



## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-102841; File No. SR-DTC-2025-005)

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Money Market Instruments Modernization

April 11, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 10, 2025, The Depository Trust Company (“DTC”) 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. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Exchange Act<sup>3</sup> and Rule 19b-4(f)(4) 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 the Underwriting Service Guide, OA,<sup>5</sup> and the Policy Statement on the Eligibility of Foreign Securities (“Policy

---

<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)(4).

<sup>5</sup> The OA and Underwriting Service Guide are each Procedures of DTC. Pursuant to the DTC Rules, the term “Procedures” means the Procedures, service guides, and regulations of DTC adopted pursuant to DTC Rule 27, as amended from time to time. See DTC Rule 1, Section 1, *infra* note 6. They are binding on DTC and each Participant in the same manner that they are bound by the DTC Rules.

Statement”) set forth in the DTC Rules<sup>6</sup> to facilitate enhancements to the securities eligibility process within DTC’s Underwriting Service. More specifically, the proposed rule change would (i) migrate the processing of eligibility requests for money market instruments (“MMI” or “MMI Securities”) from a legacy platform to an existing, proven, modernized platform currently servicing eligibility requests for Electronic Certificates of Deposit (“E-CDs”) and (ii) simplify and update rule text, consolidate certain provisions, remove outdated, redundant, or extraneous rule text and requirements, reduce the amount of eligibility documentation required from Participants and issuers, and make other changes.

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 this proposed rule change is to amend the Underwriting Service Guide, OA, and the Policy Statement set forth in the DTC Rules to facilitate enhancements to the securities eligibility process within DTC’s Underwriting Service. More specifically, the proposed rule change would (i) migrate the processing of

---

<sup>6</sup> Capitalized terms not defined herein are defined in the Rules, By-Laws and Organization Certificate of DTC (“DTC Rules”), the DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services) (“OA”), and the DTC Underwriting Service Guide (each available at [www.dtcc.com/legal/rules-and-procedures](http://www.dtcc.com/legal/rules-and-procedures)).

eligibility requests for MMI Securities from a legacy platform to an existing, proven, modernized platform currently servicing eligibility requests for E-CDs and (ii) simplify and update rule text, consolidate certain provisions, remove outdated, redundant, or extraneous rule text and requirements, reduce the amount of eligibility documentation required from Participants and issuers, and make other changes.

**(i) Background**

DTC, through its Underwriting Service, serves the financial industry by making securities eligible for depository services. Participants can distribute new and secondary offerings quickly and economically by electronic book-entry delivery and settlement through DTC. Most eligible securities are introduced into the DTC system through DTC's Underwriting Department.<sup>7</sup> Securities may be credited to the accounts of

---

<sup>7</sup> Other issues of securities may be added through corporate actions with respect to existing securities, including events such as name changes, mergers and spinoffs.

underwriters that are Participants or correspondents of Participants working through Participant accounts and distributed to the market by delivery to other Participants.

For non-MMI Securities, only a Participant, or its correspondent, may submit a request to make a security eligible for DTC services. However, eligibility requests with respect to MMI Securities may only be submitted by a Participant that is also an MMI Issuing and MMI Paying Agent (“IPA”).<sup>8</sup>

The Participant or correspondent seeking to make a security eligible for DTC services is required to provide an eligibility request by the submission of certain required issuer and securities data and related offering documents to DTC through a designated platform for a given security type. These platforms include the online Securities Origination, Underwriting and Reliable Corporate Action Environment (“UW SOURCE”) system, the Underwriting Central (“UWC”) system or MMI Web Underwriting Application (“MMI Web”). UW SOURCE is currently used for processing eligibility requests of security types other than E-CDs and MMI Securities, for which requests are processed through UWC and MMI Web, respectively.<sup>9</sup>

While these systems process eligibility requests in an efficient manner, DTC has identified opportunities for enhancement.

First, as more fully described below, DTC has identified an opportunity to enhance the efficiency and convenience for processing of MMI Securities by migrating the MMI eligibility process from MMI Web, a legacy system, to UWC, a modern system that offers greater opportunities for automation and future improvements.

