

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 29		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 009 Amendment No. (req. for Amendments *)	
Filing by National Securities Clearing Corporation Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input checked="" type="checkbox"/>		Amendment * <input type="checkbox"/>		Withdrawal <input type="checkbox"/>	
Section 19(b)(2) * <input type="checkbox"/>		Section 19(b)(3)(A) * <input checked="" type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<input type="checkbox"/> 19b-4(f)(1)		<input checked="" type="checkbox"/> 19b-4(f)(4)	
		<input type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input type="checkbox"/> 19b-4(f)(3)		<input type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Amend the Rules Relating to the Legal Entity Identifier Requirement</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, National Securities 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 13:59:57 -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 EDFS website.

Form 19b-4 Information *

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Narrative (NSCC) - LEI Requirement

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 *

Add Remove View

Exhibit 1A (NSCC) - LEI Requirement

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

Add Remove View

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.

☐

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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

☐

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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Exhibit 5 (NSCC) - LEI Requirement -

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

Partial Amendment

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

1. Text of the Proposed Rule Change

(a) The proposed rule change of National Securities Clearing Corporation (“NSCC”)¹ as provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Enterprise Services Committee of NSCC’s Board of Directors on October 22, 2024.

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

(a) Purpose

The purpose of the proposed rule change is to amend the Rules in order to require (i) each applicant applying to become a Member or a Limited Member to obtain and provide a Legal Entity Identifier (“LEI”) to NSCC as part of its membership application, (ii) each Member and Limited Member to have a current LEI on file with NSCC at all times, (iii) each Sponsoring Member to provide NSCC with an LEI for each of their current Sponsored Members and for each newly added Sponsored Member going forward, and (iv) CDS Clearing and Depository Services Inc. (“CDS”) to provide NSCC with an LEI for each current participant of CDS (“CDS Participant”) for which CDS maintains a subaccount at NSCC and for each newly added CDS Participant going forward.²

Background

LEI Background

An LEI is a 20-character reference code to uniquely identify legally distinct entities that engage in financial transactions.³ The LEI system was developed by the Financial Stability

¹ Terms not defined herein are defined in the NSCC Rules & Procedures (“Rules”), available at www.dtcc.com/legal/rules-and-procedures.

² CDS, the Canadian central securities depository and central counterparty, is a Member of NSCC. The relationship between NSCC and CDS enables CDS Participants to clear and settle trades with NSCC Members through subaccounts at NSCC maintained by CDS on behalf of CDS Participants.

³ See www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei. The LEI is based on the ISO 17442 standard developed by the International Organization for Standardization and satisfies the standards implemented by the Global Legal Entity

Board⁴ together with finance ministers and central bank governors represented in the Group of 20 in the wake of the 2008 financial crisis.⁵ The Financial Stability Board established GLEIF in June 2014 to support the implementation and use of LEIs.⁶ The Regulatory Oversight Committee (“ROC”), a group of public authorities from around the globe, oversees GLEIF and the global LEI system.⁷

LEIs are issued by entities called Local Operating Units (“LOUs”) that are accredited by GLEIF to issue LEIs within certain jurisdictions.⁸ LOUs validate information about an entity and issue a unique LEI for that entity. An LEI provides information about legal entities, including the official legal name, registered address, country of incorporation, registration authority and the entities’ ownership structure, including parent and child organizations.

Adding the LEI Requirement for NSCC

NSCC’s parent entity, The Depository Trust & Clearing Corporation (“DTCC”),⁹ provides technology resources and support services to NSCC and DTCC’s other subsidiaries, including providing support for onboarding, lifecycle management and risk management of the subsidiaries’ applicants and members. Certain of DTCC’s subsidiaries currently require that its applicants and members obtain and provide an LEI. However, this requirement is not consistent across DTCC’s other subsidiaries, including NSCC.

NSCC is proposing to add a requirement that its applicants and members obtain and provide an LEI to NSCC similar to the requirement currently in place for its affiliate, FICC,

Identifier Foundation (“GLEIF”). See www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei.

⁴ The Financial Stability Board is an international body that monitors and makes recommendations about the global financial system. See www.fsb.org.

⁵ See www.gleif.org/en/about/history.

⁶ See *supra* note 3. See also www.gleif.org/en/about/this-is-gleif.

