

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 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-PHLX-2026-58 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-PHLX-2026-58. 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-PHLX-2026-58 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106552; File No. SR-DTC-2026-012]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change To Modernize the Direct Registration System

September 30, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 29, 2026, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change³ consists of amendments to the Deposits Guide⁴ and the Fee Guide in connection with DTC's modernization of its Direct Registration System ("DRS"). The proposed rule change would update the Deposits Guide to (i) add a DRS section describing the availability of DRS through DTC's Securities Processing Application ("SPA") via the DTCC Portal, as well as through an application programming interface ("API") or message queue ("MQ") based messaging; (ii) describe the processing of DRS Profile Deposit Requests, DRS Deliver Orders, and DRS Withdrawal by Transfer instructions; (iii) document the existing requirement that DRS Profile Deposits require Profile Surety⁵ to be

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Each term not otherwise defined herein has its respective meaning as set forth in the Deposits Service Guide ("Deposits Guide"), the Guide to the DTC Fee Schedule ("Fee Guide"), or the Rules, By-Laws and Organization Certificate of The Depository Trust Company ("DTC Rules"), each available at <http://www.dtcc.com/legal/rules-and-procedures>.

⁴ The Deposits Guide is a Procedure of DTC. Pursuant to the DTC Rules, the term "Procedures" means the Procedures, service guides, and regulations of DTC adopted pursuant to DTC Rule 27, as amended from time to time. DTC Rule 1, Section 1, *supra* note 3. DTC's Procedures are binding on DTC and each Participant in the same manner that they are bound by the DTC Rules.

⁵ The Profile Surety Program is a DTC-administered program under which a Participant submitting a DRS Profile Deposit Request must obtain a surety bond supporting the Participant's indemnity relating to the instruction. The

processed by DTC; (iv) describe pass-through fees, as defined below, and the use of DTC's Centralized Billing to collect and remit such fees, including an associated DTC charge for applicable DRS Profile Deposit Requests; (v) describe the assignment of Transaction Status values in SPA and maintenance of an audit trail of status changes, including where to get additional information on DRS functionality; and (vi) provide a navigation table for SPA functionality.

The proposed rule change would update the Fee Guide to (i) expand DTC's existing Centralized Billing service for DRS transactions⁶ to require DRS Agents' use of Centralized Billing when an agent elects to impose a fee in connection with a DRS transaction (*i.e.*, a "pass-through fee"), and (ii) establish a DTC charge for when DTC collects and remits a pass-through fee in connection with certain DRS Profile Deposit Request transactions.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change would amend the Deposits Guide and the Fee Guide in connection with DTC's modernization of DRS. The proposed rule change would update the Deposits Guide to (i) add a DRS section

indemnity covers, among other things, the Participant's representations that it has authority and consent for the instruction and that the information provided is accurate and complete. A Participant may obtain the surety bond from the surety provider selected by DTC to administer the program or from another qualifying surety provider selected by the Participant, provided that the bond satisfies DTC's requirements. See Securities Exchange Act Release No. 42704 (Apr. 19, 2000), 65 FR 24242 (Apr. 25, 2000) (SR-DTC-00-04) (establishing Profile and the related screen-based indemnities); *also see* Securities Exchange Act Release No. 43586 (Nov. 17, 2000), 65 FR 70745 (Nov. 27, 2000) (SR-DTC-00-09) (establishing the Profile Indemnity Surety Program).

⁶ See Securities Exchange Act Release No. 53679 (Apr. 19, 2006), 71 FR 24770 (Apr. 26, 2006) (SR-DTC-2006-05).

¹¹ 17 CFR 200.30-3(a)(12), (59).

describing the availability of DRS through SPA via the DTCC Portal, as well as through API or MQ based messaging; (ii) describe the processing of DRS Profile Deposit Requests, DRS Deliver Orders, and DRS Withdrawal by Transfer instructions; (iii) document the existing requirement that DRS Profile Deposits require Profile Surety to be processed by DTC; (iv) describe pass-through fees, as defined below, and the use of DTC's Centralized Billing to collect and remit such fees, including an associated DTC charge for applicable DRS Profile Deposit Requests; (v) describe the assignment of Transaction Status values in SPA and maintenance of an audit trail of status changes, including where to get additional information on DRS functionality; and (vi) provide a navigation table for SPA functionality.

The proposed rule change would update the Fee Guide to (i) expand DTC's existing Centralized Billing service for DRS transactions⁷ to require DRS Agents' use of Centralized Billing when an agent elects to impose a fee in connection with a DRS transaction (*i.e.*, a "pass-through fee"), and (ii) establish a DTC charge for when DTC collects and remits a pass-through fee in connection with certain DRS Profile Deposit Request transactions.

