



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104955; File No. SR-CMESC-2026-002]

### **Self-Regulatory Organizations; CME Securities Clearing Inc.; Notice of Filing of Proposed Rule Change to Modify the CME Securities Clearing Inc. Amended and Restated By-Laws, Board of Directors Charter, Risk Management Committee Charter, Nominating Committee Charter, and Audit Committee Charter**

March 9, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 26, 2026, CME Securities Clearing Inc. (“CMESC”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change described in Items I, II, and III below, which Items have been substantially prepared by CMESC. CMESC filed the proposed rule change pursuant to Section 19(b)(2) of the Act.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. CMESC’s Statement of the Terms and Substance of the Proposed Rule Change**

The proposed rule change of CME Securities Clearing Inc. (“CMESC”) is annexed hereto as Exhibit 5 and consists of modifications to the Amended and Restated By-Laws of CME Securities Clearing Inc. (“Amended and Restated By-Laws”), the Board of Directors Charter (“Board Charter”), the Risk Management Committee Charter, the

Nominating Committee Charter, the Audit Committee Charter, and the Regulatory

---

<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)(2).

Oversight Committee Charter (the Risk Management Committee Charter, the Nominating Committee Charter, the Audit Committee Charter, and the Regulatory Oversight Committee Charter, collectively, the “Committee Charters”). These modifications are necessary to facilitate composing and standing up CMESC’s new Board of Directors (which may be hereinafter referred to as the “Board”) and the adoption of CMESC’s Amended and Restated By-Laws, the Board Charter, and the Committee Charters in anticipation of the launch of CMESC’s clearing services. Each modification is described in more detail below.

## II. CMESC’s Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

In its filing with the Commission, CMESC 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. CMESC has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

### A. CMESC’s Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

#### 1. Purpose

## **Background**

On December 13, 2024, CMESC filed with the Commission its application on Form CA-1 (“Application”) for registration as a clearing agency to provide central counterparty services for transactions involving U.S. Treasury securities. The Commission published notice of the Application in the Federal Register on January 22, 2025.<sup>4</sup> The Application

---

<sup>4</sup> Securities Exchange Act Release No. 34-102200 (Jan. 15, 2025), 90 FR 7713 (Jan. 22, 2025). Non-confidential aspects of the Application, including any exhibits thereto cited in this order, are available on the Commission’s website at: <https://www.sec.gov/rules-regulations/other-commission-orders-notices-information/cme-form-ca-1>.

contained certain proposed governance documents, including CMESC’s Amended and Restated By-Laws,<sup>5</sup> Board of Directors Charter,<sup>6</sup> Risk Management Committee Charter,<sup>7</sup> Nominating Committee Charter,<sup>8</sup> Audit Committee Charter,<sup>9</sup> and Regulatory Oversight Committee Charter.<sup>10</sup> Together, these governance documents constitute CMESC’s governance framework as a registered, operating clearing agency (“Governance Framework”). On December 1, 2025, the Commission issued an order (“Order”) granting CMESC’s Application for registration as a clearing agency, which finds the Application satisfies the requirements of the Act and rules and regulations thereunder.<sup>11</sup> Specifically, the Commission discusses in the Order CMESC’s governance arrangements as reflected in the foregoing governance documents<sup>12</sup> and determines that “CMESC is so organized and has the capacity to be able to facilitate the prompt and accurate clearance and settlement of securities transactions and to comply with the provisions of the Exchange Act and the rule[s] and] regulations thereunder.”<sup>13</sup>

The Governance Framework has not been formally adopted by CMESC. In the

---

<sup>5</sup> See Exhibit E-2A(2) to Form CA-1, *available at* <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-2a-2-amended-restated-bylaws-12-13-24.pdf>.

<sup>6</sup> See Exhibit E-2B to Form CA-1, *available at* <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-2b-board-directors-charter-12-13-24.pdf>.

<sup>7</sup> See Exhibit E-2C to Form CA-1, *available at* <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-2c-risk-management-committee-charter-12-13-24.pdf>.

<sup>8</sup> See Exhibit E-2D to Form CA-1, *available at* <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-2d-nominating-committee-charter-12-13-24.pdf>.

<sup>9</sup> See Exhibit E-2E to Form CA-1, *available at* <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-2e-audit-committee-charter-12-13-24.pdf>.

<sup>10</sup> See Exhibit E-2F to Form CA-1, *available at* <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-2f-regulatory-oversight-committee-charter-12-13-24.pdf>.

