



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104249; File No. SR-FICC-2025-022]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the FICC Rules to Align with Exchange Act Rule 17ad-26

November 24, 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 November 21, 2025, Fixed Income Clearing Corporation (“FICC”) 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. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) 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 consists of certain changes to Rule 17B (Wind-down of the Corporation) of the Clearing Rules of the Mortgage-Backed Securities Division (“MBSD,” and its Clearing Rules, “MBSD Rules”) of Fixed Income Clearing Corporation (“FICC”), and Rule 22D (Wind-down of the Corporation) of the rulebook of the Government Securities Division (“GSD,” and its rulebook, “GSD Rules”)⁵ of FICC to

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)(4).

⁵ Terms not otherwise defined herein have the meaning set forth in the MBSD Rules and GSD Rules (collectively the “Rules”), available at www.dtcc.com/legal/rules-and-procedures.

revise certain defined terms and make related technical changes to align with Exchange Act Rule 17ad-26⁶ (“SEC Rule 17ad-26” or “Rule 17ad-26”) promulgated by the Commission.

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 Commission promulgated Rule 17ad-26,⁷ which requires that plans for the recovery and orderly wind-down of a covered clearing agency, such as FICC, include certain specific elements. The Commission recently approved FICC’s proposed rule change to reflect the requirements of Rule 17ad-26 in the FICC Recovery & Wind-down Plan (the “Plan” or “RWP”).⁸ For purposes of implementing certain aspects of the RWP, FICC is proposing to revise certain defined terms and make certain technical changes to MBSD Rule 17B (Wind-down of the Corporation)⁹ and GSD Rule 22D (Wind-down of

⁶ Covered Clearing Agency Resilience and Recovery and Orderly Wind-down Plan, Exchange Act Release No. 101446 (Oct. 25, 2024), 89 Fed. Reg. 91000 (Nov.18, 2024) (S7-10-23).

⁷ *Id.*

⁸ See Securities Exchange Act Release No. 103221 (June 10, 2025), 90 FR 25414 (June 16, 2025) (SR-FICC-2025-010).

⁹ MBSD Rule 17B (Wind-down of the Corporation), *supra* note 5.

the Corporation),¹⁰ in order to align with how they are referred to in the Plan and to conform with the definitions set forth in Rule 17ad-26.¹¹

A. Proposal to modify or add certain defined terms in MBSD Rule 17B (Wind-down of the Corporation) and GSD Rule 22D (Wind-down of the Corporation)

(i) Proposal to replace the term “Critical Services” with “Core Services”

Consistent with SEC Rule 17ad-26(a)(1),¹² FICC is proposing to modify MBSD Rule 17B and GSD Rule 22D to replace all references to “Critical Services” with “Core Services.” Use of the descriptive term “Core” rather than “Critical” would not affect FICC’s identification, classification or description of these services in the RWP. Similarly, the proposed rule filing would replace all references to “Non-Critical Services” with “Non-Core Services.”

(ii) Proposal to modify the defined terms “Recovery Plan” and “Wind-down Plan”

For purposes of consistency with SEC Rule 17ad-26(b),¹³ FICC is proposing to capitalize references to the terms “Recovery” and “Orderly Wind-down,” and add an associated reference to the definition of these terms as set forth under SEC Rule 17ad-

¹⁰ GSD Rule 22D (Wind-down of the Corporation), *supra* note 5.

¹¹ *Supra* note 6.

¹² *Id.* In the Adopting Release covering Rule 17ad-26, it was noted that “The Commission is modifying the final rule to refer to “core payment, clearance, and settlement services” rather than “critical payment, clearance, and settlement services” (hereinafter, referred to as “core services”) to improve clarity and consistency with terminology in other rules, such as Rule 17Ad-25(i), 242 which concerns the governance of “service providers for core services.” Furthermore, the use of “core” as opposed to “critical” helps distinguish a CCA’s obligations under Rule 17Ad-26 from those under 17 CFR 242.1000 through 242.1007 (“Regulation SCI”), which addresses, in the context of clearing agencies subject to the rule, “critical systems” that support clearance and settlement. The Commission further noted that “Use of the descriptive term “core” rather than “critical” does not affect the Commission’s guidance stated in the RWP Proposing Release on identifying those services.”

