

interests of the general public in this proceeding.

4. The Commission directs the Secretary of the Commission to arrange for prompt publication of this notice in the **Federal Register**.

By the Commission.

**Erica A. Barker,**  
Secretary.

[FR Doc. 2020–25108 Filed 11–12–20; 8:45 am]

**BILLING CODE 7710–FW–P**

## POSTAL SERVICE

### Product Change—Priority Mail and First-Class Package Service Negotiated Service Agreement

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Date of required notice:* November 13, 2020.

**FOR FURTHER INFORMATION CONTACT:** Sean Robinson, 202–268–8405.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on October 29, 2020, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail & First-Class Package Service Contract 176 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2021–23, CP2021–24.

**Sean Robinson,**

*Attorney, Corporate and Postal Business Law.*

[FR Doc. 2020–25065 Filed 11–12–20; 8:45 am]

**BILLING CODE 7710–12–P**

## POSTAL SERVICE

### Product Change—Priority Mail Negotiated Service Agreement

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Date of required notice:* November 13, 2020.

**FOR FURTHER INFORMATION CONTACT:** Sean Robinson, 202–268–8405.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on October 23, 2020, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail Contract 679 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2021–22, CP2021–23.

**Sean Robinson,**

*Attorney, Corporate and Postal Business Law.*

[FR Doc. 2020–25064 Filed 11–12–20; 8:45 am]

**BILLING CODE 7710–12–P**

## POSTAL SERVICE

### Product Change—Priority Mail and First-Class Package Service Negotiated Service Agreement

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Date of required notice:* November 13, 2020.

**FOR FURTHER INFORMATION CONTACT:** Sean Robinson, 202–268–8405.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on October 30, 2020, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail & First-Class Package Service Contract 177 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2021–24, CP2021–25.

**Sean Robinson,**

*Attorney, Corporate and Postal Business Law.*

[FR Doc. 2020–25066 Filed 11–12–20; 8:45 am]

**BILLING CODE 7710–12–P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**TIME AND DATE:** 2:00 p.m. on Wednesday, November 18, 2020.

**PLACE:** The meeting will be held via remote means and/or at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

**STATUS:** This meeting will be closed to the public.

### MATTERS TO BE CONSIDERED:

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at <https://www.sec.gov>.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topic:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and

Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

**CONTACT PERSON FOR MORE INFORMATION:** For further information; please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551–5400.

Dated: November 10, 2020.

**Vanessa A. Countryman,**  
Secretary.

[FR Doc. 2020–25214 Filed 11–10–20; 11:15 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–90372; File No. SR–DTC–2020–011]

### Self-Regulatory Organizations; The Depository Trust Company; Order Approving a Proposed Rule Change To Amend Rule 4

November 6, 2020

#### I. Introduction

On September 9, 2020, The Depository Trust Company (“DTC”) filed with the Securities and Exchange

Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder, <sup>2</sup> proposed rule change SR-DTC-2020-011. The proposed rule change was published for comment in the **Federal Register** on September 28, 2020. <sup>3</sup> The Commission did not receive any comment letters on the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

## II. Description of the Proposed Rule Change

### A. Background

DTC is the central securities depository (“CSD”) for substantially all corporate and municipal debt and equity securities available for trading in the United States. <sup>4</sup> As a covered clearing agency that provides CSD services, <sup>5</sup> DTC provides a central location in which securities may be immobilized, and interests in those securities are reflected in accounts maintained for its Participants, which are financial institutions such as brokers or banks. <sup>6</sup> DTC does not provide central

counterparty services and therefore does not become party to its Participants’ transactions or guarantee settlement on behalf of its Participants. <sup>7</sup>

DTC provides settlement services for virtually all broker-to-broker equity and listed corporate and municipal debt securities transactions in the U.S., as well as institutional trades, money market instruments and other financial obligations. For end-of-day net funds settlement, the DTC settlement system records money debits and credits to Participant settlement accounts throughout a Business Day. <sup>8</sup> At the end of a Business Day, a Participant’s settlement account will have a net debit (*i.e.*, the sum of all money charges to a Participant’s account exceeds the sum of all money credits), net credit (*i.e.*, the sum of all money credits to a Participant’s account exceeds the sum of all money charges), or zero balance. This final balance will determine whether the Participant has an obligation to pay or to be paid as part of the process of DTC completing settlement on that Business Day. A Participant that fails to pay its net debit balance and therefore defaults on its settlement obligations on a Business Day will not have paid for the securities processed for delivery versus payment, and the securities will not be credited to its account.

