current ORF rate of $0.0002 under the current model, beginning July 1, 2026, the Exchange understands all U.S. options exchanges will implement a similar on-exchange model, and ORF rates may decrease for individual transactions overall because the proposed On-Exchange ORF will avoid overlapping ORFs that would otherwise be assessed by the Exchange and other options exchanges that also assess an ORF. Beginning July 1, 2026, transactions that would clear in the customer range occurring on other exchanges would no longer be subject to an ORF assessed by the Exchange.

The Exchange believes the proposed nonsubstantive changes to the rule text will protect investors and the public interest, as it provides additional clarity regarding how ORF is collected and deletes outdated language, but has no impact on that process and thus will have no impact on customers.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. This proposal does not create an unnecessary or inappropriate intramarket burden on competition because ORF applies to all customer activity on the Exchange, thereby raising regulatory revenue to offset regulatory expenses. It also supplements the regulatory revenue derived from non-customer activity. The Exchange notes, however, the proposed change is not designed to address any competitive issues. Indeed, this proposal does not create an unnecessary or inappropriate intermarket burden on competition because it is a regulatory fee that supports regulation in furtherance of the purposes of the Act. The Exchange is obligated to ensure that the amount of regulatory revenue collected from the ORF, in combination with its other regulatory fees and fines, does not exceed regulatory costs.

The proposed nonsubstantive changes have no impact on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received written comments on the proposed rule change.

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) of the Act [18] and paragraph (f) of Rule 19b–4 [19] 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CboeBZX–2026–066 on the subject line.

Paper Comments

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

All submissions should refer to file number SR–CboeBZX–2026–066. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. 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–CboeBZX–2026–066 and should be submitted on or before September 21, 2026.

[18] 15 U.S.C. 78s(b)(3)(A).

[19] 17 CFR 240.19b–4(f).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–17665 Filed 8–28–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106203; File No. 600–46]

DTCC ITP LLC; Notice of Filing of Application for Exemption From Registration as a Clearing Agency Under Section 17A of the Securities Exchange Act of 1934

August 26, 2026.

I. Introduction

On September 18, 2025, DTCC ITP LLC (''DTCC ITP'' or ''Applicant'') filed with the Securities and Exchange Commission (''Commission'') an application (''Application'') on Form CA–1 seeking an exemption from registration as a clearing agency pursuant to Section 17A of the Securities Exchange Act of 1934 (''Exchange Act'').[1] The Application explains that DTCC ITP proposes to engage in a transaction involving its wholly owned subsidiary, DTCC ITP Matching (''ITPM''), that will result in DTCC ITP providing the central trade matching services [2] and electronic trade confirmation (''ETC'') services that ITPM currently provides pursuant to a conditional exemption from registration as a clearing agency granted by the Commission in 2001 (''ITPM Exemption'').[3] Accordingly, in its Application DTCC ITP seeks an exemption from registration as a

[20] 17 CFR 200.30–3(a)(12).

[1] *See* 15 U.S.C. 78q–1; 17 CFR 240.17Ab2–1.

[2] The term ''matching service'' as used here means an electronic service to centrally match trade information between a broker-dealer and its institutional customer. On April 6, 1998, the Commission issued an interpretive release regarding matching services (the ''Matching Release''). *See* Confirmation and Affirmation of Securities Trades; Matching, Exchange Act Release No. 34–39829 (Apr. 6, 1998), 63 FR 17943 (Apr. 13, 1998). In the Matching Release, the Commission concluded that ''matching constitutes a clearing agency function within the meaning of the clearing agency definition'' under Section 3(a)(23)(A) of the Exchange Act; specifically, ''comparison of data respecting the terms of settlement of securities transactions.'' *See id.,* 63 FR at 17943; *see also* 15 U.S.C. 78c(a)(23)(A).

[3] Global Joint Venture Matching Services—US, LLC; Order Granting Exemption From Registration as a Clearing Agency, Exchange Act Release No. 44188 (Apr. 17, 2001), 66 FR 20494 (Apr. 23, 2001) (''ITPM Exemption'').

clearing agency to provide these same services.[4]

The Commission is publishing this notice to solicit comments from interested persons on the Application. The Commission will consider any comments it receives in making its determination whether to grant DTCC ITP's request for an exemption from registration as a clearing agency.[5]

II. Background

DTCC ITP's wholly owned subsidiary, ITPM, has been providing central matching and ETC services pursuant to the ITPM Exemption since 2001.[6] As described more fully in Exhibit S, DTCC ITP proposes to assume ITPM's role and obligations as a central matching services provider and exempt clearing agency, so that eventually, ITPM may withdraw its exemption status and be duly dissolved.[7] As a result, DTCC ITP intends to directly provide the services that had been provided previously by its subsidiary. As part of this assumption of ITPM's role, DTCC ITP would enter into agreements with the National Securities Clearing Corporation (''NSCC'') and The Depository Trust Company (''DTC'') to act as a Qualified Clearing Agency or Matching Utility for purposes of managing interactions and instructions sent to NSCC and DTC under their rules.[8]

