<sup>17</sup>

Although the proposed changes to MBSD Rule 33 would not require notification to the Commission, submission of a report to the Commission, or a filing with the Commission if the exercised authority would continue for more than 30 calendar days, as noted above, the proposed modifications still would require FICC to write a report, as described above, except for an extension of time of less than eight hours. The report would need to include almost the same information currently required by the rule, except

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<sup>13</sup> MBSD Rules 3 and 3A, supra note 5.

<sup>14</sup> FICC GSD Rulebook (“FICC GSD Rules”), available at [https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc\\_gov\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_gov_rules.pdf).

<sup>15</sup> NSCC Rules & Procedures (“NSCC Rules”), available at [https://dtcc.com/~media/Files/Downloads/legal/rules/nscc\\_rules.pdf](https://dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf).

<sup>16</sup> DTC Rules, By-laws and Organization Certificate (“DTC Rules”), available at [https://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc\\_rules.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rules/dtc_rules.pdf).

<sup>17</sup> FICC GSD Rule 50, supra note 14; NSCC Rule 60, supra note 15; DTC Rule 38, supra note 16.

the report would no longer include the nature of the emergency because an emergency would no longer be required, nor would it include why the action was necessary to facilitate the prompt and accurate clearance and settlement of securities transactions and providing FICC's services in a safe and sound manner because that necessity also would no longer be required. FICC would be required to file the report in FICC's corporate records, and make it available to Members for inspection. Moreover, the proposed amendments would limit any exercised authority under MBSD Rule 33 to no more than 60 calendar days, unless such action is approved by FICC's Board of Directors prior to the 60<sup>th</sup> calendar day. Each of these governance concepts are consistent with the corresponding GSD, NSCC, and DTC rules noted above.

As described above, the proposed changes eliminate the requirement that an emergency must exist and that any extension, waiver or suspension must be necessary to facilitate the prompt and accurate clearance and settlement of securities transactions. Instead, the proposed changes introduce a "reasonable and appropriate" standard, under which FICC may act to prevent, correct, mitigate or otherwise address an event or situation that, if left unaddressed, could result in a failure to satisfy a requirement of the MBSD Rules. The proposed rule change also clarifies that such authority may not be used to circumvent FICC's regulatory obligations provided under MBSD Rule 40 in the event of a Market Disruption.

In determining whether to exercise the authority provided by the proposed changes to MBSD Rule 33, the proposed rule text would require FICC to consider its obligation to facilitate the prompt and accurate clearance and settlement of securities transactions; to safeguard securities and funds which are in its custody or control; and, in

general, to protect investors and the public interest. Examples of the types of actions that may be considered reasonable and appropriate include, but are not limited to, temporarily suspending margin charges or extending margin submissions due to an operational error; extending a payment deadline in cases where billing information is not readily available to Members; waiving applicable charges related to processing or submission failures that result from operational constraints; or reversing fees assessed in connection with erroneous activity resulting from misunderstanding of established procedures.

Note, though, any extension, waiver or suspension under the proposed changes to MBSD Rule 33 could not be a permanent action, nor would the rule permit extension, waiver or suspension of any regulatory obligations of FICC.

The proposed changes to MBSD Rule 33, as described above, would help ensure that MBSD is able to respond reasonably and appropriately to situations that may not be emergencies and may not be related to clearance and settlement but still require a waiver, suspension, or extension of an MBSD Rule or a requirement under an MBSD Rule in the same way that GSD, NSCC, and DTC can respond to such situations – without the limited scope and administrative burdens currently contained in MBSD Rule 33. This harmonization is important to help ensure that both FICC divisions, as well as NSCC and DTC, can consistently manage such situations that may apply across multiple divisions, clearing agencies, or common members, while still maintaining the authority and process to manage situations that are emergencies under separate authority. That is, upon the occurrence of a Market Disruption Event, as defined in MBSD Rule 40, and the need for FICC to exercise the authority provided by MBSD Rule 40, the process and authority set forth in MBSD Rule 40 would be followed.

## 2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, inter alia, 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>18</sup> FICC believes that the proposed rule change is consistent with the Section 17A(b)(3)(F) of the Act, as cited above.