<sup>11</sup> Securities Exchange Act Release No. 104281 (Dec. 1, 2025), 90 FR 55926 (Dec. 4, 2025), *available at* <https://www.federalregister.gov/documents/2025/12/04/2025-21908/cme-securities-clearing-inc-order-granting-an-application-for-registration-as-a-clearing-agency>.

<sup>12</sup> *Id.* at 55930-55931.

<sup>13</sup> *Id.* at 55932.

Application, CMESC stated that the then-current By-Laws would be amended and restated after the Commission grants CMESC's registration.<sup>14</sup> Because CMESC is a newly registered clearing agency, it does not have any operating history and is in the early stage of engaging with prospective Members and Users that are to be represented on its Board. Thus, the adoption of the Governance Framework requires CMESC to take certain steps in sequence. As the initial step to adopt the Governance Framework, the current CMESC Board or CMESC's stockholder will adopt the Amended and Restated Bylaws in accordance with CMESC's current By-Laws.<sup>15</sup> Upon adoption of the Amended and Restated By-Laws, as provided in Article II, Section 3 therein, the Secretary will call a special stockholders meeting for the purpose of electing Directors consistent with the composition requirements specified in Article III, Section 1, which align with the composition requirements of Rule 17ad-25 under the Act. After the new Board is constituted, it will undertake formal Board actions to adopt the Board Charter and Committee Charters and appoint members to the Nominating Committee and other Committees in accordance with the Committee Charters. Once constituted the Nominating Committee and other Committees will assume their responsibilities under their respective Committee Charters. Consistent with its responsibilities, the Nominating Committee will review the classification of each Director elected to the initial Board to verify the Director's classification as an Independent Director or non-Independent Director.

To implement the transition to the Governance Framework described above, it is necessary for CMESC to make certain modifications to the Amended and Restated By-Laws, Board Charter, and Committee Charters to provide the flexibility needed to facilitate

---

<sup>14</sup> See Exhibit E to Form CA-1, available at <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-narrative-12-13-24.pdf>.

<sup>15</sup> See Exhibit E-2A(1) to Form CA-1, available at <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-2a-1-initial-bylaws-12-13-24.pdf>. Article IX sets forth the provisions for adoption of amendments to the By-Laws.

composing and standing up the new Board and smooth the implementation of the Governance Framework.

Specifically, CMESC is proposing to modify the Board Charter to provide flexibility in the initial number of Directors on the Board, change the staggered Board structure to a unitary board structure with an annual term, provide certain standards for the Board's fulfillment of its responsibilities and its conducting of Board meetings, and make certain clarification changes to improve transparency. Related to the changes to the Board Charter, CMESC is proposing to modify the Amended and Restated By-Laws to remove the provision regarding the initial number of Directors on the Board and to make certain clarification changes to maintain consistency between the Amended and Restated By-Laws and Committee Charters. CMESC is also proposing certain modifications to the Nominating Committee Charter to reflect the removal of the staggered board structure and re-composition of the Board on an annual basis and to correct cross-reference errors. Separately, CMESC is proposing modification to the Risk Management Committee Charter to add a new responsibility of the Risk Management Committee regarding oversight of CMESC's Enterprise Risk Management Framework. In addition, CMESC is proposing a technical change to the Audit Committee Charter to correct a cross-reference. Finally, CMESC is proposing a non-substantive clarification change to each Committee Charter to the provision prescribing the composition requirements for the Committee to state more directly that a majority of the Directors serving on the Committee must be Independent Directors.

The proposed changes are described in detail as follows.

### **Description of the Proposed Rule Change**

#### **1. Proposed Changes to the Amended and Restated By-Laws**

CMESC is proposing to make the following conforming and clarification changes to the Amended and Restated By-Laws.

First, CMESC is proposing to revise Article III (“Directors”), Section 1 (“Number, Composition, and Election of Directors”) to remove the requirement that the number of Directors on the initial Board to be appointed following adoption of the Amended and Restated Bylaws is fixed at nine (9) and replace it with a more flexible standard, added to the Board Charter, that the number of Directors appointed to such initial Board may be up to nine (9). This flexibility to appoint a smaller number of Directors to the first Board appointed following adopting of the Amended and Restated Bylaws is consistent with the Board’s authority under the existing version of Article III Section 1 of the Amended and Restated By-Laws to fix the number of Directors to a size of between one (1) and fifteen (15). CMESC believes that it is more appropriate to address the size of the initial Board in the Board Charter.