DTC represents that there may be circumstances in which the amount of settlement payments received or available to DTC on a Business Day is not sufficient to pay all Participants with an end-of-day net credit balance on that Business Day (a “settlement gap”). <sup>9</sup> A settlement gap could occur on a Business Day as a result of a Participant

Default, where a Participant fails to pay its settlement obligation (a “default gap”). A settlement gap could also occur on a Business Day as a result of causes other than a Participant Default (a “non-default gap”). Examples of a non-default gap could include a scenario in which the funds required to complete settlement are not available to DTC due to an operational or data issue arising at DTC or at a Participant or Settling Bank, a cyber incident, or other business disruption. <sup>10</sup> According to DTC, its failure to complete settlement on a given Business day could cause significant market-wide effects. <sup>11</sup>

### B. The Participants Fund and Rule 4

The Participants Fund is prefunded and represents the aggregate of the deposits that each DTC Participant is required to make under DTC’s Rules. <sup>12</sup> The Rules provide for a minimum deposit to the Participants Fund, and Participants with higher levels of activity that impose greater liquidity risk to the DTC settlement system have proportionally larger required deposits. <sup>13</sup> DTC has stated that the Participants Fund is a mutualized prefunded liquidity and loss resource, and that DTC does not have an obligation to repay the Participants Fund and the application of the Participants Fund does not convert to a loss. <sup>14</sup> Once DTC applies the Participants Fund, the Participants are required, upon the demand of DTC, to replenish their shares of the Participants Fund to satisfy

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 89952 (September 22, 2020), 85 FR 60847 (September 28, 2020) (SR-DTC-2020-011) (“Notice”).

<sup>4</sup> Each capitalized term not otherwise defined herein has its respective meaning as set forth in DTC’s rules, including, but not limited to, the Rules, By-Laws and Organization Certificate of DTC (the “Rules”) and the DTC Settlement Service Guide (the “Settlement Guide”), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>. The Settlement Guide is a Procedure of DTC filed with the Commission that, among other things, operationalizes and supplements the DTC Rules that relate to settlement.

<sup>5</sup> A covered clearing agency is defined as a registered clearing agency that provides the services of a central counterparty (“CCP”) or CSD. See 17 CFR 240.17Ad-22(a)(5). CSD services means services of a clearing agency that is a securities depository as described in Section 3(a)(23)(A) of the Exchange Act. See 17 CFR 240.17Ad-22(a)(3). Specifically, the definition of a clearing agency includes, in part, “any person, such as a securities depository that (i) acts as a custodian of securities in connection with a system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible and may be transferred, loaned, or pledged by bookkeeping entry without physical delivery of securities certificates, or (ii) otherwise permits or facilitates the settlement of securities transactions or the hypothecation or lending of securities without physical delivery of securities certificates.” 15 U.S.C. 78c(a)(23)(A).

<sup>6</sup> See, e.g., Securities Exchange Act Release No. 20221 (September 23, 1983), 48 FR 45167, 45168 (October 3, 1983) (File No. 600-1) (“A securities depository is a ‘custodial’ clearing agency that operates a centralized system for the handling of securities certificates. Depositories accept deposits of securities from broker-dealers, banks, and other financial institutions; credit those securities to the depositing participants (*sic*) accounts; and,

pursuant to participant’s (*sic*) instructions, effect book-entry movements of securities. The physical securities deposited with a depository are held in a fungible bulk; each participant or pledgee having an interest in securities of a given issue credited to its account has a pro rata interest in the physical securities of the issue held in custody by the securities depository in its nominee name. Depositories collect and pay dividends and interest to participants for securities held on deposit. Depositories also provide facilities for payment by participants to other participants in connection with book-entry deliveries of securities. . . .”).

<sup>7</sup> A clearing agency that provides central counterparty services interposes itself between the counterparties to securities transactions, acting functionally as the buyer to every seller and the seller to every buyer. 17 CFR 240.17Ad-22(a)(2).

<sup>8</sup> Credits to a Participant settlement account arise from deliveries versus payment, receipt of payment orders, principal and interest distributions in respect of securities held, intraday settlement progress payments and any other items or transactions that give rise to a credit. Debits to a Participant settlement account are primarily due to receives versus payment, as well as other types of charges to the account permitted under the Rules. See Notice, *supra* note 3, 85 FR at 60848.

