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–SAPPHIRE–2025–37 and should be submitted on or before October 14, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[76]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–18366 Filed 9–22–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104001; File No. SR–FICC–2025–015]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Amendment No. 1, and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Modify the GSD Rulebook Relating to Default Management and Porting With Respect to Indirect Participant Activity

September 18, 2025.

On June 6, 2025, Fixed Income Clearing Corporation (''FICC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change SR–FICC–2025–015 pursuant to Section 19(b) of the Securities Exchange Act of 1934 (''Exchange Act'')[1] and Rule 19b–4[2] thereunder to modify FICC's Government Securities Division (''GSD'') Rulebook to enhance and clarify FICC's default management rules as they apply to the Sponsored Service and Agent Clearing Service, and to facilitate the porting of indirect participant activity from one intermediary Netting Member to another intermediary Netting Member (''Proposed Rule Change''). The Proposed Rule Change was published for public comment in the **Federal Register** on June 23, 2025.[3] The Commission has received comments regarding the substance of the changes proposed in the Proposed Rule Change.[4]

On July 31, 2025, pursuant to Section 19(b)(2) of the Exchange Act,[5] the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the Proposed Rule Change.[6] On September 16, 2025, FICC filed Amendment No. 1 to the Proposed Rule Change, as described in Items I and II below, which Items have been prepared primarily by FICC.

The Commission is publishing notice to solicit comments on the Proposed Rule Change, as modified by Amendment No. 1, and is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act,[7] to determine whether to approve or disapprove the Proposed Rule Change, as modified by Amendment No. 1.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change, as Modified by Amendment No. 1

On June 6, 2025, FICC filed with the Commission a proposal[8] to modify the rulebook of its Government Securities Division (''Rules'')[9] relating to default management and porting with respect to Indirect Participant Activity. On July 14, 2025, the Futures Industry Association (''FIA'') and the International Swaps and Derivatives Association, Inc. (''ISDA'') each submitted comment letters to the Proposed Rule Change.[10]

Based on comments made in the Comment Letters and following further review of the Proposed Rule Change, FICC is now filing this Amendment No. 1. As described in greater detail below, this Amendment No. 1 would modify the Proposed Rule Change to (1) describe in the Rules two additional mechanisms available to Sponsoring Members and Agent Clearing Members to liquidate done-with and done-away Sponsored Member Trades and Agent Clearing Transactions, respectively, of their Indirect Participants: (i) recording an offsetting trade in its Indirect Participants Account, or (ii) instructing FICC to transfer Sponsored Member Trades or Agent Clearing Transactions to a Proprietary Account; (2) amend the existing liquidation mechanism available to Sponsoring Members, which, as described in Section 18 of Rule 3A (which would be re-numbered Section 16 under the Proposed Rule Change), currently allows a Sponsoring Member to liquidate all, but not fewer than all, of the Sponsored Member's done-with Sponsored Member Trades, to permit Sponsoring Members to liquidate some or all of the Sponsored Member's done-with Sponsored Member Trades; (3) revise proposed Section 14(d)(ii) of Rule 3A, which would expand the disclosures regarding the close-out of Sponsored Member Trades after FICC ceases to act for a Sponsoring Member, to clarify that, with respect to any amount due to a Sponsored Member, FICC would make such payment to or directed by the Sponsoring Member or its trustee or received, rather than limit such statement to only amounts due to Segregated Indirect Participants; (4) remove the ability for FICC to liquidate done-with Agent Clearing Transactions under the liquidation mechanism proposed to be added to Section 9 of Rule 8 in the Proposed Rule Change; (5) clarify that the transfer of transactions of a Defaulting Member's Indirect Participants by FICC to alternate Sponsoring Member(s) or Agent Clearing Member(s) would occur only in the event FICC ceases to act for a Sponsoring Member or Agent Clearing Member and, further, that the alternate Sponsoring Member(s) or Agent Clearing Member(s) would need to consent to any such transfer; and (6) further expand the disclosures proposed to be added by the Proposed Rule Change to Rule 22A regarding any market action that an Indirect Participant may take following the default of a Sponsoring Member or Agent Clearing Member.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, as Modified by Amendment No. 1

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

[76] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Securities Exchange Act Release No. 103282 (June 17, 2025), 90 FR 26656 (June 23, 2025) (File No. SR–FICC–2025–015) (''Notice of Filing'').