Second, in the same Section 1 of Article III, CMESC is proposing to clarify that the Nominating Committee process for reviewing and recommending candidates to serve on the Board will apply to the first Board to be elected after the election of the initial Board following adoption of the Amended and Restated By-Laws.<sup>16</sup>

Third, CMESC is proposing to change the manner of filling an officer vacancy in Article IV (“Officers”), Section 2 (“Election”). Currently, Article IV, Section 2 of the Amended and Restated By-Laws provides that officer vacancies shall be filled by the Board, which contradicts certain provisions in the other governance documents.<sup>17</sup> Therefore, CMESC proposes to change the relevant language in Article IV, Section 2 to

---

<sup>16</sup> Following its appointment, the Nominating Committee will also have other responsibilities under the Nominating Committee Charter, which would include nominating candidates to fill any vacancy that may occur on the Board including a vacancy on the initial Board, and its role in verifying the classification of a Director as an Independent Director or a non-Independent Director.

<sup>17</sup> For example, the Regulatory Oversight Committee Charter provides that if the Chief Compliance Officer position becomes vacant, the Head of the Corporation shall appoint a successor, subject to the approval of the Regulatory Oversight Committee. *See* Exhibit E-2F to Form CA-1, *available at* <https://www.sec.gov/files/cmesc-ca-1-exhibit-e-2f-regulatory-oversight-committee-charter-12-13-24.pdf>.

state that officer vacancies shall be filled as specified in the Amended and Restated By-Laws or any Board committee charter. Similarly, CMESC is proposing to remove the language in the same paragraph regarding the salaries of all officers being fixed by the Board to take into consideration that the compensation of certain officers may not be fixed by the Board under certain existing Board committee charters.<sup>18</sup>

Finally, CMESC is proposing to create a defined term “Annual Meeting” in Article II, Section 2, which is currently used in the Amended and Restated By-Laws but not defined. The defined term will clarify that “Annual Meeting” refers to the annual meeting of Stockholders.

## **2. Proposed Changes to the Board Charter**

CMESC is proposing certain changes to the Board Charter to facilitate composing and standing up a new Board following CMESC’s registration as a clearing agency.

First, CMESC is proposing to change the second bullet under Section II (“Board Composition”) by changing the exact number of nine Directors required to be on the initial Board following adoption of the Amended and Restated By-Laws to no more than nine Directors to provide the flexibility for composing the Board shortly before the launch of CMESC’s clearing services. This change is accompanied by a qualifier that the number of Directors on the Board shall continually be composed of a sufficient number of Directors to meet the composition requirements described in the Board Charter included in the Application, which requirements are consistent with Rule 17ad-25 of the Act and shall be subject to the provisions in Section I of Article III of the Amended and Restated By-Laws regarding the election of the initial Board following adoption thereof as described above.<sup>19</sup>

---

<sup>18</sup> For example, the Regulatory Oversight Committee Charter provides that the compensation of the Chief Compliance Officer is recommended by senior management, subject to the review of the Regulatory Oversight Committee. *See id.*

<sup>19</sup> 17 CFR 240.17ad-25.

Second, CMESC is proposing to change the staggered (classified) Board structure to a non-classified Board structure with a unitary annual term by eliminating Section IV (“Term of Office; Classes”) entirely and revising the existing Section V (“Election of Directors”) to provide that the Directors will be elected by the Stockholder at the Annual Meeting of the Stockholder and each Director so elected will serve until the end of the annual term or until the Director’s earlier death, resignation, or removal. On further consideration, a staggered or classified Board structure, which is often utilized by Delaware corporations as an anti-takeover defense mechanism, is not an appropriate structure for CMESC. As a registered clearing agency, CMESC does not need a staggered Board structure as a defense mechanism, and a staggered Board structure would unnecessarily complicate the process of composing the Board and administering the terms of the Directors. As a result of removing Section IV, Section V (“Election of Directors”) will be renumbered as Section IV and “Term of Office” will be added to the heading of the new Section IV. In addition, CMESC is proposing to capitalize the term “annual meeting” throughout the new Section IV to clarify that it is a defined term.

