

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102995; File No. SR–NSCC–2025–008]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Capital Policy and the Capital Replenishment Plan

May 5, 2025.

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> notice is hereby given that on April 25, 2025, National Securities Clearing Corporation (“NSCC”) 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. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b–4(f)(3) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to (i) the Clearing Agency Policy on Capital Requirements (“Capital Policy” or “Policy”) of NSCC and its affiliates, The Depository Trust Company (“DTC”) and Fixed Income Clearing Corporation (“FICC,” and together with DTC and NSCC, the “Clearing Agencies”); and (ii) the Clearing Agency Capital Replenishment Plan (“Capital Replenishment Plan” or “Plan”) of the Clearing Agencies. In particular, the proposed revisions to the Capital Policy and Capital Replenishment Plan would (1) make technical revisions to update, simplify, and clarify statements in the Policy and Plan; and (2) update the Plan to document alternate authorizations in case an authorizing officer is not available.

#### 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 Clearing Agencies are proposing to revise the Capital Policy and Capital Replenishment Plan, which were adopted by the Clearing Agencies in July 2017<sup>5</sup> and are maintained by the Clearing Agencies in compliance with Rule 17ad–22(e)(15) under the Act.<sup>6</sup>

##### Overview of the Capital Policy and Capital Replenishment Plan

The Capital Policy sets forth the manner in which each Clearing Agency identifies, monitors, and manages its general business risk with respect to the requirement to hold sufficient liquid net assets (“LNA”) funded by equity to cover potential general business losses so the Clearing Agency can continue operations and services as a going concern if such losses materialize.<sup>7</sup> The amount of LNA funded by equity to be held by each of the Clearing Agencies for this purpose is defined in the Policy as the General Business Risk Capital Requirement. The Policy provides that the General Business Risk Requirement is calculated for each Clearing Agency as the greatest of three separate calculations—(1) an amount based on that Clearing Agency’s general business risk profile (“Risk-Based Capital Requirement”), (2) an amount based on the time estimated to execute a recovery or orderly wind-down of the critical operations of that Clearing Agency (“Recovery/Wind-down Capital Requirement”), and (3) an amount based on an analysis of that Clearing Agency’s estimated operating expenses for a six-month period (“Operating Expense Capital Requirement”). On an annual basis, each of these three capital requirements are measured, and the General Business Risk Capital Requirement for each Clearing Agency are determined as the greatest of these calculations.

Currently, the Capital Policy also addresses how each Clearing Agency

maintains a portion of retained earnings as LNA funded by equity as its Corporate Contribution, as a part of its management of credit risk<sup>8</sup> and pursuant to its respective rules.<sup>9</sup> These resources are maintained to address losses due to a participant default, and are held in addition to the LNA funded by equity held by each of the Clearing Agencies as its General Business Risk Capital Requirement. The Capital Policy describes how each Clearing Agency’s General Business Risk Capital Requirement and Corporate Contribution fit within the Clearing Agencies’ Capital Framework, where the Total Capital Requirement of each Clearing Agency is calculated as the sum of its General Business Risk Capital Requirement and Corporate Contribution.

The Policy also provides a plan for the replenishment of capital through the Capital Replenishment Plan. The Capital Replenishment Plan was adopted by the Clearing Agencies as a plan for the replenishment of capital by each Clearing Agency should its equity fall close to or below the amount being held as its Total Capital Requirement pursuant to the Capital Policy. The Capital Replenishment Plan identifies the circumstances that would trigger implementation of the Plan; the roles, responsibilities, and guiding principles for implementation of the Plan; and an overview and description of each of the tools that may be used to replenish capital.

#### Proposed Revisions to the Capital Policy and Capital Replenishment Plan

As described in greater detail herein, the Clearing Agencies are proposing to make certain revisions to the Capital Policy and Capital Replenishment Plan. First, the proposal would make technical revisions to update, simplify, and clarify statements in the Policy and Plan. Second, the proposed revisions would update the Plan to document alternate authorizations in case an authorizing officer is not available. These proposed revisions are designed

<sup>8</sup> LNA funded by equity held as the Clearing Agencies’ Corporate Contribution is held in addition to resources held by the Clearing Agencies for credit risk in compliance with Rule 17ad–22(e)(4) under the Act and in addition to resources held by the Clearing Agencies for liquidity risk in compliance with Rule 17ad–22(e)(7). 17 CFR 240.17ad–22(e)(4), (7).