[4] Comments on the Proposed Rule Change are *available at https://www.sec.gov/comments/sr-ficc-2025-015/srficc2025015.htm.*

[5] 15 U.S.C. 78s(b)(2).

[6] Securities Exchange Act Release No. 103557 (July 28, 2025), 90 FR 36088 (July 31, 2025) (File No. SR–FICC–2025–015).

[7] 15 U.S.C. 78s(b)(2)(B).

[8] *Supra* note 3.

[9] Terms not defined herein are defined in the Rules, *available at www.dtcc.com/legal/rulesand-procedures.aspx,* or in the Proposed Rule Change, *id.*

[10] Letter from Allison Lurton, General Counsel and Chief Legal Officer, The Futures Industry Association (July 14, 2025) (''FIA Letter''); Letter from Katherine Darras, General Counsel, International Swaps and Derivatives Association (July 14, 2025) ('ISDA Letter'', together with the FIA Letter, ''Comment Letters'').

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

On June 6, 2025, FICC filed with the Commission a proposal [11] to modify the Rules relating to default management and porting with respect to Indirect Participant Activity. On July 14, 2025, FIA and ISDA each submitted comment letters to the Proposed Rule Change.[12]

Based on comments made in the Comment Letters and following further review of the Proposed Rule Change, FICC is now filing this Amendment No. 1. As described in greater detail below, this Amendment No. 1 would modify the Proposed Rule Change to (1) describe in the Rules two additional mechanisms available to Sponsoring Members and Agent Clearing Members to liquidate done-with and done-away Sponsored Member Trades and Agent Clearing Transactions, respectively, of their Indirect Participants: (i) recording an offsetting trade in its Indirect Participants Account, or (ii) instructing FICC to transfer Sponsored Member Trades or Agent Clearing Transactions to a Proprietary Account; (2) amend the existing liquidation mechanism available to Sponsoring Members, which, as described in Section 18 of Rule 3A (which would be re-numbered Section 16 under the Proposed Rule Change), currently allows a Sponsoring Member to liquidate all, but not fewer than all, of the Sponsored Member's done-with Sponsored Member Trades, to permit Sponsoring Members to liquidate some or all of the Sponsored Member's done-with Sponsored Member Trades; (3) revise proposed Section 14(d)(ii) of Rule 3A, which would expand the disclosures regarding the close-out of Sponsored Member Trades after FICC ceases to act for a Sponsoring Member, to clarify that, with respect to any amount due to a Sponsored Member, FICC would make such payment to or directed by the Sponsoring Member or its trustee or received, rather than limit such statement to only amounts due to Segregated Indirect Participants; (4) remove the ability for FICC to liquidate done-with Agent Clearing Transactions under the liquidation mechanism proposed to be added to Section 9 of Rule 8 in the Proposed Rule Change; (5) clarify that the transfer of transactions of a Defaulting Member's Indirect Participants by FICC to alternate Sponsoring Member(s) or Agent Clearing Member(s) would occur only in the event FICC ceases to act for a Sponsoring Member or Agent Clearing Member and, further, that the alternate Sponsoring Member(s) or Agent Clearing Member(s) would need to consent to any such transfer; and (6) further expand the disclosures proposed to be added by the Proposed Rule Change to Rule 22A regarding any market action that an Indirect Participant may take following the default of a Sponsoring Member or Agent Clearing Member.

Proposed Rule Change

The primary purpose of the Proposed Rule Change, as described more fully therein, is to improve market participants' understanding of, and to enhance, the rules that govern a default that may occur within one of GSD's indirect access models—the Sponsored Service [13] and the Agent Clearing Service.[14] The Proposed Rule Change also proposes to adopt rules that would permit the porting of indirect participant positions and margin between intermediaries, both in the regular course of business and following the default of an intermediary firm.[15]

More specifically, the Proposed Rule Change consists of modifications to the Rules that would (1) enhance the ability of market participants to understand FICC's default management rules as they apply to the default of a Sponsoring Member or Sponsored Member; (2) adopt rules that would govern the default management and related matters applicable to the Agent Clearing Service that are consistent, as appropriate, with the default management rules of the sponsored membership service; (3) enhance the provisions that govern a default of FICC by addressing the application of those provisions to indirect participant activity; (4) adopt rules that facilitate the porting of indirect participant activity from one intermediary Netting Member to another intermediary Netting Member; and (5) make other technical updates and corrections to the Rules, as described in the Proposed Rule Change.[16]

Proposed Amendments

In consideration of the comments made in the Comment Letters, as described below, and following further review of the Proposed Rule Change, FICC has determined to amend the Proposed Rule Change. The proposed amendments described in this Amendment No. 1 would address a number of comments made in the Comment Letters. Other than the proposed amendments described herein, the remainder of the Proposed Rule Change remains unchanged.