III. Summary of the Applicant's Organization and Services

A. Organization

DTCC ITP states that it is a Delaware limited liability company whose sole member (''Member'') is the Depository Trust & Clearing Corporation (''DTCC''), a New York corporation.[9] In its Application, DTCC ITP states that its Amended and Restated Limited Liability Company Agreement (''LLC Agreement'') would provide that its member, DTCC, ''shall have full discretion to manage and control the business and affairs'' of DTCC ITP and to ''take all actions it deems necessary, appropriate or convenient to accomplish the purpose of the DTCC ITP,'' except for power granted to the Board of Managers (''Board'') under the LLC Agreement.[10] DTCC ITP describes that the LLC Agreement provides for up to 16 managers on the Board (each, a Manager), up to three of whom are representatives of DTCC.[11] DTCC ITP also describes that the Board will have the powers set forth in the LLC Agreement and in the proposed DTCC ITP LLC Board of Managers Charter.[12]

In the Application, DTCC ITP explains that it operates entirely through its services agreements with DTCC (''Service Agreements'').[13] DTCC ITP further explains that it has ''zero'' employees and that all personnel who are engaged in or support the clearing agency activities its Application describes are employed by DTCC or one DTCC's affiliate entities acting as a service provider (''Service Provider'').[14] Specifically, DTCC ITP states that approximately 60 full-time employees provide dedicated support to DTCC ITP.[15] DTCC ITP writes that it also has two Executive Officers, the Principal and the General Manager, who control the operation of its business.[16]

B. Description of Services in Application

1. Proposed Services

As described further in Exhibit J, DTCC ITP proposes to provide the same services ITPM currently provides (collectively, the ''Client Services'') to support post-trade allocation, confirmation, matching, and affirmation of securities transactions for its clients.[17] DTCC ITP writes that its clients would comprise a ''broad array'' of securities market participants.[18] Specifically, DTCC ITP states these clients would continue to include: (i) investment managers, investment manager outsourcers, hedge funds, and other institutions (all, ''institutions''); (ii) broker-dealers (including brokers acting as clearing brokers, brokers acting as agents or correspondents for other brokers, and traditional executing brokers); (iii) custodians (and brokers acting as custodians by providing prime brokerage services); and (iv) agents (including parties without ''an active role in post-trade processing but may have an interest in, or need access to the [Client Services] for the administration of the allocation, confirmation, matching, and/or allocation process'' (collectively, ''Clients'').[19]

DTCC ITP describes that its Client Services would continue to consist of three (3) core services: (i) CTM (''a post-trade matching service''); (ii) TradeSuite ID (''primarily a confirmation and affirmation service''); and (iii) ALERT (''a global database of securities, cash and collateral standing settlement instructions'').[20] As discussed further below, these core services may involve additional functionality, depending on the subscription type, as well as optional workflows and ''add-on or ancillary'' services.[21] DTCC ITP writes that it will also continue to offer one non-core service: ITP Integration Business Services, to assist its clients to implement the Client Services.[22]

(a) CTM

In Exhibit J, DTCC ITP states that CTM is a central matching platform used to allocate and centrally match securities transactions post-trade.[23] In Exhibit J, DTCC ITP describes CTM's process as occurring between a broker-dealer (or ''confirming'') Client, and institution (or ''instructing'') Client.[24] After the Clients enter the trade's block and allocation data into CTM, CTM compares and matches (matching based on ''both mandatory and optional trade data'').[25]

If CTM determines that all mandatory and optional trade data match, then CTM sends a status message to each Client that is a party to the trade and generates block and allocation matched status messages to update each party to the trade.[26] If data submitted by the Client does not match for the mandatory and select optional matching fields, then an exception occurs.[27] If an exception occurs, CTM automatically sends each party to the trade a notification message that provides the matching status and provides each party to the trade the ability to identify and

[4] Application, Exhibit S. DTCC ITP subsequently amended its application on September 23, 2025. The non-confidential exhibits of its application are available for viewing on the Commission's website at *https://www.sec.gov/rules-regulations/commission-orders-notices/other-commission-orders-notices-information.* All capitalized terms that are not defined in this notice are defined in the Application.

[5] Because DTCC ITP filed an application for an exemption from registration (rather an application for registration) as a clearing agency, the timing requirements in Section 19(a) of the Exchange Act (''Section 19(a)'') do not apply. *See* 15 U.S.C. 78q–1(b)(2) (applying the provisions of Section 19(a) to applications for registration as a clearing agency).

[6] *See supra* note 3.

[7] *See* Application, Exhibit S, at 7.

[8] *See* Application, Exhibit S, at 9.

[9] *See* Application, Exhibit A, at 1. The Applicant became a wholly owned subsidiary of DTCC on October 1, 2013, when DTCC and Thomson Financial Inc. completed a transaction pursuant to which DTCC acquired full ownership of Omgeo LLC (''Omgeo''). Omgeo's name was changed to ''DTCC ITP LLC'' effective November 14, 2017.

[10] *See* Application, Exhibit A, at 1.

[11] *See* Application, Exhibit A, at 1.

[12] *See* Application, Exhibit A, at 1.

[13] *See* Application, Exhibit S, at 8.

[14] *See* Application, Schedule A, at 3 (''Item 8(a)'').

