



SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-102219; File No. SR-NSCC-2025-001]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend and Restate the Second Amended and Restated Netting Contract and Limited Cross-Guaranty between NSCC and DTC

January 16, 2025

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 2, 2025, National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Item I below, which Item has been substantially prepared by the clearing agency. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Exchange Act³ and Rule 19b-4(f)(6) 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 purpose of this proposed rule change⁵ is to amend and restate the Second Amended and Restated Netting Contract and Limited Cross-Guaranty, dated as of October 1, 2002, between NSCC and DTC (the “Cross-Guaranty Agreement”).⁶ As part

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)(6).

⁵ Capitalized terms not defined herein are defined in the Rules, By-Laws and Organization Certificate of DTC (“DTC Rules”) or the National Securities Clearing Corporation (“NSCC”) Rules & Procedures (“NSCC Rules”), available at <https://www.dtcc.com/legal/rules-and-procedures>, or the Second Amended and Restated Netting Contract and Limited Cross-Guaranty, dated as of October 1, 2002, between NSCC and DTC, as applicable.

⁶ The Cross-Guaranty Agreement (i) is a Clearing Agency Agreement as defined in the DTC Rules (DTC Rule 1, Definitions; Governing Law, *supra* note 5) and is subject to, *inter alia*, Rule 9(E) of

of the proposed amendment and restatement of the Cross-Guaranty Agreement, NSCC and DTC (each, a “Clearing Agency,” and, together, the “Clearing Agencies”) propose to enter into a Third Amended and Restated Netting Contract and Limited Cross-Guaranty. The proposed changes would amend and restate the Cross-Guaranty Agreement to (i) revise the description of the Clearing Agencies’ cross-endorsement procedures to better reflect current practices of the Clearing Agencies, (ii) simplify and consolidate the liquidity and guaranty obligations of the Clearing Agencies under the current Cross-Guaranty Agreement into a single guaranty obligation of each Clearing Agency, (iii) provide for the netting of guaranty obligations between the Clearing Agencies’ in certain instances, (iv) provide for more up-to-date valuations of securities under the Cross-Guaranty Agreement, (v) provide for the Clearing Agency receiving securities in connection with the performance of the other Clearing Agency’s guaranty obligation the ability to select the particular securities it receives, (vi) enhance the information sharing between the Clearing Agencies under the Cross-Guaranty Agreement, and (vii) make appropriate conforming and clarifying changes to the Cross-Guaranty Agreement.

The proposed rule change, including the Clearing Agency’s statement of the purpose of, and statutory basis for, the proposed rule change, is available on the Clearing Agency’s website at <https://www.dtcc.com/legal/sec-rule-filings> and on the Commission’s website at https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/NSCC?file_number=SR-NSCC-2025-001.

the DTC Rules (DTC Rule 9(E), Clearing Agency Agreements, *supra* note 5), and (ii) is a Clearing Agency Cross-Guaranty Agreement as defined in the NSCC Rules (NSCC Rule 1, Definitions and Descriptions, *supra* note 5) and is subject to, *inter alia*, Rule 25 of the NSCC Rules (NSCC Rule 25, Cross-Guaranty Obligation, *supra* note 5).

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

The Clearing Agency has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act⁷ and Rule 19b-4(f)(6)⁸ thereunder. 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; or (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 Act⁹ and Rule 19b-4(f)(6)¹⁰ thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)¹¹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹² the Commission may designate a shorter time if such action is consistent with protection of investors and the public interest. The Clearing Agency has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Commission believes that waving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission designates the proposed rule change to be operative upon filing.¹³

⁷ 15 U.S.C. 78(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Clearing Agency to give 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. The Clearing Agency has satisfied this requirement.

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 17 CFR 240.19b-4(f)(6)(iii).

¹³ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

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.¹⁴ Comments may be submitted electronically by using the Commission's internet comment form (https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-NSCC-2025-001) or by sending an email to rule-comments@sec.gov. Please include file number SR-NSCC-2025-001 on the subject line. Alternatively, paper comments may be sent to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-NSCC-2025-001. 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 (https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking/national-securities-exchanges?file_number=SR-NSCC-2025-001). 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

¹⁴ 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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of SRO.

publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NSCC-2025-001 and should be submitted on or before **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Sherry R. Haywood,
Assistant Secretary.

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¹⁵ 17 CFR 200.30-3(a)(12).