1. Description of Additional Liquidation Mechanisms

Currently, the Rules include a provision that governs the voluntary liquidation of done-with Sponsored Member Trades by either the Sponsoring Member or FICC.[17] The Proposed Rule Change proposed to adopt an identical provision that would provide Agent Clearing Members with the ability to liquidate done-with Agent Clearing Transactions.[18]

In consideration of comments made in both Comment Letters,[19] and following further review of the Proposed Rule Change, FICC is proposing to amend both Section 18 of Rule 3A (which would be re-numbered Section 16 under the Proposed Rule Change) and the proposed Section 9 of Rule 8 to describe additional mechanisms through which Sponsoring Members and Agent Clearing Members could liquidate both done-with and done-away transactions of Indirect Participants. The proposed amendments would enhance the Rules by describing these two mechanisms, which are operationally available to Sponsoring Members and Agent Clearing Member today.

First, FICC would amend the Proposed Rule Change to include in Section 18 of Rule 3A (which would be re-numbered Section 16 under the Proposed Rule Change) a provision that would describe two additional liquidation mechanisms available to Sponsoring Members to liquidate both done-with and done-away Sponsored Member Trades of a Sponsored Member. Both liquidation mechanisms are operationally available to Sponsoring Members today. The proposed amendments would provide for them explicitly in the Rules, improving market participants' understanding of the actions available to Sponsoring Members to liquidate done-with and done-away Sponsored Member Trades.

The proposed amendments would define the two mechanisms that Sponsoring Members may use to

[11] *Supra* note 3.

[12] *Supra* note 10.

[13] Rule 3A (Sponsoring Members and Sponsored Members), *supra* note 9.

[14] Rule 8 (Agent Clearing Service), *id.*

[15] *Supra* note 3.

[16] *Id.*

[17] *See* Section 18 (which would be re-numbered Section 16 in the Proposed Rule Change) of Rule 3A, *supra* note 9.

[18] *Supra* note 3.

[19] FIA Letter, at 4–7; ISDA Letter, at 1, *supra* note 10.

liquidate done-with and done-away Sponsored Member Trades as ''SMP Liquidation Actions''. In Section 18(c)(i) of Rule 3A (which would be re-numbered Section 16 in the Proposed Rule Change), the proposed amendments would provide that, with respect to the liquidation of positions resulting from Sponsored Member Trades other than Sponsored GC Trades, the Sponsoring Member may submit to FICC to be recorded in the Sponsoring Member Omnibus Account another Sponsored Member Trade that offsets, in whole or in part, any Net Settlement Position or Forward Net Settlement Position established in such Sponsoring Member Omnibus Account. This mechanism would not be available for Sponsored GC Trades because FICC settles Sponsored GC Trades on a gross basis and, therefore, an offsetting trade would not effectively liquidate a Sponsored GC Trade.

In Section 18(c)(ii) of Rule 3A (which would be re-numbered Section 16 in the Proposed Rule Change), the proposed changes would provide that, with respect to any Sponsored Member Trades, the Sponsoring Member may instruct FICC to transfer to a Proprietary Account of the Sponsoring Member any Net Settlement Position or Forward Net Settlement Position established in a Sponsoring Member Omnibus Account. As a result of such instruction, the positions would become the proprietary positions of the Sponsoring Member.

The proposed amendments would also provide that any SMP Liquidation Action taken by a Sponsoring Member shall constitute a representation by the Sponsoring Member to FICC that the Sponsoring Member is permitted to take such actions under all applicable laws and any agreements with the Sponsored Member. Finally, the proposed amendments would provide that the Sponsoring Member shall indemnify the SMP Indemnified Parties (as such term is defined in the Rules) from any and all losses, liabilities, or expenses of an SMP Indemnified Party arising from or related to any Liquidation Action.