<sup>9</sup> See *id.*

<sup>10</sup> DTC is subject to a number of regulatory requirements related to its operational and cyber risks, including Rule 17Ad-22(e)(17) and Regulation Systems Compliance and Integrity. DTC’s overall approach to operational risk is summarized in its Disclosure Framework, available at <https://www.dtcc.com/legal/policy-and-compliance>. Among other things, DTC manages its operational risk pursuant to the Clearing Agency Operational Risk Management Framework, which the Commission approved in a separate rule filing. See Securities Exchange Act Release No. 81745 (September 28, 2017), 82 FR 46332 (October 4, 2017) (SR-DTC-2017-014).

<sup>11</sup> See Notice, *supra* note 3, 85 FR at 60848–49 (citing, e.g., Rule 9(B), *supra* note 4, which states: “Each Participant and the Corporation shall settle the balance of the Settlement Account of the Participant on a daily basis in accordance with these Rules and the Procedures. Except as provided in the Procedures, the Corporation shall not be obligated to make any settlement payments to any Participants until the Corporation has received all of the settlement payments that Settling Banks and Participants are required to make to the Corporation.”).

<sup>12</sup> See Rule 4 (Participants Fund and Participants Investment), *supra* note 4.

<sup>13</sup> See *id.*

<sup>14</sup> Securities Exchange Act Release No. 83950 (August 27, 2018), 83 FR 44393 (August 30, 2018) (SR-DTC-2017-804).

their minimum deposits.<sup>15</sup> DTC further represents that the principal purpose of the Participants Fund is to be one of the foundational liquidity resources available to DTC to fund a shortfall in order to complete settlement on a Business Day.<sup>16</sup>

Currently, Section 4 of Rule 4 provides that, if there is a Defaulting Participant and the amount charged to the Actual Participants Fund Deposit of the Defaulting Participant pursuant to Section 3 of Rule 4<sup>17</sup> is not sufficient to complete settlement, DTC may apply the Actual Participants Fund Deposits of Participants other than the Defaulting Participant (each, a “non-defaulting Participant”), and apply such other liquidity resources as may be available to DTC, including, but not limited to, the End-of-Day Credit Facility.<sup>18</sup> DTC recognizes that currently, certain provisions of Rule 4 might be construed to narrow the scope of use of the Participants Fund (and any other liquidity resources) for settlement to a default gap only.<sup>19</sup> In order to ensure that DTC may use the Participants Fund and other liquidity resources to fund a settlement gap regardless of its cause, DTC has proposed revising Rule 4, as discussed below.

### C. Description of Proposed Changes

DTC states that Section 4 of Rule 4 does not address the use of the Participants Fund to complete settlement when there is a non-default gap and could be construed as limiting the pro rata application of the Participants Fund to fund a settlement gap to default scenarios.<sup>20</sup> DTC further represents that, on each Business Day, settlement occurs during a tight

timeframe, in conjunction with the Federal Reserve’s National Settlement Service and Fedwire.<sup>21</sup> If there is a delay with the receipt or disbursement of funds for settlement, DTC would need to address those problems quickly in order to complete settlement on that Business Day.<sup>22</sup>

In the Notice, DTC describes the proposed changes to address this situation and expressly ensure that the Participants Fund could be used to complete settlement in the event of a non-default gap. First, DTC proposes to amend Section 4 of Rule 4 to state that (i) the Participants Fund, (ii) the existing retained earnings or undivided profits of DTC, and (iii) any other liquidity resources as may be available (including, but not limited to, the End-of-Day Credit Facility), would be available to DTC as liquidity resources to fund settlement on a Business Day, regardless of whether the settlement gap is a default gap or a non-default gap. The proposal would state that DTC may apply its available resources to fund settlement, in such order and in such amounts as it determines, in its sole discretion. Second, DTC proposes to provide that a determination to apply the Participants Fund shall be made by either the Chief Executive Officer, Chief Risk Officer, Chief Financial Officer, a member of any management committee, Treasurer or any Managing Director as may be designated by the Chief Risk Officer from time to time. The proposal also states that the Board of Directors (or an authorized Committee thereof) shall be promptly informed of the determination.<sup>23</sup> Third, DTC proposes to make certain clarifying and conforming changes, including to clarify that a Participant’s pro rata share of an application of the Participants Fund would be the same whether there is a default gap or a non-default gap, and to make minor changes for conformity and readability.

### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act<sup>24</sup> directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to such organization. After

carefully considering the proposed rule change, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to DTC. In particular, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act and Rules 17Ad-22(e)(1) and (e)(2)(i) promulgated under the Act,<sup>25</sup> for the reasons described below.

