

Proposed Customer XM Framework as a condition to granting exemptive relief? If so, what type of limitation(s)? If not, why not?

6. Would the exemption requested in the Application have a competitive impact—either positive or negative—on broker-dealers and their customers in the context of clearing for U.S. Treasury securities? What would be the potential benefits and costs of the exemption? Would the exemption and conditions impact investor protection? If so, what would those impacts be?

7. Should the Commission consider broadening the exemptive relief requested by FICC and CME to be available to any clearing agency and DCO and their joint clearing members with a cross-margining program that meets the conditions of an exemptive order? Why or why not?

8. If the exemptive relief was broadened, how would the conditions proposed by FICC and CME in the Application be modified?

Comments should be received on or before March 5, 2026. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's internet comment form (<http://www.sec.gov/rules/other.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number S7–2026–03 on the subject line.

#### *Paper Comments*

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number S7–2026–03. 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 of submission. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/other.shtml>). 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.

For further information, you may contact Michael A. Macchiaroli, Associate Director; Raymond A. Lombardo, Assistant Director; Sheila Dombal Swartz, Senior Special Counsel; or Nina Kostyukovsky, Special Counsel at (202) 551–5500, Office of Broker-

Dealer Finances, Division of Trading and Markets, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–7010.

By the Commission.

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

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34–104740; File No. SR–DTC–2025–019]**

### **Self-Regulatory Organizations; The Depository Trust Company; Order Approving Proposed Rule Change To Modify the DTC Settlement Service Guide and DTC Rules as They Relate to the DTC Net Debit Cap**

January 29, 2026.

#### **I. Introduction**

On December 18, 2025, the Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR–DTC–2025–019, 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> The Proposed Rule Change would modify the DTC Settlement Service Guide (“Settlement Guide”) and the Rules, By-Laws and Organization Certificate of DTC (“Rules”) <sup>3</sup> regarding how DTC sets its maximum debit caps for Participants, Unaffiliated Participants, and Affiliated Families, as well as other corresponding changes. The Proposed Rule Change was published for comment in the **Federal Register** on December 30, 2025. <sup>4</sup> The Commission has received no comments on the changes proposed.

For the reasons discussed below, the Commission is approving the Proposed Rule Change.

#### **II. Background**

DTC serves as a central securities depository <sup>5</sup> and operates a securities

settlement system. DTC's activities include holding securities in physical or dematerialized form, maintaining securities accounts for Participants, providing central safekeeping and asset services, transfers and pledges of securities, and the settlement of transactions by book entry (free of payment or DVP). <sup>6</sup> DTC's liquidity risk management strategy is designed to facilitate its maintenance of sufficient liquid resources to complete settlement each Business Day. <sup>7</sup> To that end, DTC uses certain risk management controls, including its Collateral Monitor and Net Debit Cap, to protect its settlement system in the event of a Participant default, by ensuring that at any time the settlement obligation of any Participant will be fully collateralized and that the amount to be settled cannot exceed DTC's liquidity resources. <sup>8</sup>

*Collateral Monitor.* The Collateral Monitor is a calculation by which DTC measures the sufficiency of the Collateral in a Participant's account to cover its net settlement obligation. <sup>9</sup> The Collateral Monitor prevents the completion of transactions that would cause a Participant's Net Debit Balance to exceed the value of Collateral in its account. <sup>10</sup> The settlement obligation of each Participant must be fully collateralized, based on the Collateral Monitor. This is designed so that if a Participant fails to pay for its settlement obligation, DTC will have sufficient

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, (2) otherwise permits or facilitates the settlement of securities transactions or the hypothecation or lending of securities without physical delivery of securities certificates. See 17 CFR 240.17ad–22(a) (referencing the definition of “securities depository” described in Section 3(a)(23)(A) of the Act, 15 U.S.C. 78c(a)(23)(A)).