Background

DRS is a DTC service that enables investors⁸ to hold their DRS eligible securities ("DRS Securities")⁹ either indirectly, through DTC's book-entry holding model (a/k/a, holding in "street name,"¹⁰) or directly on the books of the Issuer's transfer agent if the transfer agent is a DTC DRS Agent, with the

ability to transfer DRS Securities between the two holding structures without the issuance of a paper certificate.¹⁰

To move DRS Securities from an investor's account at a DRS Agent, where the shares are registered in the name of the investor, to a Participant's account at DTC registered in the name of DTC's nominee, Cede & Co. ("Cede"), the Participant must submit a DRS Profile Deposit Request to DTC, which must be approved by the DRS Agent. Following approval by the DRS Agent, the shares are reregistered to Cede and moved from the DRS Agent to DTC, where it credits the shares to the Participant's account at DTC. If rejected, the transaction status is updated with the reason for the rejection, and the Participant is notified.

Alternatively, an investor may instruct its DRS Agent directly to transfer DRS Securities to the investor's account with a Participant. In that case, the DRS Agent creates a DRS Deliver Order without a DRS Profile Deposit Request. The DRS Deliver Order is completed through DTC's standard Deliver Order process and does not require the receiving Participant to take any action to approve or accept the Deliver Order; however, the receiving Participant may reject the Deliver Order after receipt.

A Participant may submit a DRS Withdrawal by Transfer instruction requesting that shares be removed from the Participant's free position at DTC and credited to the investor's account, in the investor's name, at the DRS Agent. Only a Participant may initiate a DRS Withdrawal by Transfer instruction. An investor seeking to move shares from Cede's name to the investor's account at the DRS Agent must request the withdrawal through its Participant. Upon the DRS Agent's approval of a DRS Withdrawal by Transfer request, the shares are moved out of Cede's name, and into the investor's name, and credited to the investor's DRS account maintained on the DRS Agent's books. If the request is rejected, the transaction status is updated with the reason for the rejection and the participant is notified.

Under the current transfer process, Participants and DRS Agents utilize a combination of legacy applications,

including Participant Terminal System ("PTS") and Participant Browser Service ("PBS") functions,¹¹ CCF batch-file processing, multiple steps, and manual operational processes to submit, review, approve, and complete DRS transfers. These processes can increase operational complexity and extend transaction processing timeframes.

With respect to the collection of DRS Agent pass-through fees, DTC currently provides Centralized Billing for fees associated with incomplete DRS Profile Deposit Requests rejected by DRS Agents and fees associated with completed Deposits and Withdrawal at Custodian (DWAC) transactions. Whereas other DRS Agent pass-through fees are invoiced by DRS Agents to Participants and collected and remitted outside DTC.

DRS Modernization

The proposed DRS modernization is designed to support a more automated and streamlined DRS transaction lifecycle, reducing transaction processing times from days to minutes. As part of the modernization, DTC would retire the PTS and PBS functions currently used to access certain DRS functionality and CCF batch-file processing as operational methods for certain DRS transactions. Instead, DRS would be available for human-to-machine processing through SPA via the DTCC Portal, and for machine-to-machine processing through API and MQ-based messaging. These new access methods would enable Participants and DRS Agents to more efficiently and effectively submit, review, approve, reject, and monitor DRS transfer instructions.

The enhanced process would automate the creation of the related Deliver Order following a DRS Agent's approval of a DRS Profile Deposit Request (eliminating the separate step currently required for the DRS Agent to also initiate the Deliver Order following approval of the Participant's request), assign Transaction Status values in SPA that reflect the disposition of each instruction throughout its lifecycle, and maintain an audit trail of status changes.¹²

In response to the industry's request, the enhanced process would also

⁷ See Securities Exchange Act Release No. 53679 (Apr. 19, 2006), 71 FR 24770 (Apr. 26, 2006) (SR-DTC-2006-05).

⁸ When holding securities indirectly through DTC, an individual investor is considered a "beneficial owner," who is the customer of a DTC Participant and possesses the beneficial interest in a security, while legal title to the security is held through DTC's nominee, Cede & Co. The beneficial interest in the security is passed down from DTC, through the DTC Participant (*e.g.*, the customer's broker-dealer), to the customer who is the actual investor. When holding securities directly with an Issuer's transfer agent, the investor is considered the "registered owner," as the investor is specifically named as the owner of the securities on the transfer agent's books and records.