#### A. Consistency With Section 17A(b)(3)(F)

Section 17A(b)(3)(F) of the 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>26</sup>

DTC proposes to amend Section 4 of Rule 4 to provide expressly for the pro rata application of the Participants Fund, retained earnings, and any other liquidity resources, including DTC’s credit facility, to any settlement gap, including a non-default gap. As noted above, settlement occurs during a tight timeframe on each Business Day. If there is a delay with the receipt or disbursement of funds for settlement, it would need to be addressed quickly in order to complete settlement on that Business Day. The proposal would clarify which resources DTC can access and use in the most time-efficient and effective manner to ensure settlement.<sup>27</sup> The proposal is designed to allow DTC to take timely and effective action to fund a settlement gap, regardless of whether it is a default or non-default gap, and therefore complete settlement, by identifying and applying appropriate liquidity resources, which is consistent with the promotion of robust risk management. By improving DTC’s ability take timely action to fund a settlement gap and, thereby, reducing DTC’s settlement risk at the end of a Business Day, the Commission believes that DTC should improve DTC’s ability to provide prompt and accurate clearance and settlement of securities

<sup>15</sup> See Section 4 of Rule 4 (Participants Fund and Participants Investment), *supra* note 4.

<sup>16</sup> See Notice, *supra* note 3, 85 FR at 60849 (citing DTC’s Settlement Guide which provides that the Participants Fund creates liquidity and collateral resources to support the business of DTC and to cover losses and liabilities incident to that business).

<sup>17</sup> Section 3 of Rule 4 provides that if a Participant is obligated to DTC pursuant to the Rules and the Procedures and fails to satisfy any such obligation, DTC shall, to the extent necessary to eliminate such obligation, apply some or all of the Actual Participants Fund Deposit of such Participant to such obligation to satisfy the Participant Default. See Section 3 of Rule 4, *supra* note 4.

<sup>18</sup> Section 2 of Rule 4 provides that “End-of-Day Credit Facility” is any credit facility maintained by DTC for the purpose of funding the end-of-day settlement of transactions processed through the facilities of DTC. See Section 2 of Rule 4, *supra* note 4. Also see Securities Exchange Act Release No. 80605 (May 5, 2017), 82 FR 21850 (May 10, 2017) (SR-DTC-2017-802; NSCC-2017-802) (renewing the committed revolving credit facility of DTC and National Securities Clearing Corporation).

<sup>19</sup> See Notice, *supra* note 3, 85 FR at 60852.

<sup>20</sup> See Notice, *supra* note 3, 85 FR at 60850.

<sup>21</sup> See *id.*; see also, Settlement Guide at 19–20, *supra* note 4.

<sup>22</sup> See Notice, *supra* note 3, 85 FR at 60849.

<sup>23</sup> The requirement that DTC would also promptly notify the Commission in the event that the Participants Fund were used to complete settlement would remain unchanged.

<sup>24</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>25</sup> 15 U.S.C. 78q-1(b)(3)(F); 17 CFR 240.17Ad-22(e)(1) and (e)(2)(i).

<sup>26</sup> *Id.*

<sup>27</sup> The Commission further believes that use of the Participants Fund may be the most efficient method of completing settlement at the end of a Business Day on a tight timeframe, as it generally consists of cash which, pursuant to DTC’s Investment Policy, must be held in demand deposit, savings or checking bank accounts that provide same day access to funds. See Exchange Act Release No. 88513 (March 30, 2020), 85 FR 19047, 19048 (April 3, 2020). The Commission observes that, as a general matter, it likely could take more time to access retained earnings or draw down on the credit facility.

transactions that are processed and settled through DTC's system.

The proposal would also make other clarifying and conforming changes to provide enhanced transparency with respect to use of the Participants Fund and other resources for settlement. Further, the proposal would specify the particular DTC personnel whose approval could authorize the use of the Participants Fund to finance a settlement gap. By making such changes, the Commission believes that the proposal is designed to provide clear and consistent Rules, by expressly addressing the scope and manner of DTC's use of the Participants Fund and other available resources to complete settlement on a given Business Day, thereby allowing DTC to provide prompt and accurate clearance and settlement of securities transactions.

