

Dated: December 8, 2023.

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Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-99108; File No. SR-DTC-2023-012]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Clearing Agency Risk Management Framework

December 7, 2023.

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 December 1, 2023, 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. DTC filed the proposed rule change pursuant to section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change of The Depository Trust Company (“DTC”) is provided hereto [sic] as Exhibit 5 and amends the Clearing Agency Risk Management Framework (“Risk Management Framework”, or “Framework”) of DTC and its affiliates, Fixed Income Clearing Corporation (“FICC”) and National Securities Clearing Corporation (“NSCC,” and together with FICC and DTC, the “Clearing Agencies”).⁵ The proposed rule change would amend the Risk

Management Framework to clarify and revise the descriptions of certain matters within the Framework, as further described below. The proposed changes would update and clarify the Risk Management Framework but do not reflect changes to how the Clearing Agencies comply with the applicable requirements of Rule 17Ad-22(e), as described in greater detail below.

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

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

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

1. Purpose

The Clearing Agencies adopted the Risk Management Framework⁶ to provide an outline for how each of the Clearing Agencies (i) maintains a well-founded, clear, transparent and enforceable legal basis for each aspect of its activities; (ii) comprehensively manages legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by it; (iii) identifies, monitors, and manages risks related to links it establishes with one or more clearing agencies, financial market utilities, or trading markets; (iv) meets the requirements of its participants and the markets it serves efficiently and effectively; (v) uses, or at a minimum accommodates, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing and settlement; and (vi) publicly discloses certain information, including market data. In this way, the Risk Management Framework currently supports the Clearing Agencies’ compliance with Rules 17Ad-22(e)(1), (3), (20), (21), (22) and (23) of the Standards,⁷ as described in the Framework Filings. In addition to setting forth the way each of the Clearing Agencies addresses these requirements, the Risk Management Framework also contains a section titled

“Framework Ownership and Change Management” that, among other matters, describes the Framework ownership and the required governance process for review and approval of changes to the Framework. In connection with the annual review and approval of the Framework by the Board of Directors of NSCC, DTC and FICC (each a “Board” and collectively, the “Boards”), the Clearing Agencies are proposing to make certain revisions to the Framework.

The proposed changes would clarify and enhance the descriptions in the Risk Management Framework, for example, (i) clarify the cadence of publication of disclosure frameworks; (ii) clarify the description of the Clearing Agencies recovery and wind-down processes and procedures; and (iii) make other non-substantive clarifying and clean-up changes to the Framework. Each of these categories of changes are discussed in further detail below.

i. Proposed Amendment To Clarify the Cadence of Publication of Disclosure Frameworks

Section 4.1 of the Framework describes certain tools provided to Clearing Agency participants to assist participants in understanding the Clearing Agencies’ products and services and their use. One such tool is the publication of disclosure frameworks to the DTCC website. The proposed change would enhance the description in the third bullet of Section 4.1, to add that although each of the Clearing Agencies publish to the DTCC website disclosure frameworks that are updated on a biennial basis, such frameworks are also updated more frequently for material changes.

ii. Proposed Amendment To Clarify the Description of Recovery and Wind-Down

Section 5 of the Framework describes the Clearing Agencies identification of scenarios that may potentially prevent them from being able to provide critical operations and services, and assessment of options for recovery and orderly wind-down, and maintenance of appropriate plans for recovery and orderly wind-down. The proposed changes to Section 5 are primarily rephrasing and grammatical choices that clarify the Framework and conform the language in the Framework to the Clearing Agencies’ stand-alone Recovery and Wind-Down Plans.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).

⁵ See Securities Exchange Act Release Nos. 81635 (September 15, 2017), 82 FR 44224 (September 21, 2017) (SR-DTC-2017-013; SR-FICC-2017-016; SR-NSCC-2017-012) (“Initial Filing”) and Securities Exchange Act Release Nos. 89271 (July 09, 2020), 85 FR 42933 (July 15, 2020) (SR-NSCC-2020-012); Securities Exchange Act Release No. 89269 (July 09, 2020), 85 FR 42954 (July 15, 2020) (SR-DTC-2020-009); and Securities Exchange Act Release No. 89270 (July 09, 2020), 85 FR 42927 (July 15, 2020) (SR-FICC-2020-007) (together with the Initial Filing, the “Framework Filings”).

⁶ *Supra* note 5.

⁷ 17 CFR 240.17Ad-22(e)(1), (3), (20), (21), (22) and (23).

iii. Proposed Amendment To Make Other Non-Substantive Clarifying Changes

These proposed changes consist of rephrasing for clarity and removal of unnecessary language in the Framework. These changes include: (i) changes to Section 1 to simplify the description of other documentation of the Clearing Agencies that support the activities described in the Framework by removing statements regarding the maintenance of those documents that are not relevant to the operation of this Framework and removing redundant sentences; (ii) add “and” for grammatical purposes in the second sentence of the last paragraph of Section 3.2 as well as the words “when required” as clarifying language; (3) remove the words “Market Risk” from the heading “*Clearing Agency Stress Testing Framework*” in Section 3.3.3 and add “liquidity resources” to align with other documentation of the Clearing Agencies; (4) deletion of the word “all” in various sentences in Section 4.2.2, as unnecessary.