Third, CMESC is proposing to add language to Section I (“Purpose”) to specifically state the standards and obligations of the Board of Directors in fulfilling its responsibilities. Specifically, CMESC is proposing to add new language as a third bullet under Section I to require the Board, in fulfilling its responsibilities, to consider the legitimate interests of Members and Users, and prioritize the overall risk management, safety, and efficiency of CMESC, including its obligations to facilitate and promote the prompt and accurate clearance and settlement of securities transactions and to assure safeguarding securities and funds, and generally support the stability of the broader financial system in accordance with best practices in the industry. The purpose of adding this language is to provide greater visibility and transparency to Directors of the Board and the public with respect to the

Board's responsibilities, consistent with its responsibilities as stated in the Amended and Restated By-Laws.<sup>20</sup>

Separate but related to the foregoing proposed change, CMESC is also proposing to add language to existing Section VIII ("Meetings")—to be re-numbered as Section VII after the proposed removal of existing Section IV—to specifically state considerations the Board should take into account when evaluating a proposal. Specifically, CMESC is proposing to require the Board of Directors to take into account, when evaluating a proposal in front of the Board, all factors that the Board of Directors deems relevant, including, without limitation, to the extent deemed relevant: (i) the potential impact of the proposal on the integrity, continuity, and stability of the Corporation, on the ability to prevent fraudulent and manipulative acts and practices, and on investors and the public, and (ii) whether such proposal would promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, and remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, in light of the nature of CMESC and its operations as a registered clearing agency and its status as a self-regulatory organization. This language is consistent with the statutory requirements and the clearing agency standards promulgated by the Commission under the statute and provides greater visibility and clarification to Directors of the Board and the public with

---

<sup>20</sup> See Amended and Restated By-Laws, Art. III, Sec. 3(c), Art. X, Sec. 1.

respect to the Board’s responsibilities, which conform with its responsibilities as stated in the Amended and Restated By-Laws.<sup>21</sup>

Finally, CMESC is proposing to make certain clarification and technical changes to the Board Charter to improve clarity, maintain consistency among various governance documents, and correct certain errors. These clarification and technical changes include:

- Clarifying that it is the Nominating Committee’s responsibility, with support from the Secretary, to broadly consider all relevant facts and circumstances to evaluate, determine, and document, as necessary, whether reported new relationships or changes to existing relationships may likely impair the categorization of a Director as an Independent Director and preclude a Director from being an Independent Director in the fifth bullet under Section II.
- Making non-substantive revisions to the existing fourth, fifth, and sixth sub-bullets under the fifth bullet of Section II<sup>22</sup> to combine them into a new sub-bullet to create a new defined term “Interested Party” to refer to the types of third-party organization, entity, or outside auditor described in the existing fourth, fifth and sixth sub-bullets under the existing fifth bullet of Section II, which are closely aligned with Rule 17ad-25(f)(4), (5), and (6).<sup>23</sup> The new sub-bullet combining the existing fourth, fifth and sixth sub-bullets under the fifth bullet of Section II continues to be closely aligned with Rule 17ad-25(f)(4), (5) and (6) of the Act.<sup>24</sup> The revisions are designed to improve drafting efficiency by incorporating the new defined term “Interested Party” and allow the subsequent sub-bullets (i.e., existing

---

<sup>21</sup> *See id.*

<sup>22</sup> The first, third, and fourth bullets under Section II have no proposed changes, and thus are replaced by ellipses in the redline shown in Exhibit 5.

<sup>23</sup> 17 CFR 240.17ad-25(f)(4)-(6).

<sup>24</sup> 17 CFR 240.17ad-25(f)(4)-(6).

seventh and eighth sub-bullets) to conveniently use the term “Interested Party” to refer to the type of third-party organization, entity or outside auditor described in Rule 17ad-25(f)(4)-(6) with respect to disclosure and monitoring of a Director’s relationships and relationships of the Director’s family members with CMESC, its affiliates, or Interested Parties that could affect the Director’s categorization as an Independent Director.

- Clarifying that the Chairman of the Board shall be selected by the Board “on an annual basis” in Section III (“Chairman of the Board”), which is consistent with the new annual term of the Board under the proposed declassified (non-staggered) Board structure.
- Removing reference to “the President” from existing Section VII (“Removal and Resignation”)—which will become Section VI after the proposed removal of Section IV—to clarify that “President” is not an officer position in CMESC.

### **3. Proposed Changes to the Risk Management Committee Charter**

CMESC is proposing to clarify the text prescribing the composition requirements for the Risk Management Committee (“CSRMC”) in the Risk Management Committee Charter. In this respect, CMESC proposes to revise the first bullet in Section II (“Membership & Organization”) to state more clearly the intention that a majority of the Directors serving on the CSRMC must be Independent Directors, the same as required for the Board, rather than the existing language “in at least the same majority percentage as required for the Board,” which does not accurately reflect the original intent.