#### *B. Consistency With Rule 17Ad-22(e)(1)*

Rule 17Ad-22(e)(1) under the Act requires that DTC establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for a well-founded, clear, transparent, and enforceable legal basis for each aspect of its activities in all relevant jurisdictions.<sup>28</sup>

As discussed above, current Section 4 of Rule 4 does not address the use of the Participants Fund or other liquidity resources to complete settlement when there is a non-default gap, and DTC is concerned that it could be construed as limiting the pro rata application of the Participants Fund to fund a settlement gap to default scenarios. The proposal would amend Rule 4 to expressly state that the Participants Fund, DTC's retained earnings, and other liquidity resources may be used by DTC to fund a settlement gap to complete settlement on a Business Day, whether the settlement gap is the result of a Participant Default or otherwise. In addition, the proposal makes clarifying and conforming changes and provides governance regarding the application of the Participants Fund.

The Commission believes that the above changes are designed to ensure greater certainty in the Rules regarding what resources would be available to DTC to complete settlement in the event of a settlement gap. The proposal would provide a clear, transparent and enforceable legal basis for DTC to apply the Participants Fund, retained earnings, or other liquidity resources to any settlement gap. It would also clarify that a Participant's pro rata share of an application of the Participants Fund would be the same whether there is a

default gap or a non-default gap, and expressly state that DTC may apply its available resources to fund settlement, in such order and in such amounts as it determines, in its sole discretion.

Therefore, the Commission believes the proposal is designed to help ensure that DTC's Rules remain well-founded, transparent, and legally enforceable in all relevant jurisdictions, consistent with Rule 17Ad-22(e)(1) under the Act.<sup>29</sup>

#### *C. Consistency With Rule 17Ad-22(e)(2)(i) and (v)*

Rule 17Ad-22(e)(2) under the Act requires, in part, that DTC establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for governance arrangements that (i) are clear and transparent, and (v) specify clear and direct lines of responsibility.<sup>30</sup>

As discussed above, the proposal would provide that a determination to apply the Participants Fund shall be made by either the Chief Executive Officer, Chief Risk Officer, Chief Financial Officer, a member of any management committee, Treasurer or any Managing Director as may be designated by the Chief Risk Officer from time to time. The proposal would also provide that the Board of Directors (or an authorized Committee thereof) shall be promptly informed of the determination. With this proposal, the Rules would expressly define who would be responsible for making the determination to apply the Participants Fund to a settlement gap and would require that the Board of Directors (or its authorized Committee) would be informed of such determination promptly.

Therefore, the Commission believes the proposal is designed to provide for governance arrangements regarding the use of the Participants Fund to complete settlement that are clear and transparent and specify clear and direct lines of responsibility, consistent with Rule 17Ad-22(e)(2)(i) and (v) under the Act.<sup>31</sup>

#### *D. Consistency With Rule 17Ad-22(e)(7)(i)*

Rule 17Ad-22(e)(7)(i) under the Act requires, in part, that a covered clearing agency, like DTC, establish, implement, maintain and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing

agency, including measuring, monitoring, and managing its settlement and funding flows on an ongoing and timely basis, and its use of intraday liquidity, by maintaining sufficient liquid resources to effect same-day settlement of payment obligations with a high degree of confidence under a wide range of foreseeable stress scenarios.<sup>32</sup>

As described above, the proposal would clarify that the Participants Fund and other resources may be applied by DTC to fund settlement in the event of a default or non-default gap. The proposed change is designed to help ensure that DTC is able to manage its settlement and funding flows on a timely basis and effect same day settlement of payment obligations in certain foreseeable stress scenarios.

Therefore, the Commission believes that the proposal is reasonably designed to help DTC effectively manage liquidity risk in a timely manner to complete settlement, and accordingly is consistent with Rule 17Ad-22(e)(7)(i).<sup>33</sup>

## **IV. Conclusion**

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and, in particular, with the requirements of Section 17A of the Act<sup>34</sup> and the rules and regulations promulgated thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act<sup>35</sup> that proposed rule change SR-DTC-2020-011, be, and hereby is, approved.<sup>36</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>37</sup>

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

[FR Doc. 2020-25060 Filed 11-12-20; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>32</sup> 17 CFR 240.17Ad-22(e)(7)(i).

<sup>33</sup> *Id.*

<sup>34</sup> 15 U.S.C. 78q-1.

<sup>35</sup> 15 U.S.C. 78s(b)(2).

<sup>36</sup> In approving the proposed rule change, the Commission considered the proposals' impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>37</sup> 17 CFR 200.30-3(a)(12).

<sup>29</sup> *Id.*

<sup>30</sup> 17 CFR 240.17Ad-22(e)(2)(i) and (v).

<sup>31</sup> *Id.*

<sup>28</sup> 17 CFR 240.17Ad-22(e)(1).