2. Statutory Basis

The Clearing Agencies believe that the proposed changes are consistent with section 17A(b)(3)(F) of the Act⁸ for the reasons described below. Section 17A(b)(3)(F) of the Act requires, in part, that the rules of a registered clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.⁹ The proposed changes would clarify the descriptions of certain matters within the Framework to improve comprehensiveness and align with other documentation of the Clearing Agencies, as described above. By creating clearer, updated descriptions, the Clearing Agencies believe that the proposed changes would make the Risk Management Framework more effective in providing an overview of the important risk management activities of the Clearing Agencies, as described therein.

As described in the Framework Filings, the risk management functions described in the Risk Management Framework allow the Clearing Agencies to continue to promote the prompt and accurate clearance and settlement of securities transactions and continue to assure the safeguarding of securities and funds which are in their custody or

control or for which they are responsible notwithstanding the default of a member of an affiliated family. The proposed changes to improve the clarity and accuracy of the descriptions of risk management functions within the Framework would assist the Clearing Agencies in carrying out these risk management functions. Therefore, the Clearing Agencies believe these proposed changes are consistent with the requirements of section 17A(b)(3)(F) of the Act.¹⁰

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

The Clearing Agencies do not believe that the proposed changes to the Framework described above would have any impact, or impose any burden, on competition. As described above, the proposed rule changes would improve the comprehensiveness of the Framework by creating clearer, updated descriptions, thereby making the Risk Management Framework more effective in providing an overview of the important risk management activities of the Clearing Agencies. As such, the Clearing Agencies do not believe that the proposed rule changes would have any impact on competition.

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

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

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

All prospective commenters should follow the Commission’s instructions on how to submit comments, *available at* <https://www.sec.gov/regulatory-actions/how-to-submitcomments>. 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 not to respond to any comments received.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A)¹¹ of the Act and paragraph (f)¹² of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission’s internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-DTC-2023-012 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-2023-012. 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/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and

⁸ 15 U.S.C. 78q-1(b)(3)(F).

⁹ *Id.*

¹⁰ *Id.*

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f).

printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTCC's website (<https://dtcc.com/legal/sec-rule-filings.aspx>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-DTC-2023-012 and should be submitted on or before January 3, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-99103; File No. SR-BX-2023-032]

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Monthly Options Series

December 7, 2023.

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 November 29, 2023, Nasdaq BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit 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 the Rules at Options 4A (Options Index Rules) to adopt Monthly Options Series.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/>

rulebook/nasdaq/rules, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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 Options 4A (Options Index Rules) to accommodate the listing of option series that would expire at the close of business on the last business day of a calendar month ("Monthly Options Series").³ Of note, Nasdaq ISE, LLC ("ISE") will separately file a rule change to adopt a Monthly Options Series for ETFs. BX's Options 4 rules, which govern the ability to transact options on ETFs, incorporate by reference ISE's Options 4 rules. This rule change proposes to amend BX's index options rules to adopt a Monthly Options Series program. Pursuant to proposed Options 4A, Section 12(h)(2)(i), the Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on ETFs.⁴ In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.⁵ The Exchange may list 12

³ The Exchange proposes to define a "Monthly Options Series" in Options 4A, Section 2(l) to mean, for the purposes of Options 4A, a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar month. The Exchange proposes to re-letter the subsequent definitions in Options 4A, Section 2.

⁴ As provided in proposed Options 4A, Section 12(h)(2)(i), the Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on ETFs; the five Monthly Options Series include both index options and options on ETFs.

⁵ See Securities Exchange Act Release No. 98915 (November 13, 2023), 88 FR 80356 (November 17, 2023) (SR-Cboe-2023-049) (Order Approving a

expirations for Monthly Options Series. Monthly Options Series need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively.⁶ Other expirations in the same class are not counted as part of the maximum numbers of Monthly Options Series expirations for a class.⁷ Monthly Options Series will be P.M.-settled.⁸

The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term "reasonably related to the current price of the underlying security or index value of the underlying index" means that the exercise price is within 30% of the current underlying security price or index value.⁹ Additional Monthly Options Series of the same class may be

Proposed Rule Change To Adopt Monthly Options Series) ("Cboe Monthly Approval Order").

⁶ The Exchange notes this provision considers consecutive monthly listings. In other words, as other expirations (such as Quarterly Options Series) are not counted as part of the maximum, those expirations would not be considered when considering when the last expiration date would be if the maximum number were listed consecutively. For example, if it is January 2024 and the Exchange lists Quarterly Options Series in class ABC with expirations in March, June, September, December, and the following March, the Exchange could also list Monthly Options Series in class ABC with expirations in January, February, April, May, July, August, October, and November 2024 and January and February of 2025. This is because, if Quarterly Options Series, for example, were counted, the Exchange would otherwise never be able to list the maximum number of Monthly Options Series. This is consistent with the listing provisions for Quarterly Options Series, which permit calendar quarter expirations. The need to list series with the same expiration in the current calendar year and the following calendar year (whether Monthly or Quarterly expiration) is to allow market participants to execute one-year strategies pursuant to which they may roll their exposures in the longer-dated options (e.g. January 2025) prior to the expiration of the nearer-dated option (e.g., January 2024).

⁷ See proposed Options 4A, Section 12(h)(2)(iii).

⁸ See proposed Options 4A, Section 12(h)(2)(iii).

⁹ See proposed Options 4A, Section 12(h)(2)(iv). The Exchange notes this proposed provision is consistent with the initial series provision for the Quarterly Options