⁹ "DRS Securities" are securities accepted by DTC as Eligible Securities pursuant to DTC Rule 5 and made eligible for, and participating in, DRS through the FAST Program. For DRS Securities, investors may hold their positions directly on the books of the issuer's transfer agent or indirectly through DTC and its Participants and may transfer their positions between those two holding structures. See DTC Rule 5, Section 1, *supra* note 3; DTC Operational Arrangements ("DTC OA"), Section II.B.2.a (FAST), available at <https://www.dtcc.com/legal/rules-and-procedures>.

¹⁰ See DTC OA, Section II.B.2.a (FAST) (describing DRS as permitting an investor to hold a security directly on the books of the issuer's transfer agent, rather than indirectly through a securities intermediary or in certificated form, and to transfer the position between direct and indirect holding through DTC and its Participants), available at <https://www.dtcc.com/legal/rules-and-procedures>.

¹¹ PTS refers to DTC's legacy TN3270 terminal access method, and PBS refers to DTC's Participant Browser Service, each of which provides access to certain DTC functions and services.

¹² Transaction Status values and audit-trail information would apply to instructions submitted or acted upon through the DTCC Portal, API, or MQ-based messaging, except that certain Transaction Status values associated with maker/checker functionality would apply only to transactions processed through the DTCC Portal.

facilitate the collection of additional DRS Agent pass-through fees through the expansion of DTC's Centralized Billing service and the assessment of any related DTC charges. As part of the proposed modernization, where a DRS Agent elects to impose an applicable pass-through fee in connection with a DRS transaction, the fee must be collected and remitted through DTC's Centralized Billing service.

By enabling DRS processing through SPA via the DTCC Portal and through API and MQ-based messaging, the enhanced process would eliminate reliance on legacy PTS and PBS functions and CCF batch-file processing for certain DRS transactions, reduce reliance on other legacy applications and scheduled file transmissions, reduce manual processing activities by Participants and DRS Agents, and eliminate the separate step currently required for the DRS Agent to initiate the applicable Deliver Order following approval of a DRS Profile Deposit Request. The expansion of Centralized Billing would reduce reliance on invoicing and payment remittance processes conducted between DRS Agents and Participants outside DTC.

Although the proposed modernization of DRS would provide for more efficient DRS processing, the service would still rely on actions and timelines outside of DTC's control. For example, once a transfer instruction is submitted into the DRS workflow, processing of that instruction would remain subject to applicable validations and any required action by the DRS Agent.¹³ Accordingly, DRS modernization is designed to reduce processing latency at DTC, but it does not eliminate the actions required by DRS Agents to complete the applicable transfer.

Proposed Rule Changes

To effectuate the proposed rule change, DTC would update the Deposits Guide and the Fee Guide as described below.¹⁴

Deposits Guide Changes

DTC would amend the Deposits Guide to add a new "Direct Registration System (DRS)" section describing DRS and the manner in which Participants and DRS Agents would access and

process DRS transfers through SPA via the DTCC Portal, as well as via API and MQ-based messaging. The proposed section would also describe how users would be provisioned for SPA access through their designated Super Access Coordinator and how firms may automate the input and output of transaction instructions through API and MQ connectivity.

The proposed section would also describe the processing of DRS Profile Deposit Requests, DRS Deliver Orders and DRS Withdrawal by Transfer instructions. Specifically, the proposed section would explain that a DRS Profile Deposit Request may be initiated by a Participant. A DRS Profile Deposit Request may be used to request that shares held in an investor's name, in the investor's account at a DRS Agent, be registered in Cede's name and moved to the Participant's account at DTC. Upon approval of the request by the DRS Agent, SPA would automatically create the related Deliver Order to credit the DRS Securities to the Participant's account at DTC. If the DRS Agent rejects the request, the Transaction Status would be updated to reflect the rejection, including the reason for the rejection, and the Participant would be notified.

The proposed section would also document the existing requirement that DRS Profile Deposits require Profile Surety¹⁵ to be processed by DTC. The proposed rule change would not modify the scope of transactions subject to the existing Profile Surety requirement.

Alternatively, an investor may instruct its DRS Agent directly to transfer DRS Securities to the investor's account with a Participant. In that case, the DRS Agent would continue to create a Deliver Order but without a DRS Profile Deposit Request.