<sup>6</sup> “Delivery Versus Payment” means a Delivery against a settlement debit to the Account of the Receiver See Rule 1, *supra* note 3 (definition of “Delivery Versus Payment”). See also The Depository Trust Company, Disclosure Framework for Covered Clearing Agencies and Financial Market Infrastructures (Mar. 2023) (“Disclosure Framework”), at 18, available at [https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/DTC\\_Disclosure\\_Framework.pdf](https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/DTC_Disclosure_Framework.pdf).

<sup>7</sup> See Disclosure Framework, *supra* note 6, at 61; Notice of Filing, *supra* note 4, at 61205.

<sup>8</sup> See Disclosure Framework, *supra* note 6, at 12.

<sup>9</sup> Notice of Filing, *supra* note 4, at 61205. A Participant's collateral refers to the sum of (i) the Actual Participants Fund Deposit of the Participant, (ii) the Actual Preferred Stock Investment of a Participant, (iii) all Net Additions of the Participant and (iv) any SPP wired by the Participant to the Corporation. See Rule 1, *supra* note 3 (definition of “Collateral”).

<sup>10</sup> See Notice of Filing, *supra* note 4, at 61205–61206

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> Each capitalized term not otherwise defined herein has its meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (“Rules”), available at [www.dtcc.com/-/media/Files/Downloads/legal/rules/dtc\\_rules.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/rules/dtc_rules.pdf), or the DTC Settlement Service Guide (“Settlement Guide”), available at [www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Settlement.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Settlement.pdf).

<sup>4</sup> See Securities Exchange Act Release No. 104484 (Dec. 22, 2025), 90 FR 61205 (Dec. 30, 2025) (File No. SR–DTC–2025–019) (“Notice of Filing”).

<sup>5</sup> A “central securities depository” means a securities depository who: (1) acts as a custodian of securities in connection with a system for the

Collateral to obtain funding for settlement.<sup>11</sup>

At the opening of each business day, a Participant's Collateral Monitor is set to zero and built up over the day to secure any settlement obligation that may arise. A Participant's actual Participant's Fund Deposit is credited to the Collateral Monitor, and updated with credits or debits through the day.<sup>12</sup> At all times the Collateral Monitor reflects the amount by which the collateral in your account exceeds the net debit in your settlement account.<sup>13</sup> Each transaction involves a collateral flow and a cash flow component, one as credit and the other as debit.<sup>14</sup> The net value of the collateral and cash components updates the Collateral Monitor. Completing a transaction Delivery versus Payment generally increases the Collateral Monitor of the Deliverer of the security, and decreases that of the Receiver of said security, based on the difference between the collateral and settlement value.<sup>15</sup> DTC verifies that a transaction places neither party's Collateral Monitor in the negative during processing, and if a transaction were to result in a negative Collateral Monitor, meaning it is undercollateralized, DTC would then recycle that transaction until there is enough collateral to complete.<sup>16</sup>

**Net Debit Cap.** The Net Debit Cap is an amount calculated daily, which acts to ensure that a Participant's net debit balance stays within DTC's liquidity resources, and that DTC can complete settlement even if a Participant defaults.<sup>17</sup> Specifically, the Net Debit Cap limits the settlement net debit a Participant could incur during a processing day irrespective of available collateral, and it is currently capped to a maximum amount of \$2.15 billion per Participant, or \$2.85 billion per Affiliated Family.<sup>18</sup>

Any transaction that would cause a Participant or an Affiliated Family to exceed its Net Debit Cap will not be processed but will instead remain pending until the Net Debit Balance is reduced sufficient to permit processing.<sup>19</sup> A Net Debit Balance is reduced by another transaction which creates credits in your account.<sup>20</sup> Most credits are generated when a Participant either delivers securities versus payment, pledges securities for value, receives principal, dividend or interest allocations, or wires Settlement Progress Payments ("SPP's") to DTC's account at the Federal Reserve Bank of New York.<sup>21</sup>

**DTC Liquidity Resources.** Rule 17ad-22(e)(7)(ii) under the Act requires DTC, as a covered clearing agency, to hold qualifying liquid resources sufficient to meet the minimum liquidity resource requirements in each relevant currency for which the covered clearing agency has payment obligations owed to clearing members.<sup>22</sup> DTC states that it currently maintains two resources that are considered as a "qualifying liquid resource" under Rule 17ad-22(a)<sup>23</sup> under the Act: (i) required Participants Fund Deposits ("Participants Fund")<sup>24</sup>, which applies across all Participants and equals \$1.15 BN, and (ii) a committed line of credit ("LOC")<sup>25</sup> of