⁷ The ROC is a group of public authorities from around the globe established in January 2013 to coordinate and oversee the global LEI system. See www.gleif.org/en/about/governance/regulatory-oversight-committee-roc.

⁸ See www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

⁹ DTCC is a non-public holding company that owns three registered clearing agencies and related businesses. In addition to NSCC, DTCC also owns the following registered clearing agencies: The Depository Trust Company (“DTC”) and the Fixed Income Clearing Corporation (“FICC”). FICC has two divisions: the Government Securities Division and the Mortgage-Backed Securities Division.

which requires LEIs for members of its Government Securities Division.¹⁰ NSCC believes that requiring that its applicants and members obtain and provide an LEI to NSCC would improve the quality of data that is collected from its participants as well as the process for collecting that data, including providing the following benefits:

- Simplify Operational Processes – LEIs would help simplify and expedite due diligence and know your customer (“KYC”) verification of participants enabling NSCC to do business with participants faster and safer.
- Enhance Risk Management – LEIs provide information about counterparty relationships and hierarchies within and between financial entities, improving counterparty risk assessment and management.
- Leverage Existing Capabilities – The use of LEIs would allow NSCC to leverage existing DTCC technology and data to create automatic upfront validations to support participant onboarding and lifecycle management for NSCC and DTCC’s other subsidiaries.
- Reliable Data Source – The LEI system is supported by a trusted method of verifying the identity of the legal entity in question and would provide a reliable data source. This is supported by the LOUs maintenance of all respective reference and identification data and the overall global LEI system which is coordinated and overseen by ROC.
- Reduction in Record Duplication – The use of LEIs would reduce overlap and duplication of data within databases, helps streamline data reconciliations and reduce data errors by decreasing the requirements for manual comparison of different databases.

Implementing an LEI requirement is also intended to improve DTCC’s ability to manage data across its subsidiaries, including NSCC. Many participants are shared among NSCC and its affiliates. Currently, there is no consistent requirement for submission of an industry identifier by NSCC and DTCC’s other subsidiaries. This has impacted DTCC’s ability to profile its subsidiaries’ participants quickly and efficiently across all the subsidiaries’ products and services. DTCC’s other subsidiaries are also implementing an LEI requirement consistent with the LEI requirements being proposed for NSCC.

¹⁰ FICC implemented LEI requirements for its Government Securities Division in compliance with a rule adopted by the Office of Financial Research of the U.S. Department of Treasury establishing a data collection requirement covering centrally cleared transactions in the U.S. repurchase market. See Securities Exchange Act Release No. 88557 (Apr. 3, 2020), 85 FR 19979 (Apr. 9, 2020) (SR-FICC-2020-002).

Member Impact

Based on an analysis by NSCC, approximately 88% of Members, 48% of Limited Members, and 100% of CDS Participants currently have an LEI.¹¹ Adding the LEI requirement would require the Members and Limited Members that have not obtained an LEI to select an LOU,¹² apply for an LEI, and once obtained provide the LEI to NSCC. In addition, Sponsoring Members and CDS would be required to obtain LEIs from their respective Sponsored Members and CDS Participants. The Members, Limited Members, Sponsored Members and CDS Participants would also need to renew the LEI periodically. The expense of obtaining and renewing an LEI is minimal, and it can usually be obtained within a few days once the entity provides the necessary information to the LOU.¹³

Failure to adhere to the LEI requirement could result in a fine in accordance with the Rules.¹⁴

Rule Changes

LEI Requirement

In order to add the requirement that participants obtain and provide an LEI, NSCC is proposing to make the following changes.

(i) Defined Term

NSCC would add a new defined term, LEI, to Rule 1. NSCC would use the terminology of the GLEIF for the definition.¹⁵

(ii) Applicants

NSCC would amend Section 1.C. of Rule 2A to require each NSCC applicant to obtain and provide an LEI to NSCC as part of its membership application.

¹¹ There are currently no Sponsored Members at NSCC.

¹² Only entities that are accredited by GLEIF may issue LEIs. A list of accredited LOUs can be found on the GLEIF website: www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

¹³ Based on a review by DTCC, the average cost for registering a new LEI is approximately \$71, the average cost for maintenance is approximately \$62, and the application processing time is typically 24-48 business hours.