In connection with adopting these additional provisions, FICC would re-number the subsections in Section 18 of Rule 3A (which would be re-numbered Section 16 under the Proposed Rule Change). These revisions would move the limitation that the provisions of Section 18 (which would be re-numbered Section 16) only apply to done-with Sponsored Member Trades out of subsection (a) and into a new subsection (b)(i). This proposed amendment would make clear that the limitation only applies to the existing liquidation provision, and that the additional liquidation mechanisms proposed to be added to the Rules by this Amendment No. 1 are available for both done-with and done-away Sponsored Member Trades. The description of the existing liquidation mechanism would move from subsections (b), (c), (d) and (e) to subsections (b)(i), (ii), (iii) and (iv). The proposed provisions to describe Sponsoring Members' ability to take SMP Liquidation Actions, as described above, would be added to a new Section 18(c) of Rule 3A (which would be re-numbered Section 16(c) under the Proposed Rule Change).

Second, the proposed amendments would include a new Section 9(c) in Rule 8 to include in the rules governing the Agent Clearing Service the same two additional liquidation mechanisms that FICC is proposing to add to Rule 3A. These mechanisms, which would be defined as ''ACM Liquidation Actions'', would similarly permit an Agent Clearing Member to liquidate the done-with and done-away Agent Clearing Transactions of an Executing Firm Customer by (i) recording an offsetting Agent Clearing Transaction in the Agent Clearing Member Omnibus Account, or (ii) instructing FICC to transfer a position established in the Agent Clearing Member Omnibus Account to a Proprietary Account, causing that position to become a proprietary position of the Agent Clearing Member. The proposed amendments would provide that an ACM Liquidation Action would constitute a representation by the Agent Clearing Member to FICC that the Agent Clearing Member is permitted to take such action and would include the same indemnification language that is proposed to be added to Rule 3A by this Amendment No. 1, as described above.

2. Permit Sponsoring Members To Liquidate Some or All Sponsored Member Trades

The existing liquidation provision in Section 18 of Rule 3A (which would be re-numbered Section 16(b) under the Proposed Rule Change) permits Sponsoring Members to liquidate all, but not fewer than all, of the Sponsored Member's done-with Sponsored Member Trades.[20] In consideration of comments made in the FIA Letter,[21] and following further review of the Proposed Rule Change, FICC is proposing to amend Section 18 of Rule 3A (which would be re-numbered Section 16(b) under the Proposed Rule Change) to replace the references therein to ''all, but not fewer than all'' with ''some or all.''

This proposed amendment would permit a Sponsoring Member, subject to the terms of any agreement with its Sponsored Member, to use this existing liquidation mechanism in Rule 3A to liquidate some or all of the Sponsored Member's done-with Sponsored Member Trades. FICC believes providing such flexibility would facilitate the ability of Sponsoring Members to provide clearing services to Sponsored Members. This proposed change to Rule 3A would also align with the proposed changes to Rule 8, applicable to Agent Clearing Members, which would also permit the same flexibility under the Proposed Rule Change.

3. Clarify That FICC May Make Payments to Any Sponsored Member Following the Close-Out of Sponsored Member Trades

Currently, the default management provisions in Rule 3A provide that, in the event FICC ceases to act for a Sponsoring Member, FICC would either settle or close out the Sponsored Member Trades that were Novated to FICC before it ceased to act for the Sponsoring Member.[22] The Proposed Rule Change would include new subsections to Section 14 of Rule 3A that would describe further how Sponsored Member Trades would be settled or closed out following the default of a Sponsoring Member.[23] Proposed Section 14(d)(ii), which would expand the disclosures regarding the close-out of Sponsored Member Trades, would also provide that, with respect to any amount due to a Segregated Indirect Participant that is a Sponsored Member, FICC would make such payment to or as directed by the Sponsoring Member or its trustee or receiver.

In consideration of comments made in the FIA Letter,[24] and following further review of the Proposed Rule Change, FICC is proposing to amend proposed Section 14(d)(ii) of Rule 3A to clarify that, with respect to any amount due to a Sponsored Member following the close out of Sponsored Member Trades, FICC would make such payment to or directed by the Sponsoring Member or its trustee or received, rather than limit such statement to only amounts due to Segregated Indirect Participants.

[20] *See* Section 18 (which would be re-numbered Section 16 in the Proposed Rule Change) of Rule 3A, *supra* note 9.

[21] FIA Letter, at 14, *supra* note 10.

[22] *See* Section 14 of Rule 3A, *supra* note 9.