[15] *See* Application, Exhibit S, at 8.

[16] *See* Application, Exhibit S, at 8; *see also* Exhibits A at 4; B at 1–2; and C at 3–4.

[17] *See* Application, Exhibit J, at 1.

[18] *See* Application, Exhibit J, at 1.

[19] *See* Application, Exhibit J, at 1.

[20] *See* Application, Exhibit J, at 1.

[21] *See* Application, Exhibit J, at 1.

[22] *See* Application, Exhibit J, at 1.

[23] *See* Application, Exhibit J, at 9.

[24] *See* Application, Exhibit J, at 9.

[25] *See* Application, Exhibit J, at 9.

[26] *See* Application, Exhibit J, at 9.

[27] *See* Application, Exhibit J, at 10.

correct the trade.[28] Once the trade matches in CTM, CTM automatically sends messages to the parties to the trade.[29] The parties to the trade would then settle the trade outside of CTM. DTCC ITP states that CTM does not stage trades for settlement and does not communicate matched trades to any clearing agency for settlement.[30]

CTM's system includes ''additional functionality depending on the subscription type.'' [31] Such functionality includes archival services: (i) Confirm Archive (allowing customers to electronically search for match-agreed confirmations and cancel match-agreed confirmations in a DTCC system that DTCC ITP uses for storing the archived confirmations); [32] and (ii) Trade Archive (allowing institutional clients to access archived records of their trades and trade related information).[33] CTM's included system functionality also includes ITP Data Analytics Operational Metrics (providing Clients with metrics and analytics of operational performance (*e.g.,* timeliness of trade entry in CTM, type and count of trade exception reasons, and timeliness of achieving a CTM match agreed status) with counterparties over a quarterly, monthly, and weekly time period).[34]

DTCC ITP proposes to continue using the existing optional workflows for CTM Clients, including: (i) Match to Instruct (''M2i,'' which creates the TradeSuite ID confirmation on the broker-dealer's behalf, including standing settlement instructions (''SSI'') enrichment, and automatically affirms the trade if the trade matches against trade data entered by the institution in CTM); [35] (ii) CTM for Prime Broker (enabling prime brokers to see trade and match status for trades they will eventually have to settle); [36] and (iii) ALERT SSI Enrichment (enabling SSI enrichment into CTM) through either (A) standard ALERT enrichment by clients providing a trade's ALERT Keys (''Country Security, Method'') into CTM,[37] or (B) through suggestions made by the ALERT Key Auto Select (''AKAS,'' which uses CTM trade information to derive the country and security type for a transaction and determine a default depository),[38] along with (C) the ASSIsT service (providing institutions with an alternative mechanism to communicate account and settlement instructions to broker-dealers).[39]

DTCC ITP also proposes to continue to offer the following add-on or ancillary services to CTM Clients: (i) Settlement Instruction Manager (giving the institution and broker-dealer Clients the ability to automatically generate and send settlement instructions to custodians); [40] (ii) inSITE (storing confirmation disclosures in conjunction with broker-dealers' use of TradeSuite ID or CTM); [41] and (iii) ITP Data Analytics Benchmarking (allowing comparison of matching performance across peers).[42]

(b) TradeSuite ID

In Exhibit J, DTCC ITP states that TradeSuite ID ''automates the electronic distribution of trade details between counterparties for post-trade processing of DTC-eligible securities to facilitate electronic settlement and Clients' regulatory compliance.'' [43] TradeSuite ID uses various mandatory fields and optional fields (as selected by the institution) contained within both allocation input and broker confirmation (trade input) to determine a match.[44] The trade is only automatically affirmed if the institution and the executing broker match on the financial terms of the trade.[45] If the trade details in a TradeSuite ID confirmation meet the required eligibility criteria to determine if the trade is eligible to settle at DTC or clear at NSCC, then TradeSuite ID will send a settlement instruction message to the applicable depository or clearing agency.[46]

DTCC ITP states that ''Clients that use TradeSuite ID have access'' to the following archival services: [47] (i) Confirm Archive (allowing customers to electronically search for match-agreed confirmations and cancel match-agreed confirmations in a DTCC system that DTCC ITP uses for storing the archived confirmations); [48] and (ii) Trade Archive (allowing institutional clients to access archived records of their trades and trade related information).[49] DTCC ITP states that Clients that use TradeSuite ID have access to ITS Data Analytics Operational Metrics (providing Clients with analytics entered in TradeSuite ID and the timeliness of affirmations).[50]

Finally, DTCC ITP proposes to continue to allow Clients that use TradeSuite ID to have access to inSITE as an add-on or ancillary service.[51]

(c) ALERT

DTCC ITP states that ALERT ''is a global database supporting the input, maintenance, and retrieval of accounts (which maintain underlying reference data points such as tax identifiers, country of domicile, and Legal Entity Identifiers, which allows customers to confirm available SSIs)'' available to Clients that either: (i) input data into ALERT; or (ii) retrieve account and/or SSI data from ALERT.[52] DTCC ITP states that ALERT enables Clients to ''confirm SSIs and whether accounts are ready for settlement.'' [53] DTCC ITP does not state that is proposing optional workflows or ancillary services related to ALERT.[54]