CMESC is also proposing to clarify the responsibilities of the CSRMC. Specifically, CMESC proposes to add two bullets to Section IV (“CSRMC Meetings, Tasks and Authority”) under “Responsibilities.” The first proposed bullet would require CSRMC to provide oversight of CMESC’s Enterprise Risk Management Framework (“ERMF”), including annual review of the ERMF and review and approval of substantive changes to

the ERMF and to annually submit a recommendation to the Board to approve the ERMF. The second proposed bullet would require CSRMC to review the quarterly Enterprise Risk Profile report on CMESC's enterprise risks. Enterprise risk management is an integral part of CMESC's risk management, which is overseen by CSRMC. The proposed additions provide clarifications with respect to the CSRMC's responsibility, which is critical to CMESC's overall risk management.

#### **4. Proposed Changes to the Nominating Committee Charter**

Same as the clarification change proposed to make to the Risk Management Committee Charter, CMESC is proposing to clarify the text in the Nominating Committee Charter that prescribes the composition of the Nominating Committee. In this respect, CMESC proposes to revise the first bullet in Section II ("Membership & Organization") to state more clearly the intention that a majority of the Directors serving on the Nominating Committee (as with the Board) shall be Independent Directors, rather than the existing language "in at least the same majority percentage as required for the Board," which does not accurately reflect the original intent.

CMESC is also proposing to make certain conforming changes to the Nominating Committee Charter, as follows:

- Changing the existing language regarding Board nominations to reflect the proposed change from a staggered Board structure to a declassified (non-staggered) Board structure with a unitary annual term. Currently, the existing Nominating Committee is required to provide to the Board a nominee to fill each Director position that is open for each Director term that begins as of the annual Stockholder meeting, which reflects a staggered Board structure. Under the proposed declassified (non-staggered) Board structure, all the Directors will have the same annual term. Therefore, CMESC is proposing to replace the existing provision regarding Board nominations with proposed new language that requires the

Nominating Committee to recommend nominees to the Board for election at the Annual Meeting of the Stockholder as set forth in the Board Charter, consistent with the proposed unitary annual term of the Directors.

- Changing a cross-reference located in Section IV (“Nominating Committee Meetings, Tasks and Authority”) under “Responsibilities” to Section V, reflecting the proposed removal of Section IV from the Board of Directors Charter.

#### **5. Proposed Changes to the Audit Committee Charter**

CMESC is proposing certain changes to the Audit Committee Charter. Same as the other Committee Charters, CMESC is proposing to clarify the text prescribing the composition of the Audit Committee. In this respect, CMESC proposes to revise the first bullet in Section II (“Membership & Organization”) to state more clearly the intention that that a majority of the Directors serving on the Audit Committee (as with the Board) shall be Independent Directors, rather than the existing language “in at least the same majority percentage as required for the Board,” which does not accurately reflect the original intent.

CMESC is also proposing to correct a cross-reference located in Section VII (“Confidentiality”) of the Audit Committee Charter. Specifically, CMESC proposes correcting a reference to Rule 1203 of the Rulebook to reference Rule 1202 instead. Rule 1203 regards the Risk Management Committee, whereas Rule 1202 regards Use or Disclosure of Material, Non-Public Information, and applies to this Section VII.

#### **6. Proposed Changes to the Regulatory Oversight Committee Charter**

Finally, CMESC is proposing to make the same clarification change to the text prescribing the composition of the Regulatory Oversight Committee in the Regulatory Oversight Committee Charter as the other Committee Charters. CMESC proposes to revise the first bullet in Section II (“Membership & Organization”) to state more clearly the intention that a majority of the Directors serving on the Regulatory Oversight Committee (as with the Board) shall be Independent Directors, rather than the existing language “in at

least the same majority percentage as required for the Board,” which does not accurately reflect the original intent.

## 2. Statutory Basis

Section 17A(b)(3)(A) of the Act requires, in part, that a clearing agency be organized and have the capacity to be able to facilitate the prompt and accurate clearance and settlement of securities transactions and to comply with the provisions of the rules under the Act.<sup>25</sup> CMESC believes that the proposed rule change is consistent with these provisions of Section 17A(b)(3)(A) because it contains proposed changes that would facilitate composing and standing up a new Board and adoption of the Governance Framework, which is critical to CMESC’s organization and its capacity to facilitate the prompt and accurate clearance and settlement of securities transactions and to comply with the provisions of the Act, as determined by the Commission in the Order.<sup>26</sup> Specifically, the proposed changes to the Board Charter to change the fixed number of Directors required to be on the initial Board upon the adoption of the Amended and Restated Bylaws to a cap will provide the flexibility for composing and standing up the Board. Further, the proposed changes to the Board Charter to replace the staggered Board structure with a non-classified Board structure with a unitary annual term (and the corresponding changes to the Nominating Committee Charter) would remove unnecessarily complicated processes for composing the Board and administering the terms of the Directors. Separate but related, the proposed changes to the Amended and Restated By-Laws to eliminate the requirement of a fixed number of Directors required to be on the initial Board upon the adoption of the Amended and Restated Bylaws as described above and the proposed changes to clarify that the Nominating Committee process for reviewing and recommending candidates to serve