[23] *Supra* note 1.

[24] FIA Letter, at 15, *supra* note 10.

4. Remove the Ability for FICC To Liquidate Agent Clearing Transactions

The Proposed Rule Change would adopt a provision in Section 9 of Rule 8 to provide both Agent Clearing Members and FICC with the ability to liquidate done-with Agent Clearing Transactions, similar to the existing provision in Section 18 of Rule 3A (which would be re-numbered Section 16(b) under the Proposed Rule Change) that governs the liquidation of done-with Sponsored Member Trades.[25]

In consideration of comments made in the FIA Letter,[26] and following further review of the Proposed Rule Change, FICC is proposing to amend the proposed Section 9 of Rule 8 to remove the ability for FICC to liquidate Agent Clearing Transactions under this provision. Unlike Sponsored Members, Executing Firm Customers are not limited members of FICC. Therefore, under this proposed amendment, FICC would only have the ability to settle or close out (or, if the Proposed Rule Change is approved, transfer to another Agent Clearing Member) Agent Clearing Transactions in the event FICC has ceased to act for an Agent Clearing Member.

5. Expand Disclosures Regarding Market Action Indirect Participants May Take Following the Default of a Sponsoring Member or Agent Clearing Member

Rule 22A describes the procedures that govern a cease to act for a Defaulting Member, including actions FICC may take in such an event.[27] The Proposed Rule Change would expand the disclosures in Rule 22A to provide that the Indirect Participants of a Defaulting Member may, but are not obligated to, take market action to close out any outstanding positions that FICC determines to close out pursuant to Rules 3A and 8, respectively.[28]

In consideration of comments made in the FIA Letter,[29] and following further review of the Proposed Rule Change, FICC is proposing to further expand these disclosures by providing that, with respect to any market action taken by an Indirect Participant in the circumstances described in this section of Rule 22A, such Indirect Participant shall not, except to the extent otherwise set forth in the Rules, be required to report the data on any such market action to FICC. The proposed amendments would further provide that FICC shall not incorporate such data into its calculation of any amount owing by or to the Defaulting Member or Indirect Participant to any greater extent than it would have done so in the absence of the statement proposed to be added to Rule 22A by the Proposed Rule Change. These proposed amendments would clarify the intent of the statement proposed to be added to Rule 22A by the Proposed Rule Change.

6. Clarify the Conditions for FICC To Transfer Indirect Participant Activity Following Default of Sponsoring Member or Agent Clearing Member

The Proposed Rule Change proposed to adopt a new Rule 26 to describe the process by which an Indirect Participant's activity and, when applicable, Segregated Customer Margin could be ported between Sponsoring Members or Agent Clearing Members.[30] Section 2 of proposed Rule 26 would provide for transfers of Indirect Participant activity following the default of a Sponsoring Member or Agent Clearing Member.[31]

In consideration of comments made in the FIA Letter,[32] and following further review of the Proposed Rule Change, FICC is proposing to amend Section 2 of proposed Rule 26 to clarify that the provision would apply in the event FICC ceases to act for a Sponsoring Member or Agent Clearing Member under the Rules. The proposed amendment would also clarify that any transfer under this provision would require the consent of the alternative, or receiving, Sponsoring Member or Agent Clearing Member.

2. Statutory Basis

FICC believes that the proposed amendments in this Amendment No. 1 are consistent with the requirements of the Act and the rules and regulations thereunder applicable to FICC. In particular, FICC believes that the proposed amendments are consistent with Section 17A(b)(3)(F) of the Act[33] and Rules 17ad–22(e)(13) and (23)(i) promulgated under the Act,[34] as described below.

Section 17A(b)(3)(F) of the Act requires, in part, that the rules of FICC 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 FICC or for which it is responsible.[35] The proposed amendments would expand upon the changes proposed in the Proposed Rule Change, by, for example, describing in the Rule additional liquidation mechanisms available to Sponsoring Members and Agent Clearing Members. By expanding the Rules governing default management and the proposed Rules that would govern porting Indirect Participant activity, the proposed amendments would improve market participants' understanding of the operation of FICC's default management procedures applicable to the GSD indirect access models. As a result, FICC believes that market participants would be better prepared in the event of a Member default, which would result in a more orderly management of such an event. The proposed amendments would, therefore, minimize default losses and, thereby, reduce potential risk to FICC and non-defaulting Members. As such, FICC believes the proposed amendments would assure the safeguarding of securities and funds which are in the custody and control of FICC or for which it is responsible, consistent with Section 17A(b)(3)(F) of the Act.[36]