As described above, the proposed rule change would update MBSD Rule 33 to remove language that restricts the applicable scope of the rule and certain regulatory reporting obligations to the Commission when the rule is exercised. Meanwhile, the proposed rule change would add language to MBSD Rule 33 to include a “reasonable and appropriate” use standard, limit any extension, waiver or suspension beyond 60 days without engagement by FICC’s Board of Directors but exclude the need for a written report where an extension under the rule is for less than eight hours. Finally, the proposed rule change would update two title cross-references to MBSD Rule 33 in MBSD Rules 3 (Ongoing Membership Requirements) and 3A (Cash Settling Bank Members).

The proposed rule change would help ensure that MBSD is able to respond reasonably, appropriately, and effectively to situations that may not constitute an emergency and may not involve FICC’s clearance and settlement of transactions but still require a waiver, suspension, or extension of an MBSD Rule or obligation under an MBSD Rule. The proposed changes also would enable MBSD to respond to such situations in the same way that GSD, NSCC, and DTC can currently respond under their respective rules, without the limited scope and administrative reporting burdens currently

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<sup>18</sup> 15 U.S.C. 78q-1(b)(3)(F).

contained in MBSD Rule 33, yet maintaining the same governance structure that exists in those corresponding rules. For Market Disruption Events, FICC would continue to rely on MBSD Rule 40 to help address such emergency situations. Additionally, updating the two title cross-references to MBSD Rule 33 in the MBSD Rules helps ensure the rules remain clear and accurate for Members.

Therefore, by helping to ensure that MBSD can respond more efficiently and effectively to more situations that require a waiver, suspension, or extension of an MBSD Rule or obligation under an MBSD Rule, and helping to ensure that cross-references in the MBSD Rules remain clear and accurate, FICC believes the proposed rule change would help to assure the safeguarding of securities and funds which are in the custody or control of FICC or for which it is responsible, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F) of the Act, cited above.

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

FICC does not believe that the proposed rule change will have any impact or impose any burden on competition because, as described above, the proposed changes would not affect the rights and obligations of the MBSD membership. Rather, the proposed changes would enable FICC to employ MBSD Rule 33 more efficiently and effectively when responding to situations that may not constitute an emergency or relate to clearance and settlement, yet still require waiver, suspension, or extension of an MBSD Rule or obligation under an MBSD Rule. As such, FICC believes the proposed rule change would not have any impact on competition.

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

FICC has not received or solicited any written comments relating to this proposal. If any written comments are received, FICC will amend this filing 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](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

FICC reserves the right to not respond to any comments received.

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

Because the foregoing proposed rule change does not:

- (i) significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>19</sup> and Rule 19b-4(f)(6) thereunder.<sup>20</sup>

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 (<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-2025-016 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-2025-016. This file number should be included on the subject line if e-mail is used. To help the Commission process

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<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 CFR 240.19b-4(f)(6).

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](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-2025-016 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>21</sup>

Secretary

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<sup>21</sup> 17 CFR 200.30-3(a)(12).



**EXHIBIT 5**

**Bold, underlined text** indicates proposed added language.

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

**FIXED INCOME CLEARING CORPORATION  
MORTGAGE-BACKED SECURITIES DIVISION  
CLEARING RULES**

### RULE 3 – ONGOING MEMBERSHIP REQUIREMENTS

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#### Section 8 - Compliance with Rules, Procedures and Applicable Laws

##### (i) General

Subject to the provisions of Rule 33, “**Extension, Waiver or** Suspension of Rules ~~in Emergency Circumstances~~”, the use of the facilities of the Corporation by a Member shall constitute such Member’s agreement with the Corporation and with all other Members to be bound by the provisions of, and by any action taken or order issued by the Corporation pursuant to, these Rules and any amendment thereto, and to such procedures as the Corporation may adopt from time to time. In addition, in connection with its use of the Corporation’s services, a Member must comply with all applicable laws, including applicable laws relating to securities, taxation, and money laundering, as well as sanctions administered and enforced by the Office of Foreign Assets Control (“OFAC”).