2. Risk Management

DTCC ITP states that, due to its Client Services and operations, risk exposures, and the competitive landscape in which it operates, risks are limited primarily to operational risk.[55] DTCC ITP also states that certain types of risks inherent in clearing activities would not apply to DTCC ITP based on its Client Services.[56] Specifically, DTCC ITP describes that it does not: (i) bear credit risk or liquidity risk; (ii) maintain collateral or hold funds or securities; (iii) perform final settlement; (iv) perform central securities depository services or hold securities; or (v) work with security-based swaps.[57] Moreover, DTCC ITP states that it is not subject to risks from indirect clients of its services.[58]

DTCC ITP also explains that its operations are supported by an existing shared services model that DTCC uses to operate its multiple subsidiaries.[59] More specifically, DTCC ITP writes that its operations are ''conducted entirely'' through support services (''Support Services'') from other DTCC controlled

[28] *See* Application, Exhibit J, at 10.

[29] *See* Application, Exhibit J, at 10.

[30] *See* Application, Exhibit A, at 1.

[31] *See* Application, Exhibit J, at 1.

[32] *See* Exhibit J, Application, Exhibit J, at 9; 13; 57.

[33] *See* Exhibit J, Application, Exhibit J, at 13; 57.

[34] *See* Exhibit J, Application, Exhibit J, at 14.

[35] *See* Exhibit J, Application, Exhibit J, at 47; 58–59.

[36] *See* Exhibit J, Application, Exhibit J, at 1; 9; 22.

[37] *See* Exhibit J, Application, Exhibit J, at 24.

[38] *See* Exhibit J, Application, Exhibit J, at 24.

[39] *See* Exhibit J, Application, Exhibit J, at 6.

[40] *See* Exhibit J, Application, Exhibit J, at 9; 27; 54.

[41] *See* Exhibit J, Application, Exhibit J, at 9; 30; 54; 72.

[42] *See* Exhibit J, Application, Exhibit J, at 32; 45; 74.

[43] *See* Exhibit J, Application, Exhibit J, at 33.

[44] *See* Exhibit J, Application, Exhibit J, at 37.

[45] *See* Exhibit J, Application, Exhibit J, at 37.

[46] *See* Exhibit J, Application, Exhibit J, at 37.

[47] *See* Exhibit J, Application, Exhibit J, at 40.

[48] *See* Exhibit J, Application, Exhibit J, at 9; 13; 57.

[49] *See* Exhibit J, Application, Exhibit J, at 13; 57.

[50] *See* Exhibit J, Application, Exhibit J, at 40.

[51] *See* Exhibit J, Application, Exhibit J, at 40.

[52] *See* Exhibit J, Application, Exhibit J, at 3.

[53] *See* Exhibit J, Application, Exhibit J, at 3.

[54] *See* Exhibit J, Application, Exhibit J, at 3.

[55] *See* Application, Exhibit J, at 43.

[56] *See* Application, Exhibit J, at 43.

[57] *See* Application, Exhibit J, at 43.

[58] *See* Application, Exhibit J, at 43.

[59] *See* Application, Exhibit C, at 1.

entities (*i.e.,* Service Providers).[60] DTCC ITP states that it manages its operational risk by applying the DTCC Corporate Risk Framework.[61] DTCC ITP states that the DTCC Corporate Risk Framework defines the risk management program as applicable to DTCC, its clearing agency subsidiaries (*i.e.,* DTC, FICC, and NSCC), and its affiliate companies (*e.g.,* DTCC ITP).[62] DTCC ITP explains that the DTCC Corporate Risk Framework provides guidelines for managing risk, where ''each identified risk is underscored by the 'three lines of defense' strategy:'' (i) the ''first line'' involves business lines and functional units with a ''mandate to proactively manage risk;'' (ii) the ''second line'' involves control functions (*i.e.,* ''areas that fall under the purview of the DTCC Chief Risk Officer, Legal, Privacy/Data Protection, and Compliance'') that advise the first line ''to adhere to established risk standards and to monitor compliance with those standards;'' and (iii) the ''third line'' is the Internal Audit Department that ''assesses the overall control environment, risk management, and control framework.'' [63] DTCC ITP explains that DTCC Operational Risk is a Support Service that works with DTCC ITP to ''determine how to apply Risk Assessments and on-going reviews of operational risk and business metrics to the Applicant.'' [64]

3. Approach to Technology and Systems

As described in Exhibit K, DTCC ITP employs various measures and procedures to provide for the security of systems used when providing the core and ancillary services.[65] DTCC ITP states that DTCC implements DTCC ITP's Information Security and IT Risk Management Controls through Service Agreements with DTCC ITP.[66] In addition, as described in Exhibit M, DTCC ITP receives ''business continuity management'' Support Services through Service Agreements with DTCC entities for its data centers that operate across multiple regions.[67] In its Application, DTCC ITP also explains that these services enable it to effectively and efficiently assess the impact of a disruption, organize communication and decision-making, and coordinate a response effort, and include backup systems or subsystems designed to prevent interruptions.[68]

