



Clearing Agency Price and Margin Input Data Framework

Effective Date:

12/15/2025

Section 1 Executive Summary

This Clearing Agency Price and Margin Input Data Framework (“Framework”) applies, in relevant part and as the context indicates, to The Depository Trust Company (“DTC”), National Securities Clearing Corporation (“NSCC”), and Fixed Income Clearing Corporation (“FICC”), including the Government Securities Division (“FICC/GSD”) and the Mortgage-Backed Securities Division (“FICC/MBSD”) of FICC (DTC, NSCC, and FICC, including each of FICC/GSD and FICC/MBSD, are each a “Clearing Agency” and collectively the “Clearing Agencies”). The parent company of the Clearing Agencies is The Depository Trust & Clearing Corporation (“DTCC”).

This Framework sets forth the manner in which each of the Clearing Agencies identifies, measures, monitors, and manages the risks related to (i) the pricing of securities processed or otherwise held by the Clearing Agencies and (ii) inputs to Clearing Agencies’ margin methodologies, as applicable. In this way, the Framework supports the Clearing Agencies’ compliance with Rules 17ad-22(e)(4)(i)¹ and (e)(6)(iv)² of the Standards for Covered Clearing Agencies, under the Securities Exchange Act of 1934.³ This Framework also assists in assessing the Clearing Agencies’ consistency with the Principles for Financial Market Infrastructures.⁴

Section 2 of this Framework identifies key defined terms relevant to the Framework. Section 3 of this Framework addresses governance of this Framework, including review of and changes to this Framework. Section 4 of this Framework identifies the regulatory requirements concerning price data and other margin input data applicable to the Clearing Agencies. Section 5 of this Framework sets forth the manner in which the Clearing Agencies identify, measure, monitor, and manage the risks related to the pricing of securities processed or otherwise held by such Clearing Agencies in compliance with the applicable regulatory requirements. Section 6 of this Framework sets forth the manner in which the Clearing Agencies identify, measure, monitor, and manage the risks related to other inputs to the Clearing Agencies’ margin methodologies, including substantive inputs, in compliance with the applicable regulatory requirements.

The Clearing Agencies may develop policies and procedures, some of which may be described herein and each of which may be updated or amended from time to time, to support the execution of this Framework. From time to time, supplemental price and margin input data documentation applicable to the Clearing Agencies may be created. To the extent such supplemental documentation supports the activities described in this Framework, such documentation shall be subordinate to this Framework, shall be reasonably and fairly implied by this Framework, and shall comply in all respects with the provisions of this Framework. In the event of a conflict between this Framework and such other supplemental documentation, as applied to the Clearing Agencies, this Framework shall prevail.

References herein to the Clearing Agencies and governance bodies should be read in the singular or the plural as the context requires. References herein to individual officers or employees, management, or

¹ 17 CFR 240.17ad-22(e)(4)(i).

² 17 CFR 240.17ad-22(e)(6)(iv).

³ Rule 17ad-22(e)(6)(iv) applies only to covered clearing agencies providing central counterparties services. Accordingly, references thereto and compliance therewith apply only to NSCC and FICC and do not apply to DTC.

⁴ Committee on Payment and Settlement Systems and Technical Committee of the International Organization of Securities Commissions, Principles for financial market infrastructures (Apr. 16, 2012), available at <http://www.bis.org/cpmi/publ/d101a.pdf>.

functional areas generally refer to employees or functions of DTCC, acting on behalf of the relevant Clearing Agencies.

Section 2 Glossary of Key Terms

Capitalized terms used herein and not otherwise defined shall, with respect to DTC, FICC/GSD, FICC/MBSD, and NSCC, have the meaning assigned to such terms in the DTC Rules, By-laws and Organization Certificate (“DTC Rules”), the Rulebook of FICC/GSD (“FICC/GSD Rules”), the Clearing Rules of FICC/MBSD (“FICC/MBSD Rules”) and the Rules & Procedures of NSCC (“NSCC Rules”), as applicable. The DTC Rules, FICC/GSD Rules, FICC/MBSD Rules, and NSCC Rules are collectively referred to in this Framework as “Rules” of the Clearing Agencies. The Rules are available on DTCC’s public website: www.dtcc.com/legal/rules-and-procedures.

For purposes of this Framework:

“Central Counterparty” or “CCP” refers to each or any of FICC/GSD, FICC/MBSD, and NSCC.

“Central Counterparties” or “CCPs” refers collectively to FICC/GSD, FICC/MBSD, and NSCC.