The proposed section would also explain that a Participant may submit a DRS Withdrawal by Transfer instruction to request that the DRS Agent approve that shares be removed from the Participant's free position at DTC, reregistered in the name of the investor, and credited to the investor's account at the DRS Agent. If the DRS Agent rejects the instruction, the Transaction Status would be updated to reflect the rejection, including the reason for the rejection, and the Participant would be notified.

The proposed section would describe DRS Agent pass-through fees and their collection and remittance through DTC's Centralized Billing service.¹⁶ At the

request of Participants and DRS Agents, Centralized Billing would be expanded to support the collection of applicable fees associated with approved DRS Profile Deposit Requests, completed DRS Deliver Orders, and DRS Withdrawal by Transfer instructions approved or rejected by DRS Agents. A DRS Agent may elect whether to impose an applicable pass-through fee in connection with a DRS transaction; however, if a DRS Agent elects to impose such a fee, collection and remittance of that fee through DTC's Centralized Billing service would be mandatory for the DRS Agent and Participant. Centralized Billing would be mandatory for covered pass-through fees to eliminate the bifurcated process under which certain fees are collected through DTC and other fees are invoiced and paid outside DTC.

The pass-through fees are fees imposed and determined by a DRS Agent in connection with a DRS Profile Deposit Request or DRS Withdrawal by Transfer instruction and paid by the applicable Participant. The pass-through fees are not fees charged by DTC.¹⁷ When collected through Centralized Billing, pass-through fees would be reflected in the Participant's monthly invoice and would also be available to the Participant through daily billing reports. Participants would continue to pay the standard DTC fees applicable to the underlying deposit or withdrawal transaction, as set forth in the Fee Guide. DTC would not assess Participants any additional fee for the use of DRS in connection with the proposed Centralized Billing functionality.

DTC currently assesses a five-percent collection charge in connection with its existing DRS Centralized Billing service. The five-percent collection charge is not a new fee. Under the proposal, DTC would apply the same five-percent collection charge when DTC collects and remits an applicable pass-through fee in connection with certain DRS Profile Deposit transactions. The charge would equal five percent of the applicable pass-through fee collected by DTC and would be deducted from the amount remitted to the applicable DRS Agent. The proposed expansion of Centralized Billing would not increase

to automate the billing and collection of fees associated with incomplete DRS Profile Deposit Requests rejected by DRS Agents. *See Securities Exchange Act Release No. 53679* (Apr. 19, 2006), 71 FR 24770 (Apr. 26, 2006) (SR-DTC-2006-05).

¹⁷ *See Securities Exchange Act Release No. 51870* (June 17, 2005), 70 FR 36678 (June 24, 2005) (SR-DTC-2005-03) (approving DTC's collection from Participants of fees and charges for services provided by other entities).

¹³ For a DRS Profile Deposit Request and a DRS Withdrawal by Transfer instruction, the DRS Agent would still need to review and approve or reject the request, and, accordingly, transfer the shares in/out of Cede's name or in/out of the investor's name on the DRS Agent's books.

¹⁴ **Note:** The operational retirement of CCF batch-file processing for certain DRS transactions would not require changes to the Deposits Guide because the Deposits Guide does not currently describe DRS or CCF batch-file processing for DRS transactions.

¹⁵ *See supra* note 5.

¹⁶ DRS Centralized Billing was launched in April 2006, at the request of Participants and DRS Agents,

the percentage of the existing collection charge.

In addition, the proposed section would describe the Transaction Status values and audit-trail information available through SPA. SPA would assign a Transaction Status indicating the instruction's disposition within its lifecycle and maintain an audit trail of status changes. Transaction Status values and audit-trail information would apply to instructions submitted or acted upon through the DTCC Portal, API, or MQ-based messaging, except that certain Transaction Status values associated with maker/checker functionality would apply only to transactions processed through the DTCC Portal.

The proposed section would also identify the applicable SPA Portal navigation paths and provide information regarding the APIs and MQs and related technical documentation. The APIs and MQs would provide a real-time machine-to-machine processing solution. The proposed section would direct users to DTCC Learning for the SPA function user guide and MQ specifications and to the DTCC API Marketplace for API information.

As part of the proposed modernization, DTC would retire certain PTS and PBS functions that currently support DRS processing, as well as CCF batch-file processing as an operational method for certain DRS transactions. Participants and DRS Agents that currently utilize the applicable PTS or PBS functions for DRS processing would instead use SPA via the DTCC Portal for human-to-machine processing, while those that currently utilize CCF batch-file processing to process DRS transactions would instead process DRS transactions through SPA via the DTCC Portal, API, or MQ-based messaging. The proposed DRS section would identify the processing methods that would be available for DRS transactions following implementation of the proposal. The retirement of the applicable PTS and PBS functions and CCF batch-file processing would eliminate legacy DRS processing methods in favor of the more automated processing methods described above.