---

<sup>8</sup> Pursuant to the DTC Rules, the term (i) “MMI Issuing Agent” means a Participant, acting as an issuing agent for an issuer with respect to a particular issue for MMI Securities of that issuer, that has executed such agreements as the Corporation shall require in connection with the participation of such Participant in the MMI Program in that capacity, and (ii) “MMI Paying Agent” means a Participant, acting as a paying agent for an issuer with respect to a particular issue of MMI Securities of that issuer, that has executed such agreements as [DTC] shall require in connection with the participation of such Participant in the MMI Program in that capacity. See Rule 1, supra note 6. While the DTC Rules provide for separate definitions for MMI Issuing Agent and MMI

Second, DTC has identified opportunities to reduce administrative burden for Participants and issuers relating to DTC eligibility of issues generally, whether for MMI or non-MMI Securities, through (i) simplification and updates to the texts of the OA, the Underwriting Service Guide and the DTC Rules, including consolidation of certain provisions and the removal of outdated, redundant or extraneous text and requirements and (ii) the consolidation, and reduction in the amount, of paperwork required from Participants and issuers in connection with eligibility requests, as described below.

**(ii) Proposed Rule Changes**

**A. Migration of MMI Eligibility Processing**

UW SOURCE and MMI Web are legacy applications that are robust and reliable. However, because they are comprised of various distinct mainframe legacy applications, enhancements and maintenance of such systems are becoming more difficult and more costly. They also offer reduced opportunities for automation than more modern systems. UWC, a newer, modern platform that is currently used for eligibility processing for E-CDs,<sup>10</sup> provides for a more integrated user experience by reducing the need for manual processing of documentation outside the system. Due to its modern design, UWC also provides a base for future enhancements for eligibility services because it is designed to provide a system that is streamlined, resilient and in line with the needs and usability standards of Participants and issuers.

---

Paying Agent, typically a single firm acts in both capacities on behalf of a given issuer of MMI Securities.

<sup>9</sup> See OA, supra note 6 at 6-7 and the Underwriting Service Guide, supra note 6 at 11. See also Securities Exchange Act Release No. 90895 (Jan. 11, 2021), 86 FR 4151 (Jan. 15, 2021) (SR-DTC-2020-017) (“E-CD Release”).

<sup>10</sup> UWC’s design eliminates the need for physical certificates for certain issue types of CDs, which previously would have been processed through UW SOURCE, by allowing them to be issued and held in electronic form. UW SOURCE, remains available for other types of issuances, including the issuances of CDs in physical form. See E-CD Release, supra note 9.

To expand the use of UWC’s modern design, including streamlined functionality, DTC proposes to migrate the processing of MMI eligibility requests from MMI Web to UWC. In this way, DTC expects that IPAs would realize benefits in efficiency and convenience in processing of MMI eligibility requests, similar to those when DTC made UWC available for processing of certificates of deposit as an alternative to using UWSOURCE.<sup>11</sup>

Therefore, pursuant to the proposed rule change, DTC would revise the section of the Underwriting Service Guide titled “How MMI Eligibility Works” to designate UWC, rather than MMI Web, as the system utilized by IPAs to submit MMI eligibility requests.

### **B. Technical and Clarifying Changes**

In addition, the proposed rule change would make changes to the Underwriting Service Guide, OA and the DTC Rules to reduce administrative burden for Participants and issuers relating to DTC eligibility generally, through (i) simplification and updates to rule text, including consolidation of certain provisions and the removal of outdated, redundant or extraneous rule text and requirements and (ii) the consolidation, and reduction in the amount of eligibility documentation required from Participants and issuers in connection with eligibility requests, as described below.

#### **I. Amendments to the Underwriting Service Guide**

##### **1. Background on MMI Underwriting Process**

The Underwriting Service Guide provides that MMI Web be used by IPAs for eligibility processing of MMI Securities so that an IPA may then issue, service, and settle MMI Securities that it introduces into the marketplace through DTC. In this regard, an

---

<sup>11</sup> UWC is a web interface and the migration from MMI Web to UWC will not require system changes by, or impose any additional costs on, IPAs. All IPAs have successfully completed testing of the use of UWC for MMI eligibility requests.

IPA enters details for its issuances into MMI Web.<sup>12</sup> The Underwriting Service Guide also states that the IPA must also provide to DTC a completed and signed Letter of Representations (“LOR”) for MMI Securities to be made eligible, a master note, and a list of base CUSIP numbers (“CUSIP List”)<sup>13</sup> that would be used for upcoming issuances of that type.<sup>14</sup> The Underwriting Service Guide provides that other documentation may also be required.<sup>15</sup>

The LOR and other documentation are provided manually via e-mail. The required CUSIPs may be submitted either by e-mail or through MMI Web.