¹⁴ See Rule 48, *supra* note 1 (provides that NSCC may discipline any Member or Limited Member for violations of the Rules, including but not limited to a fine).

¹⁵ See *supra* note 3.

(iii) Members and Limited Members

NSCC would amend Section 2.A. of Rule 2B to require that each Member and Limited Member always has a current LEI on file with NSCC. NSCC would also require CDS to provide NSCC with an LEI for each CDS Participant such that NSCC would have a current LEI for each CDS Participant at all times. NSCC is proposing to add a footnote in that section which states that Members, Limited Members and CDS shall have 60 calendar days from the date they are notified by Important Notice to submit the requisite LEIs. The footnote would provide that it would sunset at the end of the 60-calendar day period.

(iv) Sponsoring Members and Sponsored Members

NSCC would amend Section 2(g) of Rule 2C to require that each Sponsoring Member submit the LEIs of its Sponsored Member applicants. The proposed rule change would also add language to Section 2(g) of Rule 2C to require that each Sponsoring Member provide NSCC with an LEI for each of its existing Sponsored Members such that NSCC has a current LEI for each such Sponsored Member at all times. NSCC is proposing to add a footnote in that section which states such Sponsoring Members shall have 60 calendar days from the date they are notified by Important Notice to submit LEIs for each of their respective Sponsored Members. The footnote would provide that it would sunset at the end of the 60-calendar day period.

In order to cover new Sponsored Members, NSCC would amend Section 3(b) of Rule 2C to add that the Sponsoring Member must provide the LEI of each Person it wishes to sponsor into membership as a Sponsored Member.

Implementation Timeframe

DTCC is determining a framework relating to the adoption of the selected LEI option across all DTCC subsidiaries and product lines, including an approach to managing the implementation of the LEI requirement for both existing and new clients of NSCC. NSCC would provide notice to existing Members, Limited Members, Sponsoring Members and CDS including by Important Notice, advising them of the LEI requirements for NSCC and notifying them of the dates by which they are expected to have obtained and provided the requisite LEIs to NSCC. NSCC would give Members, Limited Members, Sponsoring Members and CDS that do not currently have the requisite LEIs, 60-calendar days from the date of the notice to obtain and provide the LEIs to NSCC. NSCC considers 60-calendar days to be sufficient for obtaining an LEI, as it can typically be acquired within a few days once the entity provides the necessary entity information to the LOU.

(c) Statutory Basis

Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 (“Act”), requires, that the Rules be designed to, among other things, promote the prompt and accurate clearance and settlement of securities transactions.¹⁶

¹⁶ 15 U.S.C. 78q-1(b)(3)(F).

NSCC believes that the proposed changes to add an LEI requirement are consistent with this provision because the proposed revisions would improve the quality of data that is collected from NSCC's participants as well as the process for collecting that data including (i) simplifying and expediting certain operational processes, including due diligence and KYC, by utilizing an efficient and accurate method to verify identity of NSCC participants, (ii) enhancing counterparty risk assessment and management of NSCC participants by improving information about counterparty relationships and hierarchies within and between NSCC participants, (iii) creating efficiencies relating to onboarding and lifecycle management for NSCC and DTCC's other subsidiaries that share participants, (iv) obtaining reliable data from the standardized global LEI system, a dependable source of verified data, and (v) reducing overlap and duplication of data within databases and helping to streamline data reconciliations and reduce data errors. NSCC believes that creating efficiencies in operational processes, onboarding and lifecycle management and improving risk management by improving the quality of verified data that is collected from NSCC's participants as well as the process for collecting that data would promote the prompt and accurate clearance and settlement of securities transactions by NSCC. As such, NSCC believes the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act.¹⁷

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

NSCC believes that the proposed changes to add an LEI requirement could impose a burden on competition because these changes would impose a cost on firms that currently do not have an LEI to obtain and maintain them. NSCC does not believe that any burden on competition imposed by the proposed rule change would be significant because the cost to obtain and maintain an LEI is relatively small,¹⁸ and NSCC understands that many of its members already maintain LEIs for other purposes. Regardless of whether the potential burden on competition is deemed significant, NSCC believes the proposed rule change is both necessary and appropriate in furtherance of the purposes of the Act. Specifically, NSCC believes that any burden on competition that is created by the proposed changes would be necessary in furtherance of the purposes of the Act¹⁹ because creating efficiencies in operational processes, onboarding and lifecycle management and improving risk management by improving the quality of verified data that is collected from NSCC's participants as well as the process for collecting that data would promote the prompt and accurate clearance and settlement of securities transactions by NSCC. NSCC also believes that any burden that is created by the proposed rule change would be appropriate in furtherance of the purposes of the Act²⁰ because the proposed changes would be limited to requiring an LEI that is easily obtained through the established global LEI system at a relatively minor cost.