Fee Guide Changes

DTC would amend the Fee Guide to add six fee entries in connection with the expansion of DTC's Centralized Billing service for DRS transactions. The proposed entries would permit DTC to automate the collection of certain pass-through fees imposed by DRS Agents, not DTC, and paid by Participants and

to assess related DTC collection charges in connection with certain DRS Profile Deposit transactions. Currently, the pass-through fees that would be covered by the proposed Fee Guide entries are generally invoiced by DRS Agents to Participants and paid outside DTC. The proposed pass-through fee entries would facilitate DTC's collection and remittance of fees established by the applicable DRS Agent but would not establish the amount of those underlying fees. Separately, the proposed DTC collection charges would compensate DTC for providing the centralized collection and remittance functionality.

Specifically, DTC would add "DRS Profile Deposit Participant Initiated Fee Collection," and "DRS Profile Deposit Manual Movement Fee Collection," to support the collection of pass-through fees associated with DRS Profile Deposits. DTC would also add "DRS Profile Deposit Participant Initiated Movement Collection Charges LPA," and "DRS Profile Deposit Participant Manual Movement Collection Charges LPA," to reflect DTC's collection charges associated with the processing of those pass-through fees. DTC would also add "DRS Withdrawal by Transfer Fee Collection—Approval," and "DRS Withdrawal by Transfer Fee Collection—Rejection," to support the collection of pass-through fees associated with the approval or rejection of electronic DRS Withdrawal by Transfer instructions. For purposes of "DRS Profile Deposit Participant Initiated Movement Collection Charges LPA" and "DRS Profile Deposit Participant Manual Movement Collection Charges LPA," "LPA" refers to the limited participant account of the applicable DRS Agent.

The amount of each pass-through fee would vary because the applicable DRS Agent, rather than DTC, would determine the underlying fee. DTC would collect the applicable amount from the Participant and remit it to the DRS Agent, less a DTC collection charge equal to five percent of the amount collected for applicable DRS deposits.

Implementation Timeframe

Pending Commission approval, the proposed rule change is expected to be implemented on November 13, 2026. If DTC is unable to implement on that date, it will implement the proposed changes no later than January 2027, with the specific date announced in advance by Important Notice. If approved, a legend would be added to the Fee Guide and the Deposits Guide stating that the proposed changes have been approved by the Commission but

have not yet been implemented, identifying the implementation date and file number of this proposal, and stating that the legend would automatically be removed upon implementation.

2. Statutory Basis

DTC believes that the proposed rule change is consistent with the requirements of the Exchange Act, and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, DTC believes that the proposed rule change is consistent with Sections 17A(b)(3)(F) and 17A(b)(3)(D) of the Exchange Act,¹⁸ as well as Rule 17ad-22(e)(21)¹⁹ thereunder, for the reasons described below.

Section 17A(b)(3)(F) of the Exchange Act requires, in part, that the rules of a clearing agency, such as DTC, be designed to promote the prompt and accurate clearance and settlement of securities transactions.²⁰ As described above, the proposed changes would amend the Deposits Guide to (i) add a section describing the availability of DRS through SPA via the DTCC Portal, an API, or MQ-based messaging; (ii) describe the processing of DRS Profile Deposit Requests, DRS Deliver Orders and DRS Withdrawal by Transfer instructions; (iii) document the existing requirement that DRS Profile Deposits Requests require Profile Surety to be processed by DTC; (iv) describe pass-through fees and the use of DTC's Centralized Billing to collect and remit such fees, including an associated DTC charge for some DRS Profile Deposit Requests; (v) describe the assignment of Transaction Status values in SPA and maintenance of an audit trail of status changes, including where to get additional information on DRS functionality; and (vi) provide a navigation table for SPA functionality.

Although not associated with any needed rule text change, the proposal would also provide for the retirement of certain PTS and PBS functions that currently support DRS processing and CCF batch-file processing as an operational method for certain DRS transactions.

By making DRS functionality available through SPA and through APIs and MQ-based messaging, and by providing Participants and DRS Agents with automated methods for submitting, reviewing, approving, rejecting, and monitoring DRS transactions, the proposed rule change would reduce the operational risk, complexity, and delay

¹⁸ 15 U.S.C. 78q-1(b)(3)(F) and (D).

¹⁹ 17 CFR 240.17ad-22(e)(21).

