Important Notice
National Securities Clearing Corporation

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P&S:	p&s9375
Date:	August 7, 2026
To:	All NSCC Participants
Category:	NSCC Service Update
From:	NSCC Equity Clearing & Settlement Product Management
Attention:	All ETF Product Users
Subject:	**Update to Automated Reasonability Check Threshold to Pend Certain ETF Create/Redeem Activity**

Effective **August 17, 2026**, any Exchange-Traded Fund ("ETF") create/redeem instruction with a **total settlement value of $15 billion or greater** will pend upon submission to National Securities Clearing Corporation ("NSCC") and will not be released for further processing until the required review and approval steps are completed by the submitting ETF Agent.

This $15 billion total settlement value threshold will apply in addition to the existing NAV-based reasonability check that pends ETF activity when the variance between the NAV on the order and the prior day's closing NAV is 98% or greater in either direction. Activity that exceeds ***either*** threshold is automatically placed into a pending status for review.

These controls, applied pursuant to Procedure II, Section F.2 of the NSCC Rules, are designed to flag unusually large ETF create/redeem instructions for review and approval prior to further processing.

When an ETF create/redeem instruction meets or exceeds either threshold, the instruction is placed in a pending status. NSCC notifies the submitting ETF Agent that the transaction is pending through several methods:

- Intraday near-real-time create/redeem receipt/reject report
- Automated threshold alert email sent from the ETF system
- Call and email from NSCC Operations via established operational channels

Written confirmation from the ETF Agent is required before releasing the pend status.

ETF Agents should review their internal controls and escalation procedures to support timely review of any ETF create/redeem instruction that is flagged by this threshold. ETF Agents should also ensure that they maintain current operational and escalation contacts and subscribe to applicable ETF threshold alert notifications.

The updates described in this notice will not impact the underlying ETF Create/Redeem submission process.

Questions regarding this Important Notice should be directed to your DTCC Relationship Manager.