



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104096; File No. SR-DTC-2025-013]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Amend DTC Rule 18 (Waiver or Suspension of Rules and Procedures)

September 26, 2025.

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 September 25, 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 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 proposed rule change would amend Rule 18 (Waiver or Suspension of Rules and Procedures) of the DTC Rules.⁵ DTC’s two affiliate clearing agencies, Fixed Income Clearing Corporation (“FICC”) and National Securities Clearing Corporation (“NSCC,” and together with DTC and FICC, the “Clearing Agencies” or “Clearing Agency” when

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 Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (the “DTC Rules”), as applicable, *available at* <http://www.dtcc.com/legal/rules-and-procedures>.

referring to one of any of the three Clearing Agencies)⁶ will each file with the Commission substantively similar proposals to amend their corresponding rules: Rule 42 of the FICC Government Securities Division (“GSD”) Rulebook (“GSD Rules”), and Rule 22 of the NSCC Rules & Procedures (“NSCC Rules”) (collectively with DTC Rule 18, the “Waiver Rules”).⁷ A substantially similar proposal to amend Rule 33 of the FICC Mortgage-Backed Securities Division (“MBSD”) Clearing Rules (“MBSD Rules”) was already filed with the Commission and implemented by FICC.⁸

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 proposed rule change would amend Rule 18 (Waiver or Suspension of Rules and Procedures) of the DTC Rules. The Clearing Agencies will each file with the Commission substantively similar proposals to amend their corresponding Waiver Rules.

⁶ The Clearing Agencies are each a subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC operates on a shared service model with respect to the Clearing Agencies. Most corporate functions are established and managed on an enterprise-wide basis pursuant to intercompany agreements under which it is generally DTCC that provides relevant services to the Clearing Agencies.

⁷ Each Waiver Rule is publicly available in the respective rules of the applicable Clearing Agency at <https://www.dtcc.com/legal/rules-and-procedures>.

⁸ See Securities Exchange Act Release No. 103584 (July 30, 2025), 90 FR 36492 (Aug. 4, 2025) (SR-FICC-2025-016).

A substantially similar proposal to amend MBSD Rule 33 was already filed with the Commission and implemented by FICC.

Specifically, the proposed amendments to DTC Rule 18 would (i) establish “reasonable and appropriate” as the new standard for when an extension, waiver or suspension may occur; (ii) require action under the rule to be in consideration of DTC’s obligations as a clearing agency; (iii) exclude the need for a written report where an extension under the rule is for less than eight hours; (iv) be more clear and concise about who may authorize action under the rule; and (v) make technical, ministerial, and other conforming and clarifying changes.

(i) Background

DTC Rule 18 authorizes DTC, in general, to extend, waive, or suspend a DTC Rule or Procedure. Under the current rule, any extension, waiver, or suspension must be (A) necessary or expedient and (B) requires a written report of such extension, waiver, or suspension (other than an extension of time of less than one hour), stating the pertinent facts, the identity of the Person or Persons who authorized such extension, waiver or suspension and the reason such extension, waiver or suspension was deemed necessary or expedient. The report must then be promptly made and filed with DTC’s corporate records and available for inspection by any Participant or Pledgee during regular business hours on Business Days.

(ii) Proposed Amendments to DTC Rule 18

The proposed changes would harmonize the language, purpose, and governance of DTC Rule 18 with the equivalent Waiver Rule of MBSD Rule 33,⁹ and the similarly

⁹ MBSD Rules, *available at* https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_gov_rules.pdf.

proposed changes to the Waiver Rules of GSD Rule 42¹⁰ and NSCC Rule 22.¹¹

Specifically, the proposed amendments to DTC Rule 18 would (i) establish “reasonable and appropriate” as the new standard for when an extension, waiver or suspension may occur; (ii) require action under the rule to be in consideration of DTC’s obligations as a clearing agency; (iii) exclude the need for a written report where an extension under the rule is for less than eight hours; (iv) be more clear and concise about who may authorize action under the rule; and (v) make technical, ministerial, and other conforming and clarifying changes.

DTC proposes to eliminate the requirement that an extension, waiver, or suspension authorized under DTC Rule 18 must be “necessary or expedient.” Instead, the proposed changes establish “reasonable and appropriate” as the applicable standard, which DTC believes is a clearer and more relevant standard for the actions to be taken under the rule. Moreover, DTC proposes to provide some general guidance as to when the rule may need to be invoked: to prevent, correct, mitigate or otherwise address an event or situation that, if left unaddressed, could result in a failure to satisfy a requirement of the DTC Rules or Procedures. Similarly, the proposed rule change clarifies that such authority may not be used to circumvent DTC’s regulatory obligations provided under DTC Rule 38 (Market Disruption and Force Majeure) in the event of a Market Disruption.