¹³ *Id.*

26(b)¹⁴ within the definitions of “Recovery Plan” and “Wind-down Plan” in MBSD Rule 17B and GSD Rule 22D.

(iii) Proposal to Update defined terms “Member” and “Non-Eligible Member” in GSD Rule 22D (Wind-down of the Corporation)

FICC is proposing to update the defined term “Member” in GSD Rule 22D by adding “Agent Clearing Member” to the list of GSD member types covered by this defined term. This proposed change is intended to be consistent with the changes recently approved by the Commission to GSD Rule 8 (Agent Clearing Service).¹⁵ FICC is also proposing to add at the end of the definition of “Non-Eligible Member,” a reference to SEC Rule 17ad-26 to supplement the existing reference to SEC Rule 17Ad-22(e)(3)(ii)¹⁶ as the relevant SEC rules concerning the Plan.

B. Implementation of the Proposal

As noted above, the principal purpose of the proposed rule change is to revise certain defined terms and make related technical changes to MBSD Rule 17B (Wind-down of the Corporation) and GSD Rule 22D (Wind-down of the Corporation) to align

¹⁴ *Id.* Pursuant to SEC Rule 17ad-26(b), “Recovery” means the actions of a covered clearing agency, consistent with its rules, procedures, and other ex ante contractual arrangements, to address any uncovered loss, liquidity shortfall, or capital inadequacy, whether arising from participant default or other causes (such as business, operational, or other structural weaknesses), including actions to replenish any depleted prefunded financial resources and liquidity arrangements, as necessary to maintain the covered clearing agency’s viability as a going concern and to continue its provision of core services, as identified by the covered clearing agency pursuant to paragraph (a)(1) of this section.” The term “Orderly wind-down” means the actions of a covered clearing agency to effect the permanent cessation, sale, or transfer of one or more of its core services, as identified by the covered clearing agency pursuant to paragraph (a)(1) of this section, in a manner that would not increase the risk of significant liquidity, credit, or operational problems spreading among financial institutions or markets and thereby threaten the stability of the U.S. financial system.

¹⁵ *See* Securities Exchange Act Release No. 101694 (Nov. 21, 2024), 89 FR 93784 (Nov. 27, 2024) (SR-FICC-2024-005) in which FICC proposes to re-name, consolidate, and adopt additional provisions governing GSD’s existing correspondent clearing / prime broker services. Moving forward, the correspondent clearing / prime broker services would be referred to as the “Agent Clearing Service.” Submitting Members would be referred to as “Agent Clearing Members,” and Executing Firms would be referred to as “Executing Firm Customers.” The Agent Clearing Service would continue to allow Netting Members to submit, on behalf of their customers, transactions to FICC for novation. These proposed changes would primarily amend GSD Rule 8, which currently describes the correspondent clearing / prime broker services, to describe the Agent Clearing Service with greater specificity.

¹⁶ 17 CFR 240.17ad-22(e)(3)(ii).

with Rule 17ad-26.¹⁷ This would help to facilitate implementation of certain aspects of the RWP in a manner consistent with SEC Rule 17ad-26¹⁸ and the amended RWP recently approved by the Commission.¹⁹ Based on the compliance date of SEC Rule 17ad-26 established by the Commission, the proposed rule change would become operative on December 15, 2025.²⁰

2. Statutory Basis

FICC believes that the proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, FICC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act,²¹ Rule 17ad-22(e)(3)(ii) under the Act,²² and Rule 17ad-26 under the Act²³ for the reasons described below.

Section 17A(b)(3)(F) of the Act requires, in part, that the MBSD Rules and GSD Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.²⁴ The proposed rule change would help to ensure that the Rules are accurate and clear to participants in the event that the RWP is ever needed to be implemented by FICC. When participants better understand their rights and obligations

¹⁷ *Supra* note 6.