Rule 17ad–22(e)(13) promulgated under the Act requires that FICC establish, implement, maintain, and enforce written policies and procedures reasonably designed to ensure FICC has the authority and operational capacity to take timely action to contain losses and continue to meet its obligations.[37] As described above, the proposed amendments would expand the descriptions in the Rules of FICC's default management procedures by, for example, describing additional liquidation mechanisms available under the Sponsored Service and Agent Clearing Service and making clarifications to the existing liquidation provisions in the Rules and in the Proposed Rule Change. Having clear and comprehensive rules governing the default management process would facilitate a more effective and orderly administration of those rules, providing FICC with the authority and operational capacity to take timely action to contain losses and liquidity demands in the event of a default. This, in turn, would help FICC continue to meet its clearance and settlement obligations as a central counterparty in such an event. Therefore, FICC believes that the proposed amendments to enhance the transparency and consistency of FICC's default management process with respect to indirect participant activity

[25] *Supra* note 3.

[26] FIA Letter, at 13–14, *supra* note 10.

[27] *See* Rule 22A (Procedures for When the Corporation Ceases to Act), *supra* note 9.

[28] *Supra* note 3.

[29] FIA Letter, at 8–9, *supra* note 10.

[30] *Supra* note 3.

[31] *Id.*

[32] FIA Letter, at 10 and 12–13, *supra* note 10.

[33] 15 U.S.C. 78q–1(b)(3)(F).

[34] 17 CFR 240.17ad–22(e)(13), (23)(i).

[35] 15 U.S.C. 78q–1(b)(3)(F).

[36] *Id.*

[37] 17 CFR 240.17ad–22(e)(13).

are consistent with Rule 17ad–22(e)(13) under the Act.[38]

Rule 17ad–22(e)(23)(i) promulgated under the Act requires that FICC establish, implement, maintain, and enforce written policies and procedures reasonably designed to publicly disclose all relevant rules and material procedures, including key aspects of FICC's default rules and procedures.[39] The proposed amendments would expand the description of FICC's default management procedures in the Rules, principally by describing additional liquidation mechanisms available to Sponsoring Members and Agent Clearing Members and clarifying the operation of the existing liquidation provisions in the Rules and the Proposed Rule Change. As such, these proposed amendments would further improve the public disclosures in the Rules regarding FICC's default rules and procedures as such matters apply to the indirect access models. Therefore, FICC believes that the proposed amendments are consistent with Rule 17ad–22(e)(23)(i) under the Act.[40]

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

FICC does not believe the proposed amendments would have any impact on competition because, similar to the changes set forth in the Proposed Rule Change, the proposed amendments would apply equally to all Members and Indirect Participants. Further, like the changes set forth in the Proposed Rule Change, the proposed amendments would expand the disclosures in the Rules regarding how FICC's default management procedures apply to the GSD indirect access models, and make updates primarily designed to improve market participants' understanding of those Rules. As such, FICC does not believe such proposed amendments would have any effect on participants' respective competitive position.

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

FICC has not received or solicited any written comments relating to this Amendment No. 1. If any written comments are received, FICC will amend this filing to publicly file such comments as an Exhibit 2 hereto, as required by Form 19b–4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b–4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

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 or 202–551–5777.*

FICC reserves the right to not respond to any comments received.

III. Proceedings To Determine Whether To Approve or Disapprove SR–FICC–2025–015, as Modified by Amendment No. 1, and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act[41] to determine whether the Proposed Rule Change, as modified by Amendment No. 1, should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the Proposed Rule Change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide comments on the Proposed Rule Change.