\$1.9 BN.<sup>26</sup> Taken together, the Participants Fund and LOC provide DTC with \$3.05 BN in total qualifying liquid resources.<sup>27</sup>

The Commission recently determined not to object to an Advance Notice filed by DTC proposing to raise prefunded liquidity resources through the periodic issuance and private placement of senior notes ("Debt Issuance").<sup>28</sup> DTC proposed to issue up to an aggregate amount of \$3 billion in senior notes, DTC has represented that these resources are solely to be used to help complete settlement in the event of a default, therefore the proceeds of the Debt Issuance are to supplement and diversify the existing qualifying liquid resources.<sup>29</sup>

### III. Description of the Proposed Rule Change

First, DTC proposes updating its Settlement Guide and its Rules to amend the Net Debit Cap from the current fixed amounts of \$2.15 billion per Individual Participant and \$2.85 billion per Affiliated Family, respectively, to a flexible amount not to exceed the available qualifying liquid resources at DTC.<sup>30</sup> As stated above in Section II, DTC's Qualifying Liquid Resources are comprised of a \$1.15 billion Participants Fund, a \$1.9 billion LOC, and, going forward, proceeds from any issuance of senior notes under the Debt Issuance program in an aggregate amount not to exceed \$3 billion. DTC states that Participants have sought a reassessment of the Net Debit Cap for both Individual Participants and Affiliated Families.<sup>31</sup> DTC states that a greater maximum Net Debit Cap would provide for transaction processing efficiencies that would lower the likelihood of transactions pending under a cap limit or of a Participant needing to make SPPs to reduce its

commitments by specific times on the borrowing day, given sufficient collateral and adherence to time frames. See Disclosure Framework, *supra* note 6, at 62.

<sup>26</sup> See Notice of Filing, *supra* note 4, at 61206.

<sup>27</sup> \$1.7 billion of the total LOC is available for liquidity purposes. DTC sets the Net Debit Cap below the total amount of liquidity resources in case the defaulting Participant is a lender to the LOC, this is known as the LOC Assumption Buffer. DTC has previously explained that the \$200 million buffer is an amount greater than the contribution of any lender to the DTC LOC. See Securities Exchange Act Release No. 99456 (Feb. 1, 2024), 89 FR 8466 at 8468, n. 28 (Feb. 7, 2024). See also Notice of Filing, *supra* note 4, at 61206.

<sup>28</sup> Securities Exchange Act Release No. 102318 (Jan. 31, 2025), 90 FR 9094 (Feb. 6, 2025) (SR-DTC-2023-801) ("Debt Issuance Notice"). See also Notice of Filing, *supra* note 4, at 61206.

<sup>29</sup> See Debt Issuance Notice, *supra* note 29, at 9095.

<sup>30</sup> See Notice of Filing, *supra* note 4, at 61206.

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

<sup>11</sup> *Id.* at 61206.

<sup>12</sup> See Disclosure Framework, *supra* note 6, at 54.

<sup>13</sup> See Settlement Guide, *supra* note 3, at 69–70.

<sup>14</sup> The collateral value of a security is the market price minus a haircut amount determined by DTC. See Disclosure Framework, *supra* note 6, at 52–53.

<sup>15</sup> See Settlement Guide, *supra* note 3, at 69–70.

<sup>16</sup> See also Rule 1, *supra* note 3 (definitions of "Deliverer" and "Receiver").

<sup>17</sup> See Settlement Guide, *supra* note 3, at 70.

<sup>18</sup> *Id.* at 71.

<sup>19</sup> See Notice of Filing, *supra* note 4, at 61206. Each Participant's settlement account may have a net credit or net debit position throughout the day as transactions are processed. At day's end, Participants will either owe a net debit, be owed a net credit, or be balanced. See Disclosure Framework, *supra* note 5, at 63. Based on a Participant's net debit history, these caps adjust automatically relative to their highest intraday net debit peaks. See Settlement Guide, *supra* note 3, at 71.