²⁰ 15 U.S.C. 78q-1(b)(3)(F).

associated with legacy applications, scheduled batch-file transmissions, and manual processing activities. Similarly, retiring certain PTS and PBS functions that currently support DRS processing and CCF batch-file processing as an operational method for certain DRS transactions as part of this modernization would further reduce reliance on legacy user interfaces and scheduled batch processing and would consolidate DRS processing onto the more automated access methods described above. Meanwhile, the proposed Transaction Status and audit-trail functionality would provide greater transparency into the processing stage and disposition of DRS transactions, while the expansion of DTC's Centralized Billing service would reduce reliance on invoicing and payment-remittance processes conducted outside DTC.

DTC believes these proposed changes would, individually and collectively, promote the prompt and accurate clearance and settlement of securities transactions because they would support more automated, timely, and transparent processing of DRS transactions and reduce reliance on legacy and batch-based processing methods, thereby reducing associated operational complexity and processing delays. Therefore, DTC believes the proposed changes described above are consistent with Section 17A(b)(3)(F) of the Exchange Act.²¹

Section 17A(b)(3)(D) of the Exchange Act requires that DTC's Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Participants.²² DTC believes that the proposed Fee Guide entries are consistent with this provision of the Exchange Act, for the reasons described below. As described above, DTC would update the Fee Guide to add "DRS Profile Deposit Participant Initiated Fee Collection" and "DRS Profile Deposit Manual Movement Fee Collection" to support collection of pass-through fees imposed by DRS Agents in connection with DRS Profile Deposits. DTC would also add "DRS Withdrawal by Transfer Fee Collection—Approval" and "DRS Withdrawal by Transfer Fee Collection—Rejection" to support collection of pass-through fees imposed by DRS Agents in connection with the approval and rejection of electronic DRS Withdrawal by Transfer instructions. The amount of each pass-through fee would be determined by the applicable DRS Agent, rather than DTC. DTC would not establish or increase the

amount of the underlying pass-through fee but would collect the applicable amount from the Participant and remit it to the DRS Agent through Centralized Billing.

DTC believes the proposed pass-through fee entries would provide for the equitable allocation of fees because the applicable fee would be collected only from a Participant whose DTC transaction gives rise to the fee imposed by the DRS Agent. Accordingly, DTC believes the proposed pass-through fee entries are consistent with Section 17A(b)(3)(D).

Separately, DTC would add "DRS Profile Deposit Participant Initiated Movement Collection Charges LPA" and "DRS Profile Deposit Participant Manual Movement Collection Charges LPA," to reflect DTC's collection charges associated with Participant-initiated and manual DRS Profile Deposit transactions, respectively. DTC believes that the proposed five-percent collection charge would be reasonable because it would apply only when DTC collects and remits an applicable pass-through fee on behalf of a DRS Agent, and the proposed charge is consistent with the collection charge established in connection with DTC's existing DRS Centralized Billing service.²³ Consistent with that existing fee structure, the proposed collection charge would be equal to five percent of the applicable DRS Agent fee. Additionally, the proposed collection charge would apply only when DTC performs the applicable collection and remittance function and would be calculated consistently at five percent of the applicable DRS Agent fee. Therefore, DTC believes that the proposed collection charge would provide for the equitable allocation of reasonable dues, fees, and other charges among its Participants, consistent with Section 17A(b)(3)(D) of the Exchange Act.²⁴

Rule 17ad-22(e)(21) under the Exchange Act requires, in part, that DTC establish, implement, maintain and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its Participants and the markets it serves.²⁵ As described above, the proposed modernization of DRS is designed to provide for more efficient and effective processing of DRS transactions by retiring certain PTS and PBS functions that currently support DRS processing and CCF batch-file

processing as operational methods for certain DRS transactions and providing more automated processing methods through SPA, API and MQ-based messaging. The proposed changes would reduce reliance on legacy applications, scheduled batch-file transmissions, and manual processing activities and would automate certain steps in the processing of DRS transactions. The proposed Transaction Status and audit-trail functionality would also provide Participants and DRS Agents with greater transparency into the processing and disposition of DRS transactions. In addition, the expansion of Centralized Billing would provide a more efficient process for the collection and remittance of applicable DRS Agent pass-through fees by reducing reliance of invoicing and payment-remittance processes conducted outside DTC. Accordingly, DTC believes that the proposed rule change would help promote the efficiency and effectiveness in the processing of DRS transactions in a manner consistent with Rule 17ad-22(e)(21).²⁶

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

Section 17A(b)(3)(I) of the Exchange Act²⁷ requires that the rules of a clearing agency not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. DTC believes that certain aspects of the proposed rule change could impose a burden on competition because Participants and DRS Agents that currently use certain PTS and PBS functions that currently support DRS processing or CCF batch-file processing for certain DRS transactions would be required to transition to SPA through the DTCC Portal or to API or MQ-based messaging. Some firms may incur costs associated with implementing, testing, and maintaining connectivity to an alternative processing method and may need to modify their existing systems or operational processes. The extent of such costs may vary among firms depending on, among other things, their existing technology and connectivity to DTC.