¹⁷ Id.

¹⁸ As noted above, based on a review by DTCC, the average cost for registering a new LEI is approximately \$71 and the average cost for maintenance is approximately \$62.

¹⁹ 15 U.S.C. 78q-1(b)(3)(I).

²⁰ Id.

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

NSCC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

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

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

6. Extension of Time Period for Commission Action

Not applicable.

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

(a) The proposed rule changes are to take effect immediately upon filing pursuant to paragraph A of Section 19(b)(3)²¹ of the Act and subparagraph (f)(4)²² of Rule 19b-4 under the Act.

(b) The proposed rule change constitutes a change of an existing service of a registered clearing agency that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of the clearing agency or persons using the service because the proposed changes would be limited to requiring an LEI that is easily obtained through the established global LEI system at a relatively minor cost. The addition of the LEI requirement would enhance NSCC's ability to

²¹ 15 U.S.C 78s(b)(3)(A).

²² 17 CFR 240.19b-4(f)(4).

retrieve and process data relating to its participants at a relatively minor cost to its participants.²³

(c) Not applicable.

(d) Not applicable.

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

While the proposal is not based on the rules of another self-regulatory organization or of the Commission, NSCC affiliates, DTC and FICC, have each filed similar proposals concurrently with this filing to adopt comparable rule changes.

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 Rules.

²³

Id.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[____]; File No. SR-NSCC-2025-009)

[DATE]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Rules Relating to the Legal Entity Identifier Requirement

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, National Securities Clearing Corporation (“NSCC”) 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. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) 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 the NSCC Rules & Procedures (“Rules”) in order to require (i) each applicant applying to become a Member or a Limited Member to obtain and provide a Legal Entity Identifier (“LEI”) to NSCC as part of its membership application, (ii) each Member and Limited Member to have a

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)(4).

current LEI on file with NSCC at all times, (iii) each Sponsoring Member to provide NSCC with an LEI for each of their current Sponsored Members and for each newly added Sponsored Member going forward, and (iv) CDS Clearing and Depository Services Inc. (“CDS”) to provide NSCC with an LEI for each current participant of CDS (“CDS Participant”) for which CDS maintains a subaccount at NSCC and for each newly added CDS Participant going forward.^{5 6}

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

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

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

1. Purpose

The purpose of the proposed rule change is to amend the Rules in order to require (i) each applicant applying to become a Member or a Limited Member to obtain and provide a Legal Entity Identifier (“LEI”) to NSCC as part of its membership application,

⁵ CDS, the Canadian central securities depository and central counterparty, is a Member of NSCC. The relationship between NSCC and CDS enables CDS Participants to clear and settle trades with NSCC Members through subaccounts at NSCC maintained by CDS on behalf of CDS Participants.

⁶ Terms not defined herein are defined in the Rules, available at www.dtcc.com/legal/rules-and-procedures.

(ii) each Member and Limited Member to have a current LEI on file with NSCC at all times, (iii) each Sponsoring Member to provide NSCC with an LEI for each of their current Sponsored Members and for each newly added Sponsored Member going forward, and (iv) CDS to provide NSCC with an LEI for each current CDS Participant for which CDS maintains a subaccount at NSCC and for each newly added CDS Participant going forward.⁷

Background

LEI Background

An LEI is a 20-character reference code to uniquely identify legally distinct entities that engage in financial transactions.⁸ The LEI system was developed by the Financial Stability Board⁹ together with finance ministers and central bank governors represented in the Group of 20 in the wake of the 2008 financial crisis.¹⁰ The Financial Stability Board established GLEIF in June 2014 to support the implementation and use of

⁷ Supra note 5.