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### RULE 3A – CASH SETTLING BANK MEMBERS

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(m) In addition to the applicable provisions of these Rules where Cash Settling Bank Members are mentioned, the following Rules and any relevant schedules cited therein shall apply to Cash Settling Bank Members in the same manner as they apply to Members: Rule 17B, “Wind-down of the Corporation,” Rule 22, “Release of Clearing Data,” Rule 24, “Signatures,” Rule 27, “Rule Changes,” Rule 28, “Hearing Procedures,” Rule 29, “Governing Law and Captions,” Rule 30, “Limitations of Liability,” Rule 33, “**Extension, Waiver or** Suspension of Rules ~~in Emergency Circumstances~~,” Rule 34, “Action by the Corporation,” Rule 35, “Notices,” Rule 36, “Interpretation of Terms,” Rule 37, “Interpretation of Rules,” Rule 38 “Disciplinary Proceedings,” Rule 40 “Market Disruption and Force Majeure” and Rule 40A “Systems Disconnect: Threat of Significant Impact to the Corporation’s Systems.”

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**RULE 33 – EXTENSION, WAIVER OR SUSPENSION OF RULES  
IN EMERGENCY CIRCUMSTANCES**

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**Section 1 – Powers of the Corporation**

The time fixed by these Rules, the procedures or any regulations issued by the Corporation for the doing of any act or acts may be extended or the doing of any act or acts required by these Rules, the procedures or any regulations issued by the Corporation may be waived or any provision of these Rules, the procedures or any regulations issued by the Corporation may be suspended by the Board of Directors or by any Officer of the Corporation having a rank of Managing Director or higher whenever, in its or his judgment, ~~(i) an emergency exists and (ii)~~ such extension, waiver or suspension is ~~necessary for the Corporation to continue to facilitate the prompt and accurate clearance and settlement of securities transactions and to provide its services in a safe and sound manner~~ reasonable and appropriate.

The phrase “reasonable and appropriate,” for the purposes of this Rule 33, generally refers to, without limitation, any extension, waiver or suspension of these Rules, by the Corporation, to prevent, correct, mitigate, alleviate, or otherwise address an event, situation, or happening that if left unaddressed may result in a failure to satisfy a requirement of these Rules; provided that this Rule 33 may not be used by the Corporation to circumvent its regulatory obligations or as a substitute for the authority provided in Rule 40 in the event of a Market Disruption Event. In determining whether to exercise its authority under this Rule 33, the Corporation will consider its obligation to facilitate the prompt and accurate clearance and settlement of securities transactions, to safeguard securities and funds which are in its custody or control, and, in general, to protect investors and the public interest.

**Section 2 – Documentation**

~~The Corporation shall notify the SEC within two (2) hours of its determination to extend, waive or suspend the rules, procedures or regulation issued by the Corporation (but no later than 1 hour before the close of the Federal Reserve Banks’ Fedwire Funds Service if such determination related to the extension of time for settlement and is made on a settlement day).~~ A written report of any such extension, waiver or suspension (other than an extension of time of less than eight hours) stating the pertinent facts, the identity of the person or persons who authorized such extension, waiver or suspension, ~~the nature of the emergency,~~ and the reason such extension, waiver or suspension was deemed necessary reasonable and appropriate, for the Corporation to continue to facilitate the prompt and accurate clearance and settlement of securities transactions and to provide its services in a safe and sound manner, shall be submitted promptly made and filed with the Corporation’s records and shall be available for inspection as soon as practicable (but no later than 3 calendar days after implementation of the extension, waiver or suspension) to the Commission, shall be retained in the Corporation’s records and shall be available for inspection by any Member during regular business hours on ~~bB~~Business ~~dD~~Days.

### **Section 3 – Duration**

Any such extension, waiver or suspension may continue in effect after the event or events giving rise thereto ~~for no more than 30 calendar days after the date thereof unless the Corporation but~~ shall ~~have submitted a proposed rule change with the Securities and Exchange Commission seeking approval of such extension, waiver or suspension during the 30-day period, in which case the extension, waiver, or suspension may not~~ continue in effect ~~until the Securities and Exchange Commission approves or disapproves the proposed rule change filed by the Corporation. Notwithstanding the foregoing, in no event shall the extension, waiver or suspension continue in effect if after the Corporation notifies the Securities and Exchange Commission of such action, the Securities and Exchange Commission staff notifies the Corporation in writing that it objects to such extension, waiver or suspension~~ for more than 60 calendar days after the date thereof unless it shall be approved by the Board of Directors within such period of 60 calendar days.

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