Pursuant to Section 19(b)(2)(B) of the Exchange Act,[42] the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the proposed rule change's consistency with Section 17A of the Exchange Act[43] and the rules thereunder, including the following provisions:

- Section 17A(b)(3)(F) of the Exchange Act,[44] which requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions; 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; to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions; and, in general, to protect investors and the public interest;
- Rule 17ad–22(e)(13) under the Exchange Act,[45] which requires that a covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to ensure the covered clearing agency has the authority and operational capacity to take timely action to contain losses and liquidity demands and continue to meet its obligations by, at a minimum, requiring the covered clearing agency's participants and, when practicable, other stakeholders to participate in the testing and review of its default procedures, including any close-out procedures, at least annually and following material changes thereto; and
- Rule 17ad–22(e)(19) under the Exchange Act,[46] which requires that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to identify, monitor, and manage the material risks to the covered clearing agency arising from arrangements in which firms that are indirect participants in the covered clearing agency rely on the services provided by direct participants to access the covered clearing agency's payment, clearing, or settlement facilities;
- Rule 17ad–22(e)(23)(i) under the Exchange Act,[47] which requires that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide for publicly disclosing all relevant and material procedures, including key aspects of its default rules and procedures.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal, as modified by Amendment No. 1. In particular, the Commission invites the written views of interested persons concerning whether the

[38] *Id.*

[39] 17 CFR 240.17ad–22(e)(23)(i).

[40] *Id.*

[41] 15 U.S.C. 78s(b)(2)(B).

[42] *Id.*

[43] 15 U.S.C. 78q–1.

[44] 15 U.S.C. 78q–1(b)(3)(F).

[45] 17 CFR 240.17ad–22(e)(13).

[46] 17 CFR 240.17ad–22(e)(19).

[47] 17 CFR 240.17ad–22(e)(23)(i).

proposal is consistent with Section 17A(b)(3)(F)[48] of the Exchange Act and Rules 17ad–22(e)(13), (e)(19), and (e)(23)(i)[49] under the Exchange Act, or any other provision of the Exchange Act, and the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.[50]

Interested persons are invited to submit written data, views, and arguments regarding whether the Proposed Rule Change, as modified by Amendment No. 1, should be approved or disapproved by October 14, 2025. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by October 28, 2025.

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.* Please include file number SR–FICC–2025–015 on the subject line.

Paper Comments

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

All submissions should refer to file number SR–FICC–2025–015. 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 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 FICC and on DTCC's website (*https://dtcc.com/legal/sec-rule-filings.aspx*). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–FICC–2025–015 and should be submitted on or before October 14, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[51]

Sherry R. Haywood,

Assistant Secretary.

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[48] 15 U.S.C. 78q–1(b)(3)(F).

[49] 17 CFR 240.17ad–22(e)(13), (e)(19), and (e)(23)(i).

[50] Section 19(b)(2) of the Exchange Act, as amended by the Securities Acts Amendments of 1975, Public Law 94–29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. *See* Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

[51] 17 CFR 200.30–3(a)(12) and (a)(57).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104005; File No. SR–MRX–2025–20]

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 7, Section 6, Ports and Other Services

September 18, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 5, 2025, Nasdaq MRX, LLC (''MRX'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items II and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Specialized Quote Feed[3] or ''SQF'' Port and SQF Purge Port[4] pricing at Options 7, Section 6, Ports and Other Services.[5]

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on January 1, 2026.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange 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

[3] ''Specialized Quote Feed'' or ''SQF'' is an interface that allows Market Makers to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses to the Exchange. Features include the following: (1) options symbol directory messages (*e.g.,* underlying and complex instruments); (2) system event messages (*e.g.,* start of trading hours messages and start of opening); (3) trading action messages (*e.g.,* halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the (i) Order Price Protection, Market Order Spread Protection, and Size Limitation Protection in Options 3, Section 15(a)(1)(A), (1)(B), and (2)(B) respectively, for single leg orders, or (ii) Complex Order Price Protection as defined in Options 3, Section 16(c)(1) for Complex Orders. *See* Supplementary Material .03(c) to Options 3, Section 7.

[4] SQF Purge is a specific port for the SQF interface that only receives and notifies of purge requests from the Market Maker. Dedicated SQF Purge Ports enable Market Makers to seamlessly manage their ability to remove their quotes in a swift manner. The SQF Purge Port is designed to assist Market Makers in the management of, and risk control over, their quotes. Market Makers may utilize a purge port to reduce uncertainty and to manage risk by purging all quotes in their assigned options series. Of note, Market Makers may only enter interest into SQF in their assigned options series. Additionally, the SQF Purge Port may be utilized by a Market Maker in the event that the Member has a system issue and determines to purge its quotes from the order book.

[5] The Exchange filed SR–MRX–2025–17 on August 26, 2025. On September 5, 2025 the Exchange withdrew SR–MRX–2025–17 and filed this proposal.