<sup>19</sup> See Notice of Filing, *supra* note 4, at 61206.

<sup>20</sup> *Id.*

<sup>21</sup> See Settlement Guide, *supra* note 3, at 71.

<sup>22</sup> 17 CFR 240.17ad-22(e)(7)(ii). A "qualifying liquid resource" means the following, in each relevant currency: (i) Cash held either at the central bank of issue or at creditworthy commercial banks; (ii) Assets that are readily available and convertible into cash through prearranged funding arrangements, such as (A) Committed arrangements without material adverse change provisions including (1) lines of credit, (2) foreign exchange swaps, and (3) repurchase agreements, or (B) Other prearranged funding arrangements determined to be highly reliable even in extreme but plausible market conditions by the board of directors of the covered clearing agency following a review conducted for this purpose not less than annually; and, (iii) Other assets that are readily available and eligible for pledging to (or conducting other appropriate forms of transactions with) a relevant central bank, if the covered clearing agency has access to routine credit at such central bank in a jurisdiction that permits said pledges or other transactions by the covered clearing agency. 17 CFR 240.17Ad-22(a)(14).

<sup>23</sup> 17 CFR 240.17ad-22(a)

<sup>24</sup> The Participants Fund is comprised of Participant deposits into the Core Fund and Liquidity Fund. The Core Fund consists of \$450 million, split into the Base Fund (\$7,500 deposit per Participant) and the Incremental Fund (based on the six highest intraday net debit peaks over a rolling 60 business day period). The Liquidity Fund allocates an additional \$700 million among Participants with Affiliated Net Debit Caps exceeding \$2.15 billion. See Settlement Guide, *supra* note 3, at 46–47.

<sup>25</sup> DTC annually renews a 364-day revolving line of credit with a group of commercial lenders. Borrowed amounts must be backed by adequate collateral, and lenders must meet their

intraday Net Debit Balance.<sup>32</sup> DTC further states that any additional liquidity provided by the Debt Issuance allows DTC the flexibility to increase the Net Debit Cap in line with the newly expanded pool of Qualifying Liquid Resources.<sup>33</sup>

To maintain alignment with Qualifying Liquid Resources, the Proposed Rule Change will edit the Net Debit Cap section of the Settlement Guide to reflect a new method for determining the Net Debit Cap. The Proposed Rule Change would eliminate the static Net Debit Caps, changing to a Net Debit Cap “based on DTC’s liquidity resources, related costs, and projected benefits to Participants,” and always set lower than DTC’s total available liquidity.<sup>34</sup> DTC also proposes to clarify in the Settlement Guide, with respect to Affiliated Families, that the Aggregated Affiliated Family Net Debit Cap will be shared among the Participants of the Affiliated Family according to either (1) the proportional liquidity usage of the Participants, or (2) as instructed by the Affiliated Family in writing.<sup>35</sup> DTC will also update the Calculation of Participant Net Debit Caps section of the Settlement Guide to remove reference to the current fixed \$2.15 billion Net Debit Cap, and to state that notice of any reduction of the Net Debit Cap in the future will be no fewer than ten days in advance of such decrease taking effect.<sup>36</sup> DTC will also update Rule 9(B) to reflect that a transaction will not process if it causes a Participant in an Affiliated Family to exceed the Aggregate Affiliated Family Net Debit Cap, regardless of whether the Participant is the Instructor or Contra Party.<sup>37</sup>

As part of the Proposed Rule Change, DTC filed an Impact Study on the effects the Proposed Rule Change would have had on Participant’s liquidity needs conducted for the period June 2, 2024 through January 31, 2025.<sup>38</sup> Specifically, the Impact Study found that, out of 179 Participant families, 17 would likely see a reduction of their need for SPPs after a Net Debit Cap increase. Specifically, an increase in the Net Debit Cap by \$0.75 to \$1 billion would lead to a reduction of \$3.62 to \$4.43 billion in daily SPP’s sent across the 17 families.<sup>39</sup>