<sup>9</sup> The Rules, By-laws and Organization Certificate of DTC (“DTC Rules”), the Rulebook of the Government Securities Division of FICC (“GSD Rules”), the Clearing Rules of the Mortgage-Backed Securities Division of FICC (“MBSD Rules”), or the Rules & Procedures of NSCC (“NSCC Rules,” and together with the DTC Rules, GSD Rules and MBSD Rules, the “Clearing Agencies’ Rules”), available at [www.dtcc.com/legal/rules-and-procedures](http://www.dtcc.com/legal/rules-and-procedures).

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b–4(f)(3).

<sup>5</sup> See Securities Exchange Act Release No. 81105 (July 7, 2017), 82 FR 32399 (July 13, 2017) (SR–DTC–2017–003, SR–FICC–2017–007, SR–NSCC–2017–004).

<sup>6</sup> 17 CFR 240.17ad–22(e)(15).

<sup>7</sup> *Id.*

to enhance the clarity of the Policy and Plan and help ensure that they continue to operate as intended.

## 1. Technical Revisions

The Clearing Agencies are proposing technical revisions to the descriptions within the Capital Policy and Capital Replenishment Plan that would update, simplify, and clarify statements, including, for example, removing in the Policy the unnecessary reference to the Plan as an Addendum to the Policy, rephrasing certain sentences for clarity without changing the meaning, and relocating language from one sentence or section to another.

Such revisions would also update the documents. For example, in the Policy, the proposed changes would more accurately refer to the Policy as a policy instead of a framework, and refer to the senior most management committee, which reflects the term now used by the Clearing Agencies to refer to the highest-level committee of the Clearing Agencies. In the Plan, these revisions would include removing references to credit risk from the risk scenarios that may trigger the Plan to reflect the Clearing Agencies' current rules and procedures allowing the Corporate Contribution to be used for both participant default as well as non-participant default losses.

## 2. Alternate Authorizations

Section 3.2 of the Plan describes the role and responsibilities of the Treasury group ("Treasury") in the implementation of the Plan in the event the Plan is triggered pursuant to the Policy. This section lists the steps to be taken by Treasury in implementing the plan as well as the relevant internal parties within Treasury tasked with providing any required authorizations. The proposed changes would provide alternate stakeholders that may provide any required authorizations in the absence of those already outlined in the steps referenced above. This change would allow for business continuity and timely implementation of the plan in the absence of any specific authorizing party.

## 2. Statutory Basis

The Clearing Agencies believe that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. In particular, the Clearing Agencies believe that the proposed changes to the Capital Policy and Capital Replenishment Plan are both consistent with Section 17A(b)(3)(F) of

the Act<sup>10</sup> and Rule 17ad-22(e)(15) under the Act,<sup>11</sup> for the reasons described below.

Section 17A(b)(3)(F) of the Act requires, in part, that the rules of the Clearing Agencies be designed to promote the prompt and accurate clearance and settlement of securities transactions, and 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.<sup>12</sup> Together, the Capital Policy and Capital Replenishment Plan are designed to ensure that each of the Clearing Agencies hold sufficient LNA funded by equity to cover potential general business losses so that it can continue the prompt and accurate clearance and settlement of securities transactions, and can continue to assure the safeguarding of securities and funds which are in its custody or control or for which it is responsible if those losses materialize. By making technical revisions to update, simplify, and clarify statements in the Policy and Plan, and updating the Plan to document alternate authorizing parties, the proposed revisions would allow the Clearing Agencies to maintain these documents to operate in the way they were intended. Therefore, such proposed revisions would be consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>13</sup>

Rule 17ad-22(e)(15) under the Act requires, in part, that the Clearing Agencies establish, implement, maintain and enforce written policies and procedures reasonably designed to identify, monitor, and manage their respective general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that the Clearing Agencies can continue operations and services as a going concern if those losses materialize.<sup>14</sup> As originally implemented, the Capital Policy and Capital Replenishment Plan were designed to meet the requirements of Rule 17ad-22(e)(15).<sup>15</sup> As stated above, the proposal would make technical revisions to update, simplify, and clarify statements in the Policy and Plan, and would update the Plan to document alternate authorizing parties. In this way, the proposed changes would allow the Clearing Agencies to maintain these documents in a way that meets these requirements. Therefore, such proposed

revisions would be consistent with the requirements of Rule 17ad-22(e)(15) under the Act.<sup>16</sup>