In its Application, DTCC ITP proposes to become an SCI entity pursuant to Regulation Systems Compliance and Integrity (''Regulation SCI'').[69] The Application explains that, pursuant to the proposed conditions to the exemption, DTCC ITP will be an SCI entity under Regulation SCI.[70] DTCC ITP states that ''as such, its systems will be required to have sufficient operational and processing capacity, integrity, resiliency, and security to facilitate prompt and accurate services facilitating allocation and matching, confirmation, and affirmation (including central trade matching services and ETC services).'' [71]

IV. Statutory Standard

Section 17A(b)(1) of the Exchange Act requires any clearing agency to register with the Commission before performing the functions of a clearing agency with respect to any security (other than an exempted security).[72] Section 17A(b)(1) also provides that, by rule or order, upon its own motion or upon application, the Commission may conditionally or unconditionally exempt a clearing agency from any provisions of Section 17A or the rules or regulations thereunder if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of Section 17A, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds.[73]

In the Matching Release, the Commission stated that an entity that limited its clearing agency functions to providing matching services might not have to be subject to the full range of clearing agency regulation, consistent with the exemptive authority provided in Section 17A(b)(1).[74] The Commission stated that a conditional exemption would exempt an entity from clearing agency registration under appropriate conditions.[75] The Commission anticipated that an entity seeking an exemption from clearing agency registration for matching would be required to: (i) provide the Commission with information on its matching services and notice of material changes to its matching services; (ii) establish an electronic link to a registered clearing agency that provides for the settlement of its matched trades; (iii) allow the Commission to inspect its facilities and records; and (iv) make periodic disclosures to the Commission regarding its operations.[76]

V. Request for Exemption

In its Application, DTCC ITP requests that the Commission grant a conditional exemption to permit it to operate the services described in Part III above without registering as a clearing agency for the reasons discussed below.

A. Application of Statutory Standard

In its Application, DTCC ITP includes five reasons in support of its request for an exemption from registration as a clearing agency, as follows: [77]

- It proposes to perform the same limited clearing agency activities that the Commission authorized ITPM to perform for the last 25 years. DTCC ITP states that there will be no expansion of clearing agency activities resulting from the Application.
- In consideration of applicable changes in the regulation of clearing agencies since the Commission granted the ITPM Exemption, DTCC ITP states that it is prepared to adopt new controls and provide greater transparency into its activities to ensure it can continue to meet the needs of the market and its Clients.
- DTCC ITP states that its clearing agency functions are limited to providing matching services. According to DTCC ITP, beyond matching, the Client Services offered by the Applicant facilitate allocation, confirmation, and affirmation, and facilitate straight through processing, all of which precede final settlement. In DTCC ITP's view, it is not necessary for DTCC ITP to be a self-regulatory organization to meet its obligations with respect to this limited clearing agency function and status as a central matching service provider under 17 CFR 240.17ad–27 (''Rule 17Ad–27'').
- DTCC ITP states that its proposed limited clearing agency activities do not implicate the overwhelming majority of clearing agency rules, as such rules are largely designed for and applicable to clearing agencies engaged in CCP or

[60] *See* Application, Exhibit C, at 1.

[61] *See* Application, Exhibit J, at 43.

[62] *See* Application, Exhibit J, at 43.

[63] *See* Application, Exhibit J, at 43–44.

[64] *See* Application, Exhibit J, at 44.

[65] Application, Exhibit K, at 1.

[66] Application, Exhibit K, at 1.

[67] *See* Application, Exhibit M, at 1.

[68] *See* Application, Exhibit M, at 1, 4.

[69] *Id.* (''If the Applicant is approved as an exempt clearing agency, it will become an 'SCI entity,' subject to the [Regulation SCI] policies and procedures implemented by DTCC, as set forth herein. DTCC performs functions for the Applicant to comply with [Regulation SCI] obligations pursuant to the Services Agreements.'') ITPM is also an SCI entity.

[70] *See* Application, Exhibit S, at 31.

[71] *See* Application, Exhibit S, at 31.

[72] *See* 15 U.S.C. 78q–1(b)(1); 17 CFR 240.17Ab2–1.

[73] *See* 15 U.S.C. 78q–1(b)(1).

[74] *See* Matching Release, *supra* note 3, 63 FR at 17947.

[75] *See id.* at 17947.

[76] *See id.* at 17947 n.28.

[77] *See* Application, Exhibit S, at 2–3.

CSD services; the handling, transfer, custody, or physical delivery of funds or securities; final settlement services; the exercise of disciplinary authority over members; and activities involving significant credit and liquidity risks; among other activities.