“Clearing Agency” refers to each or any of DTC, NSCC, and FICC, including each of FICC/GSD and FICC/MBSD, as defined in Section 1.

“Clearing Agencies” refers collectively to DTC, NSCC, and FICC, including each of FICC/GSD and FICC/MBSD, as defined in Section 1.

“Data Integrity” refers to the team within the Group Chief Risk Office of DTCC whose primary responsibility is monitoring DTC, NSCC, and FICC data quality.

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Market Risk Management” refers to the team within the Group Chief Risk Office of DTCC whose primary responsibility is monitoring and managing DTC, NSCC, and FICC market risks.

“Pricing Vendor” means a third-party price data supplier.

“Securities Valuation” refers to the team within the Group Chief Risk Office of DTCC whose primary responsibility is monitoring the pricing of securities at DTC, NSCC, and FICC.

“Quantitative Risk Management” or “QRM” refers to the team within the Group Chief Risk Office of DTCC whose primary responsibility is DTC, NSCC, and FICC model development.

“Substantive Input” means a data input, other than price data, that each/any CCP determines is necessary and consequential to the calculation of its respective margin requirements, as discussed in Rule 17ad-22(e)(6)(iv).⁵

⁵ 17 CFR 240.17ad-22(e)(6)(iv).

Section 3 Framework Ownership and Change Management

This Framework is owned and managed by an officer within the Group Chief Risk Office of DTCC on behalf of each Clearing Agency.

Changes to this Framework shall be approved by either (1) the Boards of Directors of the Clearing Agencies (each, a “Board”, and collectively, the “Boards”), (2) such Board committee as may be delegated authority by the Boards from time to time pursuant to their charters, or (3), with respect to certain changes, the General Counsel or Deputy General Counsels of the Clearing Agencies, pursuant to authority delegated by the Boards and with the advice and direction of the Framework owner.

The owner of this Framework, or a delegate thereof, shall review this Framework no less frequently than annually.

Any and all changes to this Framework shall be subject to the proposed rule change and advance notice filing requirements under the Exchange Act and Title VIII of the Dodd-Frank Act, respectively.

Section 4 Applicable Regulatory Requirements

In compliance with Rule 17ad-22(e)(4)(i),⁶ each Clearing Agency is required to establish, implement, maintain and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by maintaining sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence.

In compliance with Rule 17ad-22(e)(6)(iv),⁷ each Clearing Agency that provides central counterparty services is required to establish, implement, maintain and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, at a minimum, uses reliable sources of timely price data and other substantive inputs and uses procedures (and, with respect to price data, sound valuation models) for addressing circumstances in which price data or other substantive inputs are not readily available or reliable, to ensure that the covered clearing agency can continue to meet its obligations under Rule 17ad-22(e)(6). Such procedures must include either: (i) the use of price data or substantive inputs from an alternate source; or (ii) if it does not use an alternate source, the use of a risk-based margin system that does not rely on substantive inputs that are unavailable or unreliable.

The following sections of this Framework describe how the Clearing Agencies identify, measure, monitor, and manage the risks related to (i) the pricing of securities processed or otherwise held by such Clearing Agencies and (ii) inputs to the CCP’s margin methodologies, and comply with Rule 17ad-22(e)(4)(i)⁸ and,

⁶ 17 CFR 240.17ad-22(e)(4)(i).

⁷ 17 CFR 240.17ad-22(e)(6)(iv).

⁸ 17 CFR 240.17ad-22(e)(4)(i).

with respect to the CCPs, Rule 17ad-22(e)(6)(iv).⁹

Section 5 Price Input Data

Each Clearing Agency monitors price data with respect to the securities eligible for clearance and settlement processing by the applicable Clearing Agency. In addition, FICC and NSCC, as CCPs, monitor price data with respect to eligible securities in their respective Clearing Funds. Each such security is referred to in this Framework as a “CUSIP” and collectively, as the “CUSIPs.”

Each Clearing Agency uses reliable sources of timely price data and has policies and procedures to address circumstances in which price data are not readily available or reliable in support of this Framework. Such procedures include the use of price data from an alternate source or an alternative valuation model/methodology.

Securities Valuation values each Clearing Agency’s eligible CUSIP prices (both end-of-day and intraday) primarily via receipt of files from Pricing Vendors.

For most CUSIPs, Pricing Vendors supply the Clearing Agencies with intraday pricing files for each business day on at least an hourly basis.¹⁰

Pricing Vendors are selected based on a service review, including, at a minimum, a review of Pricing Vendors’ securities coverage and a price quality check. Securities Valuation performs due diligence on each Pricing Vendor prior to engagement thereof, and at least annually thereafter, to assess the reliability of such Pricing Vendor.