Once the IPA has submitted the required documentation and information, DTC reviews the IPA’s submission to confirm that an issue satisfies DTC’s eligibility and processing requirements. After reviewing and approving a submission, the DTC Underwriting Group (“Underwriting Group”) produces the MMI issuer control table (“ICT”).<sup>16</sup> The MMI ICT allows the IPA to directly create an instruction to add the CUSIP and security-level details (e.g., interest rate, maturity date, payment frequency) to DTC’s master file (“Master File”).<sup>17</sup>

DTC proposes to amend the Underwriting Service Guide in order to simplify and consolidate processes, as described below.

---

<sup>12</sup> These details include the IPA’s DTC account number, issuer name, SEC registration or exemption information, issuer contact information, state/country of domicile and program features (e.g., indexed to principal, variable rate, redeemable prior to maturity) (“Program Features”).

<sup>13</sup> A CUSIP number is the identification number created by the American Banking Association’s Committee on Uniform Security Identification Procedures (“CUSIP”) to uniquely identify issuers and issues of securities and financial instruments. See Committee on Uniform Securities Identification Procedures, available at [www.aba.com/about-us/our-story/cusip-securities-identification](http://www.aba.com/about-us/our-story/cusip-securities-identification). See Underwriting Service Guide, supra note 6 at 13.

<sup>14</sup> The availability of a list of multiple CUSIPs facilitates the ability for an IPA to issue new MMI Securities through DTC without further manual intervention by DTC.

<sup>15</sup> See OA, supra note 6 at 8-17.

<sup>16</sup> See Underwriting Service Guide, supra note 6 at 13.

<sup>17</sup> DTC maintains the Master File of all CUSIPs representing securities made eligible at DTC. See Underwriting Service Guide, supra note 6 at 10.

## 2. Removal of Program Features Data Entry

Currently, MMI Web requires an IPA to indicate in a “Yes/No” format whether an issuance contains certain Program Features, including payment and redemption details of the MMI Securities brought for eligibility. These Program Features, while informational, are not necessary for DTC to process the eligibility request or to service an MMI Security and may not reflect all features of a given MMI Security. To remove an outdated requirement and reduce the steps required to make an MMI Security eligible, UWC will no longer require IPAs to enter indicators for Program Features, and text related to this requirement in the section of the Underwriting Service Guide entitled “How MMI Eligibility Works” would be removed.

## 3. Removal of Reference to ICT

The text in the section “How MMI Eligibility Works” includes a description of the process of adding an MMI Security to Master File, including the review and approval of the issue by the Underwriting Group and the Underwriting Group’s creation of the ICT, which allows the IPA to add a CUSIP to the Master File. However, the use of ICT to perform this process is transparent to IPAs. Therefore, in order to simplify the text, while DTC would continue to utilize the ICT, DTC would remove the reference to it from the Underwriting Service Guide.

## 4. Changes to Exhibit A to the MMI Certificate Agreement

The Underwriting Service Guide provides that the IPA will provide an “Exhibit A”<sup>18</sup> to the MMI Certificate Agreement<sup>19</sup> listing the issuer name and CUSIP base for a group of MMI Securities to be issued. However, the actual form of Exhibit A does not

---

<sup>18</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/EXHIBIT--A.docx](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/EXHIBIT--A.docx).

<sup>19</sup> Pursuant to an “MMI Certificate Agreement,” an IPA maintains a securities certificate, registered in the name of DTC’s nominee, Cede & Co., for each MMI Security that it issues through DTC. Having an IPA maintain the certificate eliminates the need for DTC to hold a certificate in its vault that would need to be delivered to an IPA upon redemption of an MMI Security.

require the CUSIP to be listed as the CUSIP for the MMI Securities is either entered directly into MMI Web or delivered to DTC by email. Exhibit A does require certain specified issuance details, including (i) issuer name, (ii) certain program information (which may include (a) series; (b) rank of indebtedness; and (c) reference to the provision of the Securities Act of 1933, as amended, (“Securities Act”)<sup>20</sup> pursuant to which the Program is exempt from registration, if any).

Exhibit A is currently provided by an IPA in Word format using a form available on DTCC’s website.<sup>21</sup> Upon implementation of the use of UWC for MMI eligibility processing, this document will be opened directly through UWC for the IPA to review. Rather than providing a physical signature, the IPA will provide an electronic attestation to the form. In addition, to facilitate consolidation of documentation, a separate form required for issues denominated in a foreign currency (“Foreign Currency Rider”)<sup>22</sup> when used for MMI Securities will also be incorporated within the Exhibit A, and, if applicable (i.e., the issue is denominated in a foreign currency), will be deemed acknowledged upon submission of the electronic attestation.