DTC does not believe, however, that any such burden would unfairly affect competition or constitute a burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The operational retirement of certain PTS and PBS functions that currently

²³ See Securities Exchange Act Release No. 53679 (Apr. 19, 2006), 71 FR 24770, 24771 (Apr. 26, 2006) (SR-DTC-2006-05).

²⁴ *Id.*

²⁵ 17 CFR 240.17ad-22(e)(21).

²¹ *Id.*

²² 15 U.S.C. 78q-1(b)(3)(D).

²⁶ *Id.*

²⁷ 15 U.S.C. 78q-1(b)(3)(I).

support DRS processing and CCF batch-file processing would apply to all Participants and DRS Agents that currently use those processing methods, and the same alternative access methods would be available to similarly situated users. The proposed change would not restrict any Participant or DRS Agent from accessing DRS based on its identity, size, or business model nor would it provide a competitive advantage to any particular Participant or DRS Agent.

Moreover, DTC believes that any burden associated with transitioning from certain PTS and PBS functions that currently support DRS processing and CCF batch-file processing would be necessary and appropriate in furtherance of the purposes of the Exchange Act. As described above, retiring these legacy processing methods for certain DRS transactions would reduce reliance on scheduled batch-file transmissions and legacy processing methods. Requiring current users these legacy processing methods to transition to SPA through the DTCC Portal, API or MQ-based messaging would support more automated and timely DRS processing, provide greater transparency into Transaction Status and processing outcomes, and reduce the operational risk and complexity associated with maintaining legacy processing methods in addition to the modernized DRS infrastructure. Accordingly, DTC believes that any burden associated with these transitions would be necessary and appropriate in furtherance of the purposes of the Exchange Act because the transition is necessary to achieve the operational efficiencies and risk reductions described above.

DTC does not believe that the proposed changes relating to DRS processing, Transaction Status and audit-trail functionality would impose a burden on competition. DTC would continue to facilitate DRS Profile Deposit Requests, DRS Deliver Orders, and DRS Withdrawal by Transfer instructions, with the proposed changes principally modifying the manner in which DRS transactions are submitted, processed and monitored. The proposed Transaction Status and audit-trail functionality would be available to Participants and DRS Agents using the applicable DRS processing methods and would not favor or disadvantage a particular Participant or DRS Agent. Certain Transaction Status values associated with the maker/checker functionality would apply only to transactions processed through the DTCC Portal because that operational control is specific to manual transaction input through the DTCC Portal and is

not applicable to API or MQ-based messaging.

Similarly, DTC believes that the proposed expansion of Centralized Billing and required use of the service to collect and remit applicable pass-through fees imposed by DRS Agents could impose a burden on competition because Participants and DRS Agents may incur costs associated with modifying existing billing or payment remittance processes to use Centralized Billing for the applicable DRS transactions. However, the proposal would not establish or increase the underlying pass-through fees imposed by DRS Agents. Rather, DTC would provide a centralized mechanism for collecting and remitting applicable pass-through fees and would assess the related DTC collection charges described above. A DRS Agent would continue to determine whether to impose an applicable pass-through fee and, if so, the amount. Where a DRS Agent elects to impose such a fee, the requirement to use Centralized Billing for its collection and remittance would apply uniformly to similarly situated Participants and DRS Agents. The applicable fee entries and collection charges would apply consistently to Participants that use the applicable DRS transaction type. Accordingly, DTC believes the Centralized Billing change would not favor or disadvantage any particular Participant or DRS Agent.

Moreover, DTC believes that any burden associated with the required use of Centralized Billing would be necessary and appropriate in furtherance of the purposes of the Exchange Act. As described above, the proposed expansion of Centralized Billing would provide a centralized mechanism for the collection and remittance of applicable DRS Agent pass-through fees and would replace billing and payment remittance processes that may otherwise occur outside DTC. Accordingly, DTC believes that any burden associated with modifying existing billing or payment remittance processes to use Centralized Billing would be necessary and appropriate to achieve the operational efficiencies associated with the proposed expansion and required use of Centralized Billing for the applicable DRS transactions.