- The Applicant states that the Commission will have adequate authority to oversee, and even take action against, an exempt clearing agency via annual reporting under Exchange Act Rule 17Ad–27, and other reporting in the Applicant's proposed conditions tailored to the Applicant's operations and business.[78]

Additionally, DTCC ITP cites the track record of ITPM's provision of central matching services, including most recently through multiple market structure changes and the shortening of the U.S. settlement cycle on May 28, 2024.[79] DTCC ITP states that ITPM played a key role in the move to T+1 settlement and did so effectively as an exempt clearing agency.[80] DTCC ITP also states that ITPM played a similarly important and effective role as an exempt clearing agency in the move from T+3 to T+2 in 2017, and it is not necessary that DTCC ITP register as a clearing agency to continue to provide post-trade processing services in a T+1 environment.[81] The Application explains that imposing the full range of regulation that applies to clearing agencies that perform CSD and CCP services would unnecessarily increase compliance and related costs (that could lead to increased fees to customers) and reduce the efficiency of entities that perform only post-trade processing services.[82]

In its request, DTCC ITP summarizes past Commission views, expressed in the Matching Release, that matching services concerns two areas that the Commission and the securities industry view as critical to maintaining a sound clearance and settlement system: reducing errors and reducing the amount of settlement time.[83] The Application describes the Commission's statement in the Matching Release that an entity that limits its clearing agency functions to providing matching services does not have to be subject to the full range of clearing agency regulations, and states that DTCC ITP would also be limiting its clearing agency functions in the same manner.[84]

The Application explains that, pursuant to the proposed conditions to the exemption, DTCC ITP will be an SCI entity under Regulation SCI and, as such, its systems will be required to have sufficient operational and processing capacity, integrity, resiliency, and security to facilitate prompt and accurate services facilitating allocation and matching, confirmation, and affirmation (including central trade matching services and ETC services).[85] Finally, the Applicant states that it maintains primary responsibility for appropriate governance and control measures, while also benefiting from the support of its Service Providers, from which it can leverage experience and robust practices related to governance and control measures.[86]

The Applicant states that these arrangements will help ensure that the Applicant operates in a matter that is consistent with the public interest.[87] For example, the Applicant states its services agreements require Service Providers to provide qualified and competent personnel and provide it the right to require removal of any personnel provided by Service Provider for unsatisfactory performance.[88] The Applicant also states that the Services Agreements require the Service Provider to cause its personnel to comply with the Applicant's policies, procedures, and code of conduct and to be subject to reasonable background checks, providing the Applicant with control of the personnel who provide Support Services to it and the conditions to which the performance of the Support Services is subject.[89]

B. Conditions to Exemption

The Applicant explains that, while it is a new applicant with respect to this Application and request for exemption, CTM and TradeSuite ID are existing services that the Applicant will incorporate into its operations and that will remain unchanged upon the completion of the Proposed Transaction in terms of their client base and core services functionality.[90] In its Application, DTCC ITP represents that the addition of the direct provision of central trade matching and ETC services to the Applicant's existing suite of services will not result in the Applicant offering any additional services that the Commission has indicated are clearing agency services—beyond central trade matching (and central trade matching is an activity of the type that the Commission has previously considered and specifically determined to be appropriate for exempt clearing agencies rather than requiring clearing agency registration).[91] DTCC ITP also states that, as with ITPM today, the requested conditional exemption order would specify that the Applicant would not perform the other functions of a clearing agency (*e.g.,* no CCP or CSD services, no payment or delivery).[92]

In support of its request for an exemption from registration, the Applicant proposes a new set of conditions, as set forth below, that relate to: (i) the operations of the services described in its Application (the ''Proposed Operational Conditions''); and (ii) the interoperability with the services described in its Application (the ''Proposed Interoperability Conditions''),with which it would comply if its request for an exemption from registration is granted.[93] The Applicant explains that these changes have been designed following review of Commission rules applicable to clearing agencies adopted since the granting of the ITPM Exemption and other standards that apply to DTCC's registered clearing agency subsidiaries,[94] and that they are designed to provide greater oversight and transparency into the Client Services, including operations, governance, and key agreements.[95]

1. Proposed Operational Conditions

DTCC ITP proposes the following operational conditions as part of its request for an exemption from registration as a clearing agency:

1. The Applicant will offer Client Services to facilitate the allocation and matching, confirmation, and affirmation of securities transactions (including central trade matching and ETC services). The Applicant will not perform any other clearing agency function (such as net settlement, maintaining a balance of open positions between buyers and sellers, or marking securities to the market) other than as permitted by the previous sentence.[96]

2. The Applicant will be subject to Regulation SCI (as the successor rule to

[78] *See id.* at 2–3.

[79] *See* Application, Exhibit S, at 35.

[80] *See* Application, Exhibit S, at 26.

[81] *See* Application, Exhibit S, at 27.

[82] *See* Application, Exhibit S, at 27.

[83] *See* Application, Exhibit S, at 15.

[84] *See* Application, Exhibit S, at 22.

[85] *See* Application, Exhibit S, at 31.

[86] *See* Application, Exhibit S, at 32.

[87] *See* Application, Exhibit S, at 32.

[88] *See* Application, Exhibit S, at 26.

[89] *See* Application, Exhibit C, at 2.

[90] *See* Application, Exhibit S, at 129.

[91] *Id.*

[92] *Id.*

[93] *See* Application, Exhibit S, at 32–35.

[94] *See* Application, Exhibit S, at 2 (citing to Commission rules for registered clearing agencies under 17 CFR 240.17ad–22 and the CPMI–IOSCO *Principles for Financial Market Infrastructures,* published in 2012).

[95] *See* Application, Exhibit S, at 2.