Pursuant to the proposed rule change, to reflect the content and revised format of Exhibit A for use under UWC as discussed above, the text would be revised to remove the reference to inclusion of the base CUSIP and instead add “including specified issuance details and a foreign currency rider, as applicable.”

---

<sup>20</sup> 17 CFR 230.144A.

<sup>21</sup> Supra note 18.

<sup>22</sup> One of two forms is used for this purpose, depending on whether the issuance offers the option for payments in the foreign currency or U.S. dollar payments only. Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/riders/Curr-Rider-With-USD-Option.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/riders/Curr-Rider-With-USD-Option.pdf) and [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/riders/Curr-Rider-USD-Only.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/riders/Curr-Rider-USD-Only.pdf).

## II. Amendments to the Operational Arrangements

### 1. Consolidation of MMI Letter of Representations Terms Within the OA (and Update of Related Reference in the Underwriting Service Guide)

An issuer and IPA jointly sign a LOR for each group of MMI Securities represented by a base CUSIP made DTC-eligible, which is valid for all MMI Securities issued under the respective CUSIP List. There are currently nine forms of LOR for different types of MMI Securities. They include LORs used for (i) institutional certificates of deposit (“Institutional LOR”),<sup>23</sup> (ii) municipal variable rate demand obligations (“Muni VRDO LOR”),<sup>24</sup> (iii) municipal tax-exempt commercial paper (“Muni TECP LOR”),<sup>25</sup> (iv) corporate commercial paper (“CP LOR”),<sup>26</sup> (v) preferred stock (“Preferred LOR”),<sup>27</sup> (vi) corporate variable rate demand obligations (“CVRDO LOR”),<sup>28</sup> (vii) discount notes (“Discount LOR”),<sup>29</sup> (viii) medium-term notes/medium-term bank notes/deposit notes (“Medium Term/Deposit LOR”),<sup>30</sup> and (ix) short-term bank notes (“Short Term LOR”).<sup>31</sup>

---

<sup>23</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/eligibility/21747-CD\\_2019.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/eligibility/21747-CD_2019.pdf).

<sup>24</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21793-VMC.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21793-VMC.pdf).

<sup>25</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-master-note/Municipal-Commercial-Paper-Master-Note-Form.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-master-note/Municipal-Commercial-Paper-Master-Note-Form.pdf).

<sup>26</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21848-CP.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21848-CP.pdf).

<sup>27</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21859-PCP.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21859-PCP.pdf).

<sup>28</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21884-VCC.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21884-VCC.pdf).

<sup>29</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21904-DN.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/21904-DN.pdf).

<sup>30</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/22029-MT.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/22029-MT.pdf).

<sup>31</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/22036-SB.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/mmi-letters/22036-SB.pdf).

Each LOR contains terms binding the issuer and the IPA. Many terms within a form of LOR for one MMI Security type are the same or similar to those in another form.

For non-MMI Securities, DTC offers the option for an issuer to provide either a LOR for a discrete issuance, or a Blanket Letter of Representations (“BLOR”), which once executed is valid for all issuances of that issuer, obviating the need to obtain a new LOR with each issuance. The non-MMI LOR and BLOR represents the issuer’s agreement to comply with the requirements set forth in the OA, as amended from time to time. In this regard, relevant terms that would otherwise be included in a LOR (such as in the MMI model) are set forth in the OA. Incorporating terms into the OA removes the need for the creation of separate forms for each security product type (e.g., common stock, corporate debt, municipal debt, etc.)

Following the practice used for non-MMI Securities, the proposed rule change would eliminate the requirement for nine different letters of representation for MMI Securities and instead allow issuers and paying agents to sign an MMI BLOR.

In this regard, subsection I.B.1.a. (Letters of Representations) would be revised to provide the requirement for issuers and MMI Issuing Agents to provide a fully executed MMI BLOR effective for each MMI security issued by them and provide a link to a copy of the document. The BLOR would apply to all issuances of a given issuer and its identified IPA. However, if an issuer designates a different IPA for its issuances, or if an IPA acts on behalf of a different issuer, a new BLOR must be executed by the relevant parties. Also, text in this subsection would be clarified to distinguish which provisions relate to non-MMI BLORs.