---

<sup>25</sup> 15 U.S.C. 78q-1(b)(3)(A).

<sup>26</sup> *See supra* note 10.

on the Board will apply to the first Board after election of the initial Board following adoption of the Amended and Restated By-laws are necessary changes prior to the adoption of the Amended and Restated By-Laws, which will then begin a series steps to adopt and implement CMESC's Governance Framework as described above in the Background section of Item 3(a). In addition, the proposed rule change provides greater clarity, consistency, and understanding among the Board and the relevant Board committees of their duties and responsibilities under the Amended and Restated By-Laws and Committee Charters. The proposed rule change will thus allow CMESC to operate more efficiently to facilitate the prompt and accurate clearance and settlement of securities transactions.

The proposed rule change is also consistent with Rule 17ad-25<sup>27</sup> under the Act, which prescribes standards and requirements regarding composition of a registered clearing agency's board of directors, establishing a nominating committee, composition of the risk management committee and the committees with the authority to act on behalf of the board of directors of a registered clearing agency, and the circumstances that preclude directors of a registered clearing agency from being independent directors.<sup>28</sup> As stated above, the Commission has previously determined that CMESC's Governance Framework is consistent with and comply with the statutory requirements and the rules and regulations promulgated thereunder, including Rule 17ad-25.<sup>29</sup> The proposed rule change does not alter the aspect of the Governance Framework that has been determined by the Commission to be consistent with Rule 17ad-25, including, without limitation, CMESC's Board composition requirements in the Board Charter and the Risk Management Committee composition requirements in the Risk Management Committee Charter remaining

---

<sup>27</sup> 17 CFR 240.17ad-25.

<sup>28</sup> *See* Rule 17ad-25(b)-(f), 17 CFR 240.17ad-25(b)-(f).

<sup>29</sup> 17 CFR 240.17ad-25.

unchanged and consistent with Rule 17ad-25(b) and (d)<sup>30</sup> and CMESC's Nominating Committee composition requirements and its responsibilities in the Nominating Committee Charter remaining unchanged and consistent with Rule 17ad-25(c).<sup>31</sup> Instead, the primary purpose of the proposed rule change is to facilitate composing and standing up a new Board, by providing a unitary Board structure with an annual term, the objective and obligations of the Board in fulfilling its responsibilities, as well as the considerations to be taken into account in evaluating proposals in front of the Board and facilitate the adoption and implementation of CMESC's Governance Framework by improving the clarity, consistency, and readability of the Governance Framework. Therefore, CMESC believes that the proposed rule change is consistent with Rule 17ad-25.

B. CMESC's Statement on Burden on Competition

CMESC does not believe that the proposed rule change will have any impact on competition. The proposed rule change is designed to provide greater flexibility and facilitate composing and standing up CMESC's Board, improve clarity, transparency, and visibility of governance arrangements, and ensure consistency with the Act. As such, CMESC does not believe the proposed rule change would have an impact on competition because it neither imposes nor relieve any burdens on any specified persons.

C. CMESC's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

CMESC currently does not have any Members or Users and has not received nor solicited any written comments from others related to this proposal. CMESC has not received any unsolicited written comments from any interested parties. 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.

---

<sup>30</sup> 17 CFR 240.17ad-25(b) and (d).

<sup>31</sup> 17 CFR 240.17ad-25(c).

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.

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](mailto:tradingandmarkets@sec.gov) or 202-551-5777. CMESC reserves the right to not respond to any comments received.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be 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

- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CMESC-2026-002 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-CMESC-2026-002. 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 CMESC and on CMESC's website (<https://www.cmegroup.com/market-regulation/rule-filings.html>). 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-CMESC-2026-002 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>32</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

[FR Doc. 2026-04800 Filed: 3/11/2026 8:45 am; Publication Date: 3/12/2026]

---

<sup>32</sup> 17 CFR 200.30-3(a)(12).