[96] *See* Application, Exhibit S, at 32.

the Commission's ARP) as an exempt clearing agency.[97]

3. The Applicant's Board will include representation from its Client segments, and a majority of the Applicant's Board will consist of Industry Managers.[98]

4. The Applicant's Board will oversee management's compliance with the CMSP rules.[99]

5. The Applicant's Board will review reporting on ongoing monitoring of arrangements with the Significant ITP Service Providers, and any action taken by the Applicant to remedy significant deterioration in performance or address changing risks or material issues identified through such monitoring.[100]

6. The Applicant will establish, implement, maintain and enforce written policies and procedures reasonably designed to:

a. require the Board to review reporting from the Applicant's Regional Advisory Councils, which include Clients and other relevant stakeholders, regarding material developments in operations on a recurring basis;

b. to identify, monitor, and manage risks related to any link the Applicant establishes with one or more other clearing agencies; and

c. to support and accommodate, relevant internationally accepted communication procedures and standards in order to facilitate the allocation and matching, confirmation, and affirmation of securities transactions (including central trade matching and ETC services).[101]

7. The Applicant will establish, implement, maintain and enforce written policies and procedures, systems, and controls, reasonably designed to identify, measure, mitigate, monitor, and manage legal, operational, and general business risks, that are subject to review on a periodic basis.[102]

8. The Applicant will:

a. respond and require the Service Providers to respond to requests from the Commission for additional information relating to Client Services that facilitate the allocation and matching, confirmation, and affirmation of securities transactions and provide access to the Commission to conduct on-site inspections of all facilities (including automated systems and systems environment), records, and personnel related to the Client Services. The Applicant proposed that such requests for information will be made and the inspections will be conducted solely for the purpose of reviewing the Client Services operations that facilitate the allocation and matching, confirmation, and affirmation of securities transactions (including central trade matching and ETC services), and compliance with the federal securities laws and the terms and conditions of the exemptive order; and

b. (i) keep and preserve at least one copy of the allocations and matching, confirmations, and affirmations of securities transactions; reports and notices sent to Clients or to the Commission; Client Contracts; Procedures (as defined in the Client Contracts); Intercompany Agreements; and agreements with Significant ITP Service Providers, in each case as they pertain to the Client Services to facilitate the allocation and matching, confirmation, and affirmation of securities transactions (including central trade matching and ETC services); (ii) keep all such documents for a period of not less than five years, the first two years in an easily accessible place; and (iii) upon request from any representative of the Commission, promptly furnish such representative copies of any such documents required to be kept and preserved by the Applicant pursuant to this condition.[103]

9. The records that the Applicant will be required to keep pursuant to Proposed Operational Condition 8.b will be subject at any time, or from time to time, to such reasonable periodic, special, or other examinations by the Commission as the Commission deems necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the Exchange Act.[104]

10. The Applicant will permit fair and open access to the Client Services subject to transparent eligibility criteria for the use of any Client Services, providing that an entity may become a Client so long as the Client completes the appropriate legal terms and conditions governing the Client's use of the Client Services. The Applicant's parent conducts sanctions screenings against various watch lists and collects certain documents from Clients for purposes of Client verification.[105]

11. The Applicant will, on at least a quarterly basis, within 45 calendar days after the end of each calendar quarter, update the Commission on the following (other than reporting pursuant to Regulation SCI), including relevant dates: (i) changes to the DTCC ITP Services Catalog, as updated from time to time pursuant to the Applicant's applicable policies and procedures; (ii) changes to pricing that would result in an introduction of a new Fee (as such term is defined in the Client Contracts), a retirement or removal of an existing Fee, an increase to a Fee, or a decrease of a Fee for Client Services to facilitate the allocation and matching, confirmation, and affirmation of securities transactions (including central trade matching and ETC services); (iii) the current STP Roadmap for the quarter, and rationale for significant changes to the STP Roadmap; (iv) changes which require Client notification pursuant to the Applicant's applicable policies and procedures, (including, without limitation, changes to interface requirements, upgrades, or changes to fields that Clients must populate in the Client Services), to the extent not covered in condition 11(i); (v) changes to: (a) Intercompany Agreements; (b) the Charter; (c) the LLC Agreement; (d) DTCC's sole ownership and control of the Applicant; (e) forms of the Applicant's Client Contracts; and (f) eligibility criteria. For the avoidance of doubt, the changes above will not require the Commission's approval before they are implemented.[106]

12. The Applicant will provide to the Commission, on a confidential basis, its annual audited financial statements on or before June 30th of the year immediately following the end of the fiscal year being audited, which will: (i) include two years of consolidated balance sheets as of the end of the two most recent fiscal years, statements of income, changes in stockholders' equity, and cash flow statements for each of the two most recent fiscal years; (ii) be prepared in accordance with U.S. generally accepted accounting principles; (iii) be audited in accordance with the standards of the Public Company Accounting Oversight Board by a registered public accounting firm that is qualified and independent in accordance with 17 CFR 210.2–01; and (iv) include a report of the registered public accounting firm that complies with paragraphs (a) through (d) of 17 CFR 210.2–02.[107]

[97] *See* Application, Exhibit S, at 32. In reproducing the proposed conditions in this notice, the notice replaces instances of "SEC" with "Commission" to avoid confusion and ensure consistency with usage throughout this notice. The notice also replaces uses of "Reg SCI" with "Regulation SCI" to avoid confusion and ensure consistency with usage throughout this notice.