The provisions previously included in the individual MMI LORs are otherwise substantively covered by provisions already included in the OA today, or, if not already covered, would be incorporated into the OA as described below.

In this regard, subsection I.B.1.d. of the OA, which contains agreements of various stakeholders, including issuers and agents, would be supplemented with a new subsection I.B.1.e. to include specific terms relating to MMI Securities.

First, the title of this section would be changed from “Agreements of Underwriter, Issuer and Agent” to “Agreements of Underwriter, Issuer and Agent (including MMI Issuing Agent and MMI Paying Agent for MMI Securities).”

Second, new subsection I.B.1.e.i. would be added to include a requirement relating to the issuer and MMI Issuing Agent obtaining the CUSIP List mentioned above. The text would cross-reference to a new subsection II.A.1. (CUSIP Number Assignment) as II.A.1.a. which would include the requirements that the issuer or MMI Issuing Agent must obtain a CUSIP List from CUSIP Global Services and require an additional CUSIP List to be obtained once a certain number of CUSIPs remains unassigned. Consistent with the current LORs, the issuer or MMI Issuing Agent would be required to obtain a CUSIP List of 900 CUSIPs for debt securities and 79 CUSIPs for equity securities.

Third, new subsection I.B.1.e.ii. would add a provision from the MMI LORs relating to the ability of an MMI Issuing Agent to provide cancellation instructions for an issuance through the DTC settlement user interface (“Settlement User Interface”)<sup>32</sup> so long as the issuance is scheduled to take place one or more days after the MMI Issuing Agent has given issuance instructions to DTC.

Fourth, new subsection I.B.1.E.iii. would add a provision stating that a MMI Paying Agent may request the withdrawal of securities that it holds in its DTC account by giving a withdrawal instruction through the Settlement User Interface.

---

<sup>32</sup> The “Settlement User Interface” is defined in the DTC Settlement Service Guide as any system or combination of systems that allows for input/inquiry into the DTC Settlement System. See DTC Settlement Service Guide, [available at www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Settlement.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Settlement.pdf) at 6.

Fifth, new subsection I.B.1.E.iv. would add a provision that was included in the MMI LORs stating that a paying agent may override DTC's determination of interest and principal through DTC's corporate actions system.<sup>33</sup> This provision would also include a reference that such overrides are subject to any applicable fees set forth in DTC's Guide to Fee Schedule ("DTC Fee Guide").<sup>34</sup>

The MMI BLOR would also provide that the IPA (in the capacity as MMI Paying Agent) has entered into the applicable form of MMI Certificate Agreement, and it would include the note program in its Exhibit A (to the MMI Certificate Agreement), prior to issuance of the MMI Securities.

For consistency across Procedures, the text of the Underwriting Service Guide would be revised to remove the requirement that the required MMI LOR be "product-specific" and instead refer to a "Blanket Letter of Representations" in this regard, rather than a "Letter of Representations."

## 2. Changes with Respect to Required Riders to LORs

Rule 144A<sup>35</sup> and Regulation S ("Reg S")<sup>36</sup> are provisions under the Securities Act that facilitate the sale of securities to institutional investors and non-U.S. investors, respectively. Rule 144A allows for the resale of restricted securities ("144A Securities") to qualified institutional buyers without the need for SEC registration, while Reg S

---

<sup>33</sup> The user interfaces for the corporate actions system include the Participant Browser Service ("PBS"), Participant Terminal System, CA Web and certain other formats. The override instructions contemplated in this subsection are currently submitted through the "PAMM" function in PBS. However, because DTC is currently undergoing a modernization of its systems, the general reference to the corporate actions system is being used here in case the function is updated as part of the modernization effort.

<sup>34</sup> The DTC Fee Guide includes fees relating to MMI position reinstatements, event type modifications and rate changes. See DTC Fee Guide, available at [www.dtcc.com/-/media/Files/Downloads/legal/fee-guides/DTC-Fee-Schedule.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/fee-guides/DTC-Fee-Schedule.pdf) at 7-8.

<sup>35</sup> 17 CFR 230.144A.

<sup>36</sup> 17 CFR 230.901 - 230.905.

provides a safe harbor for offers and sales of securities (“Reg S Securities”) outside the United States, exempting them from SEC registration requirements.

The Participant requesting eligibility for 144A or Reg S Securities must provide a rider to LOR signed by the issuer. This rider includes representations regarding the restricted status of the securities under the respective rule or regulation. Additionally, the issuer must obtain a CUSIP for the security that is distinct from any non-restricted security in the same class. The riders also include representations concerning the rights of DTC, Cede & Co, and Participants, covering aspects such as voting, distributions, and the receipt of certificates.