⁸ See www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei. The LEI is based on the ISO 17442 standard developed by the International Organization for Standardization and satisfies the standards implemented by the Global Legal Entity Identifier Foundation (“GLEIF”). See www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei.

⁹ The Financial Stability Board is an international body that monitors and makes recommendations about the global financial system. See www.fsb.org.

¹⁰ See www.gleif.org/en/about/history.

LEIs.¹¹ The Regulatory Oversight Committee (“ROC”), a group of public authorities from around the globe, oversees GLEIF and the global LEI system.¹²

LEIs are issued by entities called Local Operating Units (“LOUs”) that are accredited by GLEIF to issue LEIs within certain jurisdictions.¹³ LOUs validate information about an entity and issue a unique LEI for that entity. An LEI provides information about legal entities, including the official legal name, registered address, country of incorporation, registration authority and the entities’ ownership structure, including parent and child organizations.

Adding the LEI Requirement for NSCC

NSCC’s parent entity, The Depository Trust & Clearing Corporation (“DTCC”),¹⁴ provides technology resources and support services to NSCC and DTCC’s other subsidiaries, including providing support for onboarding, lifecycle management and risk management of the subsidiaries’ applicants and members. Certain of DTCC’s subsidiaries currently require that its applicants and members obtain and provide an LEI. However, this requirement is not consistent across DTCC’s other subsidiaries, including NSCC.

¹¹ See *supra* note 8. See also www.gleif.org/en/about/this-is-gleif.

¹² The ROC is a group of public authorities from around the globe established in January 2013 to coordinate and oversee the global LEI system. See www.gleif.org/en/about/governance/regulatory-oversight-committee-roc.

¹³ See www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

¹⁴ DTCC is a non-public holding company that owns three registered clearing agencies and related businesses. In addition to NSCC, DTCC also owns the following registered clearing agencies: The Depository Trust Company and the Fixed Income Clearing Corporation (“FICC”). FICC has two divisions: the Government Securities Division and the Mortgage-Backed Securities Division.

NSCC is proposing to add a requirement that its applicants and members obtain and provide an LEI to NSCC similar to the requirement currently in place for its affiliate, FICC, which requires LEIs for members of its Government Securities Division.¹⁵ NSCC believes that requiring that its applicants and members obtain and provide an LEI to NSCC would improve the quality of data that is collected from its participants as well as the process for collecting that data, including providing the following benefits:

- Simplify Operational Processes – LEIs would help simplify and expedite due diligence and know your customer (“KYC”) verification of participants enabling NSCC to do business with participants faster and safer.
- Enhance Risk Management – LEIs provide information about counterparty relationships and hierarchies within and between financial entities, improving counterparty risk assessment and management.
- Leverage Existing Capabilities – The use of LEIs would allow NSCC to leverage existing DTCC technology and data to create automatic upfront validations to support participant onboarding and lifecycle management for NSCC and DTCC’s other subsidiaries.
- Reliable Data Source – The LEI system is supported by a trusted method of verifying the identity of the legal entity in question and would provide a reliable data source. This is supported by the LOUs maintenance of all

¹⁵ FICC implemented LEI requirements for its Government Securities Division in compliance with a rule adopted by the Office of Financial Research of the U.S. Department of Treasury establishing a data collection requirement covering centrally cleared transactions in the U.S. repurchase market. See Securities Exchange Act Release No. 88557 (Apr. 3, 2020), 85 FR 19979 (Apr. 9, 2020) (SR-FICC-2020-002).

respective reference and identification data and the overall global LEI system which is coordinated and overseen by ROC.

- Reduction in Record Duplication – The use of LEIs would reduce overlap and duplication of data within databases, helps streamline data reconciliations and reduce data errors by decreasing the requirements for manual comparison of different databases.

Implementing an LEI requirement is also intended to improve DTCC's ability to manage data across its subsidiaries, including NSCC. Many participants are shared among NSCC and its affiliates. Currently, there is no consistent requirement for submission of an industry identifier by NSCC and DTCC's other subsidiaries. This has impacted DTCC's ability to profile its subsidiaries' participants quickly and efficiently across all the subsidiaries' products and services. DTCC's other subsidiaries are also implementing an LEI requirement consistent with the LEI requirements being proposed for NSCC.