[98] *See* Application, Exhibit S, at 32.

[99] *See* Application, Exhibit S, at 33. Commission rules for CMSPs are codified in Rule 17Ad–27.

[100] *See* Application, Exhibit S, at 33.

[101] *See* Application, Exhibit S, at 33.

[102] *See* Application, Exhibit S, at 33.

[103] *See* Application, Exhibit S, at 33–34.

[104] *See* Application, Exhibit S, at 34.

[105] *See* Application, Exhibit S, at 34.

[106] *See* Application, Exhibit S, at 34–35.

[107] *See* Application, Exhibit S, at 35.

2. Proposed Interoperability Conditions

The Applicant proposed the following interoperability conditions to its request for an exemption from clearing agency registration:

1. The Applicant will maintain an interface which permits connections to any exempt clearing agency that wishes to utilize the Applicant's central trade matching service (''Interface'') with specifications that support industry standards and are available in a readily accessible location.[108]

2. Upon receipt of a written interoperability request, the Applicant will work to complete all steps reasonably necessary for any exempt clearing agency to establish a connection to the Interface in a timely and efficient manner.[109]

3. The Applicant will institute fair, reasonable, and non-discriminatory fees and terms for use of the Interface.[110]

4. The Applicant will provide access to the Interface: (i) on a first-in-time priority basis with respect to activity between the Applicant's Clients and the clients of other exempt clearing agencies; and (ii) without bias in performance relative to similar transactions processed completely within the Applicant's systems.[111]

5. The Applicant will provide its Clients, other exempt clearing agencies, and the Commission with advance notice of material changes to the Interface.[112]

VI. Request for Written Comments

Interested persons are invited to provide written data, views, and arguments concerning the foregoing, including whether the Application's proposed exemption is consistent with the public interest, the protection of investors, and the purposes of Section 17A of the Exchange Act. To the extent possible, commenters are requested to provide empirical data and other factual support for their views. In addition, the Commission seeks comment generally on the following questions relevant to the consideration of the Application:

1. Since the Commission issued the ITPM Exemption in 2001, has ITPM, as subsidiary of DTCC ITP, provided central trade matching services and operated consistent with the public interest, the protection of investors, and the purposes of the Exchange Act? Why or why not? To what extent has ITPM's provision of central trade matching services affected the ongoing development of the national system for clearance and settlement?

2. Would the provision of central trade matching and ETC services by the Applicant using the same set of operational arrangements and framework for service agreements as ITPM, as described in the Application, be consistent with the public interest, the protection of investors, and the purposes Section 17A of the Exchange Act? Why or why not?

3. Does DTCC ITP's proposed set of new conditions adequately reflect the evolution since 2001 of the services provided, DTCC ITP's role within the broader market structure for facilitating central matching, and DTCC ITP's potential impact on the securities market? If not, please explain the ways in which DTCC ITP's proposed approach does not sufficiently address this evolution, including what issues or areas have not been sufficiently addressed.

4. Are the Applicant's Proposed Operational Conditions consistent with the public interest, the protection of investors, and the purposes of Section 17A of the Exchange Act, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds? To the extent the proposed approach differs from the set of conditions in the existing ITPM Exemption, are those changes sufficiently designed to be consistent with the public interest, the protection of investors, and the purposes of Section 17A of the Exchange Act? If not, why not?

5. Are the Applicant's Proposed Interoperability Conditions consistent with the public interest, the protection of investors, and the purposes of Section 17A of the Exchange Act, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds? To the extent the proposed approach differs from the set of conditions in the existing ITPM Exemption, are those changes sufficiently designed to be consistent with the public interest, the protection of investors, and the purposes of Section 17A of the Exchange Act? If not, why not?

6. Are the Applicant's Proposed Interoperability Conditions designed to promote innovation and to facilitate competition among central trade matching and ETC service providers?

7. Are there any aspects of the services provided by ITPM and proposed to be provided by DTCC ITP directly, or aspects of DTCC ITP's Application, that support modifying or revising the interpretations provided by the Commission in the Matching Release? If so, in what ways or how?

8. Are there any aspects of the services provided by ITPM and proposed to be provided by DTCC ITP directly that would support applying Commission rules other than Regulation SCI and Rule 17Ad–27? For example, should the recordkeeping requirements for registered clearing agencies under 17 CFR 240.17a–1 be applied to DTCC ITP as a central matching service provider? Are there other rules that should apply to DTCC ITP, and, if so, why?

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 600–46 on the subject line.

Paper Comments

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

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 (*https://www.sec.gov/rules-regulations/commission-orders-notices/other-commission-orders-notices-information*). 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 600–46 and should be submitted on or before October 15, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[113]

Sherry R. Haywood,

Assistant Secretary.

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108 *See* Application, Exhibit S, at 35.

109 *See* Application, Exhibit S, at 35.

110 *See* Application, Exhibit S, at 35.

111 *See* Application, Exhibit S, at 35.

112 *See* Application, Exhibit S, at 35.

113 17 CFR 200.30–3(a)(16).