The proposed rule change would eliminate the requirement to obtain 144A riders and Reg S riders for all new issues, whether MMI or non-MMI Securities. Currently, these riders are required for all Rule 144A and Reg S Securities. However, DTC does not believe they are necessary for new issues because the issuer is typically involved in the underwriting process and works directly with a Participant to bring the new issue to market. As part of this process, the issuer has a vested interest in ensuring compliance with applicable securities laws and DTC requirements, thereby reducing the need for separate rider representations. In contrast, for older issues, where the issuer may not be as closely tied to the Participant bringing the security to DTC, the requirement to provide the riders would remain in place.

The representations previously included in the 144A and Reg S riders would be incorporated into the OA, ensuring that the necessary regulatory and compliance obligations remain intact. Since issuers and IPAs executing a BLOR are legally bound by the OA, this change promotes efficiency without introducing additional legal risk for DTC.

In this regard, subsection I.B.1.b. (Required Riders to the LOR) would be revised to qualify this requirement such that Rule 144A and Reg S riders are only required with

respect to older issues. Also, subsection I.B.1.d. relating to agreements of issuers and others, would be amended to add item xi that issuers make representations set forth in a new subsection II.A.1.b. (Rule 144A and Reg S CUSIPs), which would contain the requirements currently set forth in the Rule 144A and Reg S riders.

These modifications, along with the creation of the MMI BLOR as described above, simplify the eligibility process by reducing the number of required documents, allowing for a single BLOR per issuer-IPA combination and the incorporation of the Rule 144A rider and Reg S rider provisions into the OA, thereby expediting the rapid issuance of MMI Securities while maintaining the related compliance and legal requirements.

In addition, the proposed rule change would make certain technical and clarifying changes to the same subsection I.B.1.b.

First, a provision stating that a rider is required with respect to each security of a U.K. issuer would be revised to also include that a rider is required with respect to each security of an Ireland issuer. DTC collects these riders<sup>37</sup> to obtain representations relating to unique tax considerations relating to U.K. and Ireland debt securities; however, the OA currently only refers to the U.K. Rider. Therefore, a reference to the Irish Rider is being added for transparency relating to this requirement.

Second, a sentence that provides links to certain forms of BLOR and LOR would be revised to clarify that the referenced forms are used for non-MMI Securities.

Third, a link to the form of MMI BLOR would be added.

### 3. Special Rules and Processes for MMI

Subsection I.A.2. of the OA contains text noting that while the general arrangements of the OA apply to MMI Securities, under the DTC Rules, MMI are

---

<sup>37</sup> Available at [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/riders/Irish-Rider.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/riders/Irish-Rider.pdf) (“Irish Rider”) and [www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/riders/UK-Rider.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/riders/UK-Rider.pdf) (“U.K. Rider”).

processed differently than other Securities. To provide clarity to stakeholders with respect to applicable Rules and Procedures, the proposed rule change would add a reference stating that in addition to the OA, Rules and Procedures relating to MMI include, but are not limited to, those set forth in the DTC Rules (including, but not limited to Rule 9(C)), DTC Distributions Service Guide, the Underwriting Service Guide, DTC Redemptions Service Guide, DTC Reorganizations Service Guide, and DTC Settlement Service Guide.

#### 4. Other Technical Changes

Subsection I.B.1.d.ii. provides that the Issuer recognizes that DTC does not undertake to, and shall not have any responsibility to, monitor or ascertain the compliance of any transactions in securities with any applicable law, rule or regulation and lists applicable laws and rules and lists out certain applicable laws. However, it inadvertently omits a reference to the Securities Act and applicable rules and regulations, which are foundational to DTC's eligibility requirements.<sup>38</sup> The proposed rule change would correct this omission by including a reference to the Securities Act, Rule 144A, Reg S and/or any exemptions from registration thereto.

Subsection I.B.1.d.iv. provides that DTC may direct any issuer or agent to use any DTC telephone number or address as the number or address to which notices or payments may be sent. The proposed rule change would update this provision to "street address" and also include "e-mail address or other electronic means."