Reliability of a Pricing Vendor is determined based on a range of factors, including, without limitation, whether such Pricing Vendor provides accurate and timely price data with respect to a CUSIP.

Securities Valuation monitors and reviews each Pricing Vendor’s pricing at least once each business day to determine whether (i) an eligible CUSIP’s price has remained unchanged for an extended period; (ii) a CUSIP has been dropped from the Pricing Vendor’s file; and (iii) other relevant circumstances exist that could call into question the reliability of any CUSIP’s price.

In the event that a Pricing Vendor becomes unavailable, unreliable, or otherwise unusable with respect to a CUSIP, back-up pricing will be utilized to provide accurate and timely price data with respect to such CUSIP.

End-of-Day Pricing. Each CUSIP’s end-of-day price will be date stamped and identified with its Pricing Vendor source. In the event that all Pricing Vendors are unavailable, unreliable, or otherwise unusable with respect to a CUSIP’s end-of-day price, such CUSIP’s last available price is recorded in the pricing database, which is consumable for applicable stakeholders.

Intraday Pricing. Each CUSIP’s intraday price will be time and date stamped and identified with its Pricing Vendor source. In the event that all Pricing Vendors are unavailable, unreliable, or otherwise unusable with respect to a CUSIP, such CUSIP’s last available price is recorded in the pricing database which is consumable for applicable stakeholders.

If price data for a CUSIP is not available from Pricing Vendors or if the last available price is deemed to be

⁹ 17 CFR 240.17ad-22(e)(6)(iv).

¹⁰ Certain CUSIPs might not be priced daily, and others might only be priced once each business day.

unreliable or unusable with respect to a CUSIP, Securities Valuation will establish a price for the CUSIP using an alternative valuation model/methodology in accordance with the policies and procedures that support this Framework.

Section 6 Other Margin Input Data

FICC and NSCC, as CCPs, maintain policies and procedures for (i) evaluating other data inputs to their margin systems and methodologies;¹¹ (ii) determining which data inputs are Substantive Inputs; (iii) maintaining an inventory of Substantive Inputs and alternative sources or margin systems/methodologies that do not rely on Substantive Inputs that are unavailable or unreliable; and (iv) addressing circumstances in which Substantive Inputs may not be readily available or reliable.

Substantive Inputs are inputs that each CCP determines are “necessary” and “consequential” to the calculation of its respective margin requirements. A data input is deemed to be necessary if the margin calculation cannot be performed without some form of the data input. A data input is determined to be consequential if the unavailability or unreliability of the input would impact margin requirements such that the CCP is not adequately able to cover the risk intended to be addressed by the respective margin model, component or charge. Substantive Inputs may include, but are not limited to, inputs such as: (i) market data; (ii) reference data; and (iii) sensitivity data.

QRM, with respect to model inputs, and Market Risk Management, with respect to non-model inputs, review each CCP’s margin inputs to determine whether they are Substantive Inputs. Based on these determinations, Data Integrity, in coordination with QRM and Market Risk Management, maintains an inventory of Substantive Inputs for each CCP, including primary and alternate sources for each input and the business owner of each input, and reviews the inventory on at least an annual basis.

The Data Integrity team, in consultation with QRM and Market Risk Management, defines and implements data quality rules to regularly monitor the ongoing availability and reliability of each Substantive Input. If a Substantive Input is unavailable or unreliable, the Data Integrity team escalates the issue to relevant stakeholders in accordance with its procedures. The Data Integrity team facilitates an annual review of the inventory of data quality rules with QRM and Market Risk Management, in accordance with its procedures.

QRM and Market Risk Management maintain procedures for addressing circumstances in which their respective Substantive Inputs are not readily available or reliable. These procedures include (i) the use of Substantive Inputs from an alternate source or (ii) the use of a risk-based margin system that does not rely on the Substantive Inputs that are unavailable or unreliable.

An alternate source for a Substantive Input generally should meet the same level of reliability as the primary source. An alternate source is not required to be sourced externally and may be created internally.

Any alternate risk-based margin system is subject to the requirements of Rule 17ad-22(e)(6)(vi) and (vii) with respect to monitoring, review, testing, verification, and model validation.¹²

¹¹ See margin and Clearing Fund requirement as set forth in NSCC Rule 4 and Procedure XV, FICC/GSD Rule 4 and Margin Component Schedule, and FICC MBS Rule 4.

¹² 17 CFR 240.17ad-22(e)(6)(vi) and (vii).