¹⁸ *Supra* note 6.

¹⁹ *Supra* note 8.

²⁰ *Supra* note 6. As set forth in the Adopting Release, “[...] (2) the proposed rule changes and Advance Notices must be effective by December 15, 2025. These compliance dates provide sufficient time for CCAs to consider changes to their rules, policies, and procedures necessary to ensure consistency with the rules amended and adopted in this release [...].”

²¹ 15 U.S.C. 78q-1(b)(3)(F).

²² *See* 17 CFR 240.17ad-22(e)(3)(ii). FICC is a “covered clearing agency” as defined in Rule 17ad-22(a)(5) under the Act and must comply with paragraph (e) of Rule 17ad-22. In 2012, FICC was designated a Systemically Important Financial Market Utility by the Financial Stability Oversight Council.

²³ *Supra* note 6.

²⁴ 15 U.S.C. 78q-1(b)(3)(F).

regarding the Rules, such participants are more likely to act in accordance with the Rules, which FICC believes would promote the prompt and accurate clearance and settlement of securities transactions. As such, FICC believes that the proposed changes would be consistent with Section 17A(b)(3)(F) of the Act.²⁵ Further, by providing clarity on the Rules covering a FICC recovery and orderly wind-down, the proposed rule change would help ensure the continuity of FICC's core functions for the markets served by FICC, and thereby promote the prompt and accurate clearance and settlement of securities transactions.

Rule 17ad-22(e)(3)(ii) under the Act requires FICC to establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency, which includes plans for the recovery and orderly wind-down of the covered clearing agency necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses.²⁶ By ensuring that defined terms in the relevant Rules are consistent with how such terms are defined under Rule 17ad-26 and how they are referred to in the Plan, FICC believes that the proposed rule change is designed to support the maintenance of the and, as such, meets the requirements of Rule 17ad-22(e)(3)(ii) under the Act. Therefore, the proposed changes would help FICC to maintain the Plan in a way that continues to be consistent with the requirements of Rule 17ad-22(e)(3)(ii).²⁷

In addition to the requirements covering elements to be included in the recovery and wind-down plans of covered clearing agencies, SEC Rule 17ad-26 includes certain

²⁵ *Id.*

²⁶ 17 CFR 240.17ad-22(e)(3)(ii).

²⁷ *Id.*

associated new defined terms.²⁸ The proposed rule change would revise certain defined terms and make related technical changes to the applicable Rules to align with SEC Rule 17ad-26. By doing so, FICC believes that the proposed rule change would help FICC maintain the Plan and the Rules in a way that is consistent with Rule 17ad-26.²⁹

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

FICC does not believe the proposed rule changes to revise certain defined terms and make related technical changes to align with SEC Rule 17ad-26 promulgated by the Securities and Exchange Commission would impact competition. The proposed rule changes would help to ensure that the Rules remain clear and accurate. In addition, the changes would facilitate participants' understanding of the Rules and their obligations thereunder. These changes would not affect FICC's operations or the rights and obligations of the membership. As such, FICC believes the proposed rule changes 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

FICC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting 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.

²⁸ *Supra* note 6.

²⁹ *Id.*

All prospective commenters should follow the Commission's instructions on how to submit comments, *available at* www.sec.gov/rules-regulations/how-submit-comment. 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.

FICC 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)³⁰ of the Act and paragraph (f) of Rule 19b-4 thereunder.³¹ 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. 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

³⁰ 15 U.S.C. 78s(b)(3)(A).

³¹ 17 CFR 240.19b-4(f).

- Send an email to rule-comments@sec.gov. Please include file number SR-FICC-2025-022 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-FICC-2025-022. 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 filing will be available for inspection and copying at the principal office of FICC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). 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-FICC-2025-022 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.³²

Sherry R. Haywood,

Assistant Secretary.

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