---

<sup>38</sup> Generally, the issues that may be made eligible for DTC's book-entry delivery, settlement and depository services are those that have been issued in a transaction that (i) has been registered with the Commission pursuant to the Securities Act; (ii) was exempt from registration pursuant to a Securities Act exemption that does not involve (or, at the time of the request for eligibility, no longer involves) transfer or ownership restrictions; or (iii) permits resale of the securities pursuant to Rule 144A or Regulation S, and, in all cases, such securities otherwise meet DTC's eligibility criteria. See OA, supra note 6 at 8.

### III. Amendments to the Policy Statement in the Rules

The proposed rule change would make a technical amendment to the Policy Statement to delete a duplicative provision covered by the OA and also align the DTC Rules with current practice and regulatory requirements.

The Policy Statement covers eligibility provisions for both foreign securities deposited with DTC at the time that such foreign securities are first distributed (referred to as “new issues”) and foreign securities deposited with DTC subsequent to the time that such foreign securities are first distributed (referred to as “older issues.”)

Section 3 of the Policy Statement (“Section 3”) provides various measures designed to facilitate compliance by issuers and Participants with their obligations to DTC and pursuant to the federal securities laws.

Subsections 3(a)(2) and (3) reference the requirement that, for new issues, an issuer must provide a 144A rider or Reg S rider for securities eligible for resale under Rule 144A or Reg S, respectively. These provisions state that the text of both riders must contain representations regarding the securities’ eligibility for resale under the applicable rule and their CUSIP or “CINS” identification number,<sup>39</sup> if any for any registered securities of the issuer of the same class.

Subsection 3(b)(1), subparagraph (ii) also includes a requirement that issuers represent whether the securities are investment-grade securities or securities designated for inclusion in an SRO Rule 144A system. A similar provision under Subsection 3(b) states that for older issues, DTC would confirm that any foreign 144A Securities deposited with DTC are investment grade securities designated for including in an SRO Rule 144A System.

---

<sup>39</sup> CINS is the acronym for the CUSIP International Numbering System. A CINS number is an alphanumeric identifier used as a securities identifier in several non-North American markets. See CUSIP Global Services, Supporting Efficient Global Capital Markets, cusip.com (2025), [www.cusip.com/identifiers.html#/CINS](http://www.cusip.com/identifiers.html#/CINS).

DTC would delete Subsections 3(a)(2), 3(a)(3) and 3(b)(1), subparagraph (ii) for the reasons described below.

First, the deletion of the provisions relating to the 144A and Reg S riders from the Policy Statement would simplify the related Rules and Procedures, as these riders are already addressed in the OA, which sets forth eligibility requirements more broadly and apply beyond just foreign securities.

Second, the reference to securities being designated for inclusion in an SRO Rule 144A system is outdated, as this requirement was eliminated in a prior rule filing by DTC<sup>40</sup> but was never removed from the Policy Statement. This proposed rule change would correct that oversight by eliminating obsolete text as a technical clarification.

Third, the investment grade requirement would be removed because DTC's underwriting process need not assess the investment grade status of securities as part of the eligibility determination process. This aligns with the broader approach taken by DTC's eligibility requirements which focus on compliance with regulatory and operational criteria rather than subjective credit assessments. As a result, removing this requirement from the Policy Statement better reflects current practice and ensures consistency with the actual procedures followed by DTC.

By implementing these changes, DTC enhances clarity, reduces redundancy, and ensures that its Rules and Procedures remain aligned with operational and regulatory frameworks.

## 2. Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of the Exchange Act, and the rules and regulations thereunder applicable to a registered

---

<sup>40</sup> See Securities Exchange Act Release No. 59384 (Feb. 11, 2009), 74 FR 7941 (Feb. 20, 2009) (SR-DTC-2008-13).

clearing agency. Specifically, DTC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Exchange Act<sup>41</sup> for the reasons described below.

Section 17A(b)(3)(F) of the Exchange Act requires, in part, that the rules of a clearing agency, such as DTC, be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>42</sup> As described above, the proposed rule change would amend the Underwriting Service Guide, OA, and the Policy Statement to facilitate enhancements to the securities eligibility process within DTC's Underwriting Service.

The proposed amendments to the Underwriting Service Guide include providing for the migration of the processing of eligibility requests for MMI Securities from a legacy platform to an existing, proven, modernized platform currently servicing eligibility requests for E-CDs. By migrating the MMI Securities eligibility functionality to a system with enhanced usability, flexibility, and resiliency, the proposed rule change is designed to support a more effective and efficient model for making MMI Securities eligible for DTC services, including clearance and settlement.