Second, the Liquidity Fund component of the Participants Fund, set at \$700 million, currently is funded solely by those Affiliated Families whose Net Debit Cap exceeds \$2.15 billion.<sup>40</sup> As the Proposed Rule Change would increase the Net Debit Cap for an individual Participant beyond \$2.15 billion, those Unaffiliated Participants whose Net Debit Cap exceeds \$2.15 billion will be included along with Affiliated Families with Net Debit Caps exceeding \$2.15 billion in the allocation of the Liquidity Fund.<sup>41</sup> To reflect this change, the description of the Liquidity Fund within the Settlement Guide will be updated accordingly.<sup>42</sup> The Impact Study showed that with this Proposed Rule Change, two Unaffiliated Participants would become subject to the Liquidity Fund.<sup>43</sup>

The Settlement Guide would also be updated to reflect the new calculation to determine Liquidity Fund allocation between Affiliated Families and Independent Participants. Whereas within an Affiliated Family, each Participant of the Family pays a percentage portion of the allocated total owed by the Affiliated Family as a whole, an Individual Participant pays the entire allocated portion of the Liquidity Fund.<sup>44</sup> Additionally, several edits to the Liquidity Fund section are proposed to update and clarify the language for readability and simplicity.<sup>45</sup>

To simplify the description of the components of the Participants Fund, the Proposed Rule Change will revise the Amounts subsection to the Participants Fund and Preferred Stock Investment section of the Settlement Guide.<sup>46</sup> Currently, this section outlines four separate aspects of the Participants Fund: the Core Fund, the Base Fund, the Incremental Fund, and the Liquidity Fund. However, in practice, the Base Fund and Incremental Fund are the two components of the Core Fund.<sup>47</sup> To clarify this, the Proposed Rule Change will remove the Base Fund and Incremental Fund from the description of the separate component amounts which create the Participants Fund.<sup>48</sup>

Finally, the Proposed Rule Change would also add new definitions to the Settlement Guide and the Rules and update the description of the Collateral Monitor within the Settlement Guide.

The Settlement Guide’s Important Terms section will be updated to include definitions for Affiliated Family and Unaffiliated Participant.<sup>49</sup> An Affiliated Family will mean “each Participant that controls or is controlled by another Participant and each Participant that is under the common control of any person.” Under this definition, “control” means the direct or indirect ownership of more than 50 percent of the voting securities or voting interests of any person.<sup>50</sup> An Unaffiliated Participant will be defined to mean a Participant that is not included in an Affiliated Family.<sup>51</sup> The Settlement Guide will be edited further to refer to the Collateral Monitor as a “calculation” rather than a “process.”<sup>52</sup> Finally, the term Aggregate Affiliated Family Net Debit will be added to Rule 1 of the Rules and defined as, “the amount by which the algebraic sum of all money debits and charges to the Accounts of an Affiliated Family exceeds the sum of all money credits thereto.”<sup>53</sup>

#### IV. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act<sup>54</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 careful review of 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<sup>55</sup> and Rule 17Ad–22(e)(7)(i) thereunder.<sup>56</sup>

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

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency, such as DTC, be designed to, among other things, promote the prompt and accurate 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

<sup>32</sup> *Id.*

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

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* at 61208.

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> DTC has requested confidential treatment of Exhibit 3, the Impact Study, pursuant to 17 CFR 240.24b–2.

<sup>39</sup> See Notice of Filing, *supra* note 4, at 61207.

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

<sup>53</sup> *Id.* at 61208.

<sup>54</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>55</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>56</sup> 17 CFR 240.17Ad–22(e)(7)(i).

settlement of securities transactions.<sup>57</sup> The Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Act for the reasons stated below.