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

The Clearing Agencies believe that the proposed revisions to the Capital Policy and the Capital Replenishment Plan would not have any impact, or impose any burden, on competition. The Policy and the Plan are maintained by the Clearing Agencies in order to satisfy their regulatory requirements and generally reflect internal tools and procedures. Tools and procedures that have a direct impact on the rights, responsibilities or obligations of members or participants of the Clearing Agencies are reflected in the Clearing Agencies' Rules. Accordingly, the Capital Policy and Capital Replenishment Plan themselves are documents that enhance the Clearing Agencies' regulatory compliance and internal management and do not have any impact, or impose any burden, on competition.

The proposed revisions to update the Capital Policy and Capital Replenishment Plan would not effect any changes on the fundamental purpose or operation of these documents and, as such, would also not have any impact, or impose any burden, on competition.

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

The Clearing Agencies have not received or solicited any written comments relating to this proposed rule change. If any written comments are received, the Clearing Agencies will amend their respective filings to publicly file such comments as an Exhibit 2 to the 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 [www.sec.gov/regulatory-actions/how-to](http://www.sec.gov/regulatory-actions/how-to)

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>11</sup> 17 CFR 240.17ad-22(e)(15).

<sup>12</sup> 15 U.S.C. 78q-1(b)(3)(F).

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

<sup>14</sup> 17 CFR 240.17ad-22(e)(15).

<sup>15</sup> See *supra* note 5.

<sup>16</sup> 17 CFR 240.17ad-22(e)(15).

*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.

The Clearing Agencies reserve 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) <sup>17</sup> of the Act and paragraph (f) <sup>18</sup> of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the 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 email to *rule-comments@sec.gov*. Please include File Number SR-NSCC-2025-008 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-NSCC-2025-008. 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-regulations/self-regulatory-organization-rulemaking>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the

proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of NSCC and on DTCC's website ([www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings)). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-NSCC-2025-008 and should be submitted on or before May 30, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235-0727]

### Submission for OMB Review; Comment Request; Extension: Rules 400-404 of Regulation Crowdfunding (Funding Portals)

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in Rules 400-404 of Regulation Crowdfunding<sup>1</sup> (17 CFR 227.400-227.404) under the Securities Exchange

Act of 1934 ("Exchange Act") (15 U.S.C. 78a *et seq.*).

The collections of information required under Rules 400 through 404 is mandatory for all funding portals. Form Funding Portal helps ensure that the Commission can make information about funding portals transparent and easily accessible to the investing public, including issuers and obligated persons who engage funding portals; investors who may purchase securities through offerings on funding portals; and other regulators. Further, the information provided on Form Funding Portal expands the amount of publicly available information about funding portals, including disciplinary history. Consequently, the rules and forms allow issuers and the investing public, as well as others, to become more fully informed about funding portals in a more efficient manner.

Rule 400 requires each person applying for registration with the Commission as a funding portal to file electronically with the Commission Form Funding Portal. Rule 400(a) requires a funding portal to become a member of a national securities association registered under Section 15A of the Exchange Act. Rule 400(b) requires a funding portal to file an amendment to Form Funding Portal if any information previously submitted on Form Funding Portal becomes inaccurate for any reason. Rule 400(c) provides that a funding portal can succeed to the business of a predecessor funding portal upon the successor filing a registration on Form Funding Portal and the predecessor filing a withdrawal on Form Funding Portal.

Rule 400(d) requires a funding portal to promptly file a withdrawal of registration on Form Funding Portal upon ceasing to operate as a funding portal. Rule 400(e) states that duplicate originals of the applications and reports provided for in this section must be filed with surveillance personnel designated by any registered national securities association of which the funding portal is a member. Rule 400(f) requires a nonresident funding portal to: (1) obtain a written consent and power of attorney appointing an agent for service of process in the United States; (2) furnish the Commission with the name and address of its agent for services of process on Schedule C of Form Funding Portal; (3) certify that it can, as a matter of law, and will provide the Commission and any registered national securities association of which it becomes a member with prompt access to its books and records and can, as a matter of law, and will submit to onsite inspection and examination by

<sup>19</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> See *Regulation Crowdfunding*, Exchange Act Release No. 76324 (Oct. 30, 2015), 80 FR 71387 (Nov. 16, 2015) (Final Rule) ("Regulation Crowdfunding").

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f).