Member Impact

Based on an analysis by NSCC, approximately 88% of Members, 48% of Limited Members, and 100% of CDS Participants currently have an LEI.¹⁶ Adding the LEI requirement would require the Members and Limited Members that have not obtained an LEI to select an LOU,¹⁷ apply for an LEI, and once obtained provide the LEI to NSCC. In addition, Sponsoring Members and CDS would be required to obtain LEIs from their

¹⁶ There are currently no Sponsored Members at NSCC.

¹⁷ Only entities that are accredited by GLEIF may issue LEIs. A list of accredited LOUs can be found on the GLEIF website: www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

respective Sponsored Members and CDS Participants. The Members, Limited Members, Sponsored Members and CDS Participants would also need to renew the LEI periodically. The expense of obtaining and renewing an LEI is minimal, and it can usually be obtained within a few days once the entity provides the necessary information to the LOU.¹⁸

Failure to adhere to the LEI requirement could result in a fine in accordance with the Rules.¹⁹

Rule Changes

LEI Requirement

In order to add the requirement that participants obtain and provide an LEI, NSCC is proposing to make the following changes.

(i) Defined Term

NSCC would add a new defined term, LEI, to Rule 1. NSCC would use the terminology of the GLEIF for the definition.²⁰

(ii) Applicants

NSCC would amend Section 1.C. of Rule 2A to require each NSCC applicant to obtain and provide an LEI to NSCC as part of its membership application.

¹⁸ Based on a review by DTCC, the average cost for registering a new LEI is approximately \$71, the average cost for maintenance is approximately \$62, and the application processing time is typically 24-48 business hours.

¹⁹ See Rule 48, supra note 6 (provides that NSCC may discipline any Member or Limited Member for violations of the Rules, including but not limited to a fine).

²⁰ See supra note 8.

(iii) Members and Limited Members

NSCC would amend Section 2.A. of Rule 2B to require that each Member and Limited Member always has a current LEI on file with NSCC. NSCC would also require CDS to provide NSCC with an LEI for each CDS Participant such that NSCC would have a current LEI for each CDS Participant at all times. NSCC is proposing to add a footnote in that section which states that Members, Limited Members and CDS shall have 60 calendar days from the date they are notified by Important Notice to submit the requisite LEIs. The footnote would provide that it would sunset at the end of the 60-calendar day period.

(iv) Sponsoring Members and Sponsored Members

NSCC would amend Section 2(g) of Rule 2C to require that each Sponsoring Member submit the LEIs of its Sponsored Member applicants. The proposed rule change would also add language to Section 2(g) of Rule 2C to require that each Sponsoring Member provide NSCC with an LEI for each of its existing Sponsored Members such that NSCC has a current LEI for each such Sponsored Member at all times. NSCC is proposing to add a footnote in that section which states such Sponsoring Members shall have 60 calendar days from the date they are notified by Important Notice to submit LEIs for each of their respective Sponsored Members. The footnote would provide that it would sunset at the end of the 60-calendar day period.

In order to cover new Sponsored Members, NSCC would amend Section 3(b) of Rule 2C to add that the Sponsoring Member must provide the LEI of each Person it wishes to sponsor into membership as a Sponsored Member.

Implementation Timeframe

DTCC is determining a framework relating to the adoption of the selected LEI option across all DTCC subsidiaries and product lines, including an approach to managing the implementation of the LEI requirement for both existing and new clients of NSCC. NSCC would provide notice to existing Members, Limited Members, Sponsoring Members and CDS including by Important Notice, advising them of the LEI requirements for NSCC and notifying them of the dates by which they are expected to have obtained and provided the requisite LEIs to NSCC. NSCC would give Members, Limited Members, Sponsoring Members and CDS that do not currently have the requisite LEIs, 60-calendar days from the date of the notice to obtain and provide the LEIs to NSCC. NSCC considers 60-calendar days to be sufficient for obtaining an LEI, as it can typically be acquired within a few days once the entity provides the necessary entity information to the LOU.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act, requires, that the Rules be designed to, among other things, promote the prompt and accurate clearance and settlement of securities transactions.²¹

NSCC believes that the proposed changes to add an LEI requirement are consistent with this provision because the proposed revisions would improve the quality of data that is collected from NSCC's participants as well as the process for collecting that data including (i) simplifying and expediting certain operational processes, including due diligence and KYC, by utilizing an efficient and accurate method to verify identity of

²¹ 15 U.S.C. 78q-1(b)(3)(F).