Therefore, DTC believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

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

The DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, DTC would amend its filing to publicly file such comments as an Exhibit 2 to its filing, as required by Form 19b-4 and the General Instructions thereto.

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

All prospective commenters should follow the Commission's instructions on *How to Submit a Comment*, available at 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.

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

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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 Exchange Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/>)

rules-regulations/self-regulatory-organization-rulemaking); or

- Send an email to rule-comments@sec.gov. Please include File Number SR-DTC-2026-012 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-DTC-2026-012. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>). Copies of the filing will be available for inspection and copying at the principal office of DTC and on DTCC's website (www.dtcc.com/legal/sec-rule-filings). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-DTC-2026-012 and should be submitted on or before October 26, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁸

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106548; File No. SR-NASDAQ-2026-084]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Exchange Rule Equity 2, Section 9 Regarding Clearing and Settlement in Connection With 23-5 Trading

September 30, 2026.

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 28, 2026, The Nasdaq Stock

Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, 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.

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

The Exchange proposes to amend Exchange Rule Equity 2, Section 9 to provide that, if a Member that trades in the Night Session³ clears transactions in the Night Session through another Member that is a member of a registered clearing agency, the designated Clearing Member⁴ must affirm to the Exchange in writing, through a letter of authorization, letter of guarantee, letter of consent, or any other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed during the Night Session by the Member designating it as its clearing firm.⁵

³ See Exchange Rule Equity 1, Section 1(a)(19) (defining the term "Night Session" as the time between 9:00 p.m. on one calendar day through 4:00 a.m. the next calendar day Sunday through Thursday provided that each such next calendar day is a Business Day and further providing (1) that the Exchange shall not commence operation of the Night Session unless the Equity Data Plans have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session that is equivalent to the mechanism established for Exchange trading hours during Regular Market Hours, and have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate the Night Session; (2) that, prior to commencing operation during the Night Session, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder to amend its rules confirming that the Exchange is able to comply with its obligations under the Exchange Act and the rules thereunder during the Night Session and that such Equity Data Plans are prepared to collect, consolidate, process and disseminate quotation and transaction information at all times during the Night Session ("Night Session Proposed Rule Change"); and (3) that if the Night Session Proposed Rule Change is not filed within 18 months of the SEC's approval of this proposed rule change, the Exchange will promptly file a proposed rule change to remove the rules that apply to the Night Session). See also Securities Exchange Act Release No. 34-105199 (April 10, 2026), 91 FR 20222 (April 15, 2026) ("23-5 Approval Order").

⁴ As proposed, the term "Clearing Member" would be defined as a member that is a member of a registered clearing agency. See proposed Exchange Rule Equity 2, Section 9.

⁵ See proposed Exchange Rule Equity 2, Section 9. On September 18, 2026, the Exchange filed a proposal to amend Exchange Rule Equity 2, Section 9 to provide that, if a Member that trades in the

The text of the proposed rule change is set forth below; proposed new language is italicized; deleted text is in brackets.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/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 Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend Exchange Rule Equity 2, Section 9 to require that if a Member that trades in the Night Session clears transactions in the Night Session through another Member that is a member of a registered clearing agency, the Clearing Member must affirm to the Exchange in writing its agreement to assume responsibility for clearing and settling any and all trades executed during the Night

Night Session clears transactions in the Night Session through another Member that is a member of a registered clearing agency, the designated Clearing Member must affirm to the Exchange in writing, through a letter of authorization, letter of guarantee, letter of consent, or any other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed during the Night Session by the Member designating it as its clearing firm ("SR-NASDAQ-2026-079"). On September 28, 2026, the Exchange withdrew SR-NASDAQ-2026-079 and replaced it with the present filing to make a clarifying change to the proposed rule text in Exhibit 5 by correcting the first reference to "Night" to read "Night Session." Specifically, the corrected sentence reads: "If a Member who seeks to trade in the Night Session clears transactions through another Member that is a member of a registered clearing agency (the 'Clearing Member'), the Clearing Member shall affirm to the Exchange in writing, through letter of authorization, letter of guarantee, letter of consent, or any other agreement acceptable to the Exchange, the Clearing Member's agreement to assume responsibility for clearing and settling any and all trades executed during the Night Session by the Member designating the Clearing Member as its clearing firm." Other than for this clarifying correction, the proposed rule text and substance of the filing remain unchanged.

²⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.