As noted in Section II above, the Net Debit Cap is a risk management tool utilized by DTC. By limiting the settlement net debit any Participant can incur at any point during the processing day to an amount below DTC's liquidity resources, DTC uses the Net Debit Cap to protect the DTC settlement system in the event of a Participant default. This ensures that DTC maintains sufficient financial resources to complete settlement in the event of a failure to settle by the largest Participant or Affiliated Family of Participants. As noted in Section III above, DTC filed an Impact Study accompanying the Proposed Rule Change. The Commission has reviewed and analyzed the filing materials, including the Impact Study. An increase of the Net Debit Cap would not impact DTC's ability to meet its liquidity obligations because, as discussed in Part III, the proposed Net Debit Cap increase would continue to be supported by sufficient DTC qualifying liquid resources, as the floating amount will always be lower than DTC's total available liquidity.<sup>58</sup> Because the increase in Net Debit Cap should improve transaction processing while still ensuring that DTC has sufficient liquidity resources in the event of default, the Commission finds that the Proposed Rule Change should enhance DTC's ability to provide prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.

The Proposed Rule Change is consistent with removing impediments to and perfecting the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions. As described above, DTC employs Debit Caps as a risk management tool to regulate the total settlement obligation that any Participant or Affiliated Family may incur. As DTC does not process transactions that would result in a Participant exceeding its Net Debit Cap, such transactions remain pending until the Participant's Net Debit Balance is sufficiently reduced to permit processing. By raising the Net Debit Cap, a greater number of transactions could be processed without requiring the Participant to first reduce its Net Debit Balance.<sup>59</sup>

The Commission has reviewed and analyzed the the Impact Study. The Impact Study demonstrates that an increase of the Net Debit Cap would elicit an immediate reduction in the number of SPPs required to complete transactions. A higher Net Debit Cap should reduce blockages from transactions pending due to a Participant reaching their Net Debit Cap and reduce the need to submit SPPs. Accordingly, the proposal is designed to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>60</sup>

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

Rule 17Ad-22(e)(7)(i) requires that, among other things, DTC establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable, 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 at the minimum in all relevant currencies to effect same-day, and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of foreseeable stress scenarios, that includes, but is not limited to, the default of the participant family that would generate the largest aggregate payment obligation for DTC in extreme but plausible market conditions.<sup>61</sup>

As discussed in Part II, the Net Debit Cap restricts a Participant's net debit settlement obligation to an amount that can be satisfied with DTC's liquidity resources at any point during its processing day. As outlined in Part III, the proposed increase in the Net Debit Cap would be capped by DTC's available qualifying liquid resources when considering the Participants Fund, LOC, and Debt Issuance collectively, and it would not alter the current methods for monitoring settlement flows and net debit obligations. This should enable DTC to maintain sufficient liquid resources to meet its payment obligations under a wide range of foreseeable stress scenarios, including the default of the Individual Participant or Affiliated

Family causing the largest aggregate payment obligation for DTC in extreme but plausible market conditions.

For the reasons above, the Commission finds that the Proposed Rule Change is consistent with Rule 17Ad-22(e)(7)(i) under the Act.<sup>62</sup>

#### **V. 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>63</sup> and the rules and regulations promulgated thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act<sup>64</sup> that proposed rule change SR-DTC-2025-019, be, and hereby is, APPROVED.<sup>65</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>66</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2026-02117 Filed 2-2-26; 8:45 am]

**BILLING CODE 8011-01-P**

#### **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-104738; File No. SR-MIAX-2026-04]**

#### **Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 307, Position Limits, and Rule 309, Exercise Limits, Regarding Position and Exercise Limits on Options Overlying Certain Crypto Assets**

January 29, 2026.

Pursuant to the provisions of 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 January 28, 2026, Miami International Securities Exchange, LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit

<sup>62</sup> *Id.*

<sup>63</sup> 15 U.S.C. 78q-1.

<sup>64</sup> 15 U.S.C. 78s(b)(2).

<sup>65</sup> In approving the Proposed Rule Change, the Commission considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>66</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>57</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>58</sup> See Notice of Filing, *supra* note 4, at 61207-08. See also Settlement Guide, *supra* note 3, at 71.

<sup>59</sup> See Settlement Guide, *supra* note 3, at 71.

<sup>60</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>61</sup> 17 CFR 240.17Ad-22(e)(7)(i).