NSCC participants, (ii) enhancing counterparty risk assessment and management of NSCC participants by improving information about counterparty relationships and hierarchies within and between NSCC participants, (iii) creating efficiencies relating to onboarding and lifecycle management for NSCC and DTCC's other subsidiaries that share participants, (iv) obtaining reliable data from the standardized global LEI system, a dependable source of verified data, and (v) reducing overlap and duplication of data within databases and helping to streamline data reconciliations and reduce data errors. NSCC believes that creating efficiencies in operational processes, onboarding and lifecycle management and improving risk management by improving the quality of verified data that is collected from NSCC's participants as well as the process for collecting that data would promote the prompt and accurate clearance and settlement of securities transactions by NSCC. As such, NSCC believes the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act.²²

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

NSCC believes that the proposed changes to add an LEI requirement could impose a burden on competition because these changes would impose a cost on firms that currently do not have an LEI to obtain and maintain them. NSCC does not believe that any burden on competition imposed by the proposed rule change would be significant because the cost to obtain and maintain an LEI is relatively small,²³ and NSCC understands that many of its members already maintain LEIs for other purposes.

²² Id.

²³ As noted above, based on a review by DTCC, the average cost for registering a new LEI is approximately \$71 and the average cost for maintenance is approximately \$62.

Regardless of whether the potential burden on competition is deemed significant, NSCC believes the proposed rule change is both necessary and appropriate in furtherance of the purposes of the Act. Specifically, NSCC believes that any burden on competition that is created by the proposed changes would be necessary in furtherance of the purposes of the Act²⁴ because creating efficiencies in operational processes, onboarding and lifecycle management and improving risk management by improving the quality of verified data that is collected from NSCC's participants as well as the process for collecting that data would promote the prompt and accurate clearance and settlement of securities transactions by NSCC. NSCC also believes that any burden that is created by the proposed rule change would be appropriate in furtherance of the purposes of the Act²⁵ because the proposed changes would be limited to requiring an LEI that is easily obtained through the established global LEI system at a relatively minor cost.

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

NSCC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

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

²⁴ 15 U.S.C. 78q-1(b)(3)(I).

²⁵ Id.

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 a Comment*, 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.

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

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

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

IV. Solicitation of Comments

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

Electronic Comments:

- Use the Commission's Internet comment form (www.sec.gov/rules/sro.shtml); or

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NSCC-2025-009 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-NSCC-2025-009. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of NSCC 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-NSCC-2025-009 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.²⁶

Secretary

²⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Bold and underlined text indicates proposed added language.

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

NATIONAL SECURITIES CLEARING CORPORATION
RULES & PROCEDURES

NATIONAL SECURITIES CLEARING CORPORATION RULES

RULE 1. DEFINITIONS AND DESCRIPTIONS*

IPO Tracking System

The term “IPO Tracking System” means the system offered by DTC pursuant to its rules and procedures which allows lead managers and syndicate members of Initial Public Offerings to monitor flipping of new issues in an automated book-entry environment.

LEI

The term “LEI” means a Legal Entity Identifier that is a 20-character reference code to uniquely identify legally distinct entities that engage in financial transactions based on the ISO 17442 standard developed by the International Organization for Standardization that satisfies the standards implemented by the Global Legal Entity Identifier Foundation.

Lender

The term “Lender” has the meaning specified in Rule 4.

RULE 2A. INITIAL MEMBERSHIP REQUIREMENTS

SEC. 1. ELIGIBILITY FOR MEMBERSHIP

C. Application Documents

Each applicant shall, as required by the Corporation from time to time, complete and deliver to the Corporation an Applicant Questionnaire in such form as prescribed by the Corporation from time to time-and-shall provide such other reports, opinions, financial and other information as the Corporation may determine are appropriate for each membership type.

* All products and services provided by the Corporation referenced in these Rules are either registered trademarks or servicemarks of, or trademarks or servicemarks of, The Depository Trust & Clearing Corporation or its affiliates. Other names of companies, products or services appearing in these Rules are the trademarks or servicemarks of their respective owners.

As part of its membership application, each applicant shall obtain and provide to the Corporation an LEI.

As part of its membership application, each applicant (as determined by the Corporation with regard to membership type) shall complete and deliver to the Corporation (1) a Tax Certification, and (2) a Cybersecurity Confirmation.

RULE 2B. ONGOING MEMBERSHIP REQUIREMENTS AND MONITORING

SEC. 1. REQUIREMENTS

The qualifications and standards provided for in Rule 2A¹ shall be continuing membership requirements. In addition, each Member, Fund Member, Insurance Carrier/Retirement Services Member, Municipal Comparison Only Member, Mutual Fund/Insurance Services Member, Data Services Only Member, Settling Bank Only Member, Third Party Administrator Member, Third Party Provider Member, Investment Manager/Agent Member and AIP Member shall comply with the ongoing informational and operational requirements set forth below.

SEC. 2. DATA TO BE FILED WITH THE CORPORATION

A. Reports and Information

Each Member and Limited Member shall complete and deliver to the Corporation a Cybersecurity Confirmation at least every two years, on a date that is set by the Corporation and following notice that is provided no later than 180 calendar days prior to such due date.

Each Member and Limited Member must have a current LEI on file with the Corporation at all times. CDS Clearing and Depository Services Inc. (“CDS Clearing”) shall provide the Corporation with an LEI for each participant of CDS Clearing for which it opens and maintains a subaccount at the Corporation (“CDS Participants”) such that the Corporation shall have a current LEI for each CDS Participant at all times.²

¹ Including Addendum O to these Rules, as set forth in Section 1.B of Rule 2A.

² **Existing Members and Limited Members shall have 60 calendar days from the date that Members and Limited Members are notified by Important Notice to submit their LEIs. CDS Clearing shall have 60 calendar days from the date that CDS Clearing is notified by Important Notice to submit LEIs for each CDS Participant. This footnote shall sunset at the end of the 60-calendar day period.**

RULE 2C. SPONSORING MEMBERS AND SPONSORED MEMBERS

SEC. 2. Qualifications of Sponsoring Members, the Application Process and Continuance Standards.

(g) Each Sponsoring Member shall submit to the Corporation, within the timeframes and in the formats required by the Corporation, the reports and information that all Members are required to submit regardless of type of Member and the reports and information required to be submitted for its respective type of Member, all pursuant to Section 2 of Rule 2B and, if applicable, Addendum O. **Each Sponsoring Member shall submit the LEI for each of its Sponsored Member applicants to the Corporation as part of the application of such Sponsored Member applicant. Each Sponsoring Member shall provide the Corporation with an LEI for each of its Sponsored Members such that the Corporation shall have a current LEI for each Sponsored Member at all times.**³

SEC. 3. Qualifications of Sponsored Members, Approval Process and Continuance Standards.

(a) A Person shall be eligible to apply to become a Sponsored Member if: (x) it is sponsored into membership by a Sponsoring Member, and (y) it (1) is a “qualified institutional buyer” as defined by Rule 144A under the Securities Act of 1933, as amended, or (2) is a legal entity that, although not organized as an entity specifically listed in paragraph (a)(1)(i)(H) of Rule 144A under the Securities Act of 1933, as amended, satisfies the financial requirements necessary to be a “qualified institutional buyer” as specified in that paragraph. The Corporation shall have the right to rely on the representation provided by the Sponsoring Member regarding satisfaction of (y).

(b) Each time that a Sponsoring Member wishes to sponsor a Person into membership, it shall provide the Corporation with the **LEI of the Person and the** representation referred to in Section 3(a) of this Rule, as well as any additional

³ **Sponsoring Members shall have 60 calendar days from the date that Sponsoring Members are notified by Important Notice to submit LEIs for each of their respective Sponsored Members. This footnote shall sunset at the end of the 60-calendar day period.**

information in such form as may be prescribed by the Corporation. The Corporation shall approve or disapprove Persons as Sponsored Members. If the Corporation denies the request of a Sponsoring Member to add a Person as a Sponsored Member, such denial shall be handled in the same manner as set forth in Section 1 of Rule 2A with respect to membership applications except that the written statement referred to therein shall be provided to both the Sponsoring Member and the Person seeking to become a Sponsored Member.