Additionally, the proposal aims to simplify and update text, consolidate certain provisions, remove outdated, redundant, or extraneous text and requirements, and reduce the amount of eligibility documentation required from Participants and issuers and make other technical changes.

First, the amendments to the Underwriting Service Guide include removal of the requirement for IPAs to enter indicators for Program Features and eliminate references to the ICT which are not necessary for the processing of eligibility requests. Furthermore, the proposed rule change would reflect the content and revised format of Exhibit A, as described above, and the consolidation of the Foreign Currency Rider under the Exhibit

---

<sup>41</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>42</sup> Id.

A for MMI Securities. This change clarifies and simplifies the eligibility process by removing outdated requirements and unnecessary references, and consolidating documentation, thereby streamlining the process for making securities eligible for DTC services, including clearance and settlement, while maintaining related compliance and legal requirements.

Second, the amendments to the OA involve consolidating the terms of the MMI LOR within the OA and allowing issuers and paying agents to sign a BLOR instead of multiple product-specific LORs, and eliminating the requirement to obtain 144A and Reg S riders for all new issues. This change simplifies the eligibility process by reducing the number of required documents to make securities eligible for DTC services, thereby expediting the process for securities to become eligible for DTC services, including clearance and settlement services, while maintaining the related compliance and legal requirements.

Third, the amendments to the Policy Statement include deleting duplicative provisions covered by the OA and aligning the DTC Rules with current practice and regulatory requirements. This involves removing outdated references to securities being designated for inclusion in a SRO Rule 144A system and eliminating the investment grade requirement, which is not necessary for DTC's eligibility determination process, further clarifying related requirements and streamlining the eligibility process.

The migration of the MMI eligibility functionality to a modernized platform improves the efficiency and accuracy of processing eligibility requests to make securities eligible for DTC services, including clearance and settlement, thereby promoting the prompt and accurate clearance and settlement of securities transactions. Simplifying and updating the text, consolidating provisions, and reducing the amount of eligibility documentation required from Participants and issuers clarifies and streamlines provisions relating to making securities eligible for DTC services, including clearance and

settlement, further supporting the prompt and accurate clearance and settlement of transactions. Therefore, the Clearing Agencies believe the proposed changes described above are consistent with Section 17A(b)(3)(F) of the Exchange Act.<sup>43</sup>

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

DTC does not believe that the proposed changes to the Underwriting Service Guide, OA, and Policy Statement, as described above, will have any impact, or impose any burden, on competition. As described above, the proposed rule change would amend the Underwriting Service Guide, OA, and the Policy Statement to facilitate enhancements to the securities eligibility process within DTC's Underwriting Service. More specifically, the proposed rule change will (i) migrate the processing of eligibility requests for MMI Securities from a legacy platform to an existing, proven, modernized platform and (ii) simplify and update rule text, consolidate certain provisions, remove outdated, redundant, or extraneous rule text and requirements, reduce the amount of eligibility documentation required from Participants and issuers, and make other technical changes, as described above.

The proposed migration of MMI eligibility functionality from MMI Web to UWC entails changing to a system with enhanced usability and flexibility that will be available to all users equally at no additional cost or effort to them, except for user testing which has been completed. The proposed changes that would simplify and update rule text, consolidate certain provisions, remove outdated, redundant, or extraneous rule text and requirements, reduce the amount of eligibility documentation required from Participants and issuers, and make other changes would also apply to all affected Participants and issuers, except for the elimination of the 144A rider for new issues such that this rider will still be required for older issues. Maintaining the requirement for a 144A rider for

---

<sup>43</sup>

Id.

older issues does not impose a burden on competition because it applies uniformly to all older issues, ensuring a consistent and fair approach. Additionally, the continued use of the 144A rider for older issues helps maintain the integrity and reliability of the eligibility process for these securities, without introducing any additional costs or efforts for users. In light of the foregoing, DTC does not believe that the proposed rule change would impose a burden on competition.

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

The DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, DTC will amend its filing to publicly file such comments as an Exhibit 2 to its 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 a Comment*, available at [www.sec.gov/regulatory-actions/how-to-submit-comments](http://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.

DTC reserves the right to not 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 Exchange 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 Exchange 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 Exchange Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-DTC-2025-005 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-DTC-2025-005. This file number should be included on the subject line if email 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC 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-DTC-2025-005 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.<sup>44</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025-06523 Filed: 4/16/2025 8:45 am; Publication Date: 4/17/2025]

---

<sup>44</sup> 17 CFR 200.30-3(a)(12).