In determining whether to exercise the authority provided by the proposed changes to DTC Rule 18, the proposed rule text would require DTC to consider its obligation to facilitate the prompt and accurate clearance and settlement of securities transactions; to safeguard securities and funds which are in its custody or control; and, in

¹⁰ GSD Rules, *available at* https://www.dtcc.com/~media/Files/Downloads/legal/rules/ficc_gov_rules.pdf.

¹¹ NSCC Rules, *available at* https://dtcc.com/~media/Files/Downloads/legal/rules/nscc_rules.pdf.

general, to protect investors and the public interest. Examples of the types of actions that may be considered reasonable and appropriate include, but are not limited to, temporarily suspending physical securities processing; waiving applicable charges related to processing or submission failures that result from operational constraints; or reversing fees assessed in connection with erroneous activity resulting from misunderstanding of established procedures. Note, though, any extension, waiver or suspension under the proposed changes to DTC Rule 18 could not be a permanent action, nor would the rule permit extension, waiver or suspension of any regulatory obligations of DTC.

DTC also proposes to update the existing written report requirement so that it applies when an extension under the rule is for less than eight hours, rather than the current one-hour requirement. The change from one hour to eight hours not only harmonizes the timing provision with the waiver requirements of the other Clearing Agencies' Waiver Rules, noted above, but it also provides a more reasonable and realistic period for DTC to identify and address an issue that, by its abbreviated nature, should not necessitate the more formal process of documentation via a written report.

Currently, DTC Rule 18 states that action under the rule can be authorized by DTC's Board of Directors, the Chairman of the DTC Board, the President or any Managing Director. To be clearer and more concise about who can authorize action, particularly given changing Board and executive titles, DTC proposes to modify the language to simply state that action can be authorized by the Board of Directors or by any Officer of the Corporation having a rank of Managing Director or higher.

The proposed rule change would make technical, ministerial, and other conforming and clarifying changes, including updating the title of DTC Rule 18 to "Extension, Waiver or Suspension of Rules and Procedures" and correcting missing and defined terms.

This proposed harmonization is important to help ensure that DTC, NSCC and both FICC divisions can reasonably, appropriately, and consistently manage situations that may apply across multiple divisions, Clearing Agencies, or common members.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, inter alia, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.¹² DTC believes that the proposed rule change is consistent with the Section 17A(b)(3)(F) of the Act, as cited above.

As described above, the proposed rule change would (i) establish “reasonable and appropriate” as the new standard for when an extension, waiver or suspension may occur; (ii) require action under the rule to be in consideration of DTC’s obligations as a clearing agency; (iii) exclude the need for a written report where an extension under the rule is for less than eight hours; (iv) be more clear and concise about who may authorize action under the rule; and (v) make technical, ministerial, and other conforming and clarifying changes.

The proposed rule change would help ensure that DTC is able to respond reasonably, appropriately, and effectively to situations that may require an extension, waiver, or suspension, of a DTC Rule or Procedure. The proposed changes also enable DTC to respond to such situations in the same way that GSD, NSCC, and MBSD can respond under their respective Waiver Rules and under the same governance structure. Specifically, replacing the current “necessary or expedient” standard with a clearer and more intuitive “reasonable and appropriate” standard would enhance transparency and consistency of actions taken under the rule. Increasing the threshold for requiring a

¹² 15 U.S.C. 78q-1(b)(3)(F).

written report from one hour to eight hours would align DTC Rule 18 with the corresponding Waiver Rules of GSD, NSCC, and MBSD, allowing for a more efficient handling of short-term issues without undermining oversight. Clarifying who may authorize action under the rule helps ensure that the individuals with appropriate authority are clearly and efficiently identified, which strengthens governance and accountability. Finally, the proposed technical and confirming changes improve clarity and consistency within the rule.

Therefore, by improving the function and clarity of DTC Rule 18, DTC believes the proposed rule change would help to assure the safeguarding of securities and funds which are in the custody or control of DTC or for which it is responsible, consistent with the requirements of the Act, in particular Section 17A(b)(3)(F) of the Act, cited above.

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

DTC does not believe that the proposed rule change will have any impact or impose any burden on competition because, as described above, the proposed changes would not affect the rights and obligations of DTC Participants. Rather, the proposed changes are limited to clarifying the standard and conditions under which DTC may extend, waive, or suspend the DTC Rules or Procedures, while also making technical and ministerial edits. These proposed changes would not inhibit access to DTC's services or disadvantage or favor any particular Participant in relationship to another Participant. As such, DTC believes the proposed rule change would not have any impact on competition.

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

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, DTC will amend this filing to publicly file such comments as an Exhibit 2 to this 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 Comments*, available at <https://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.

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

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; and
- (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)¹³ of the Act and Rule 19b-4(f)(6)¹⁴ 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

¹³ 15 U.S.C 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

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
(<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>);
or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-DTC-2025-013 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-2025-013. 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 (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>). Copies of the filing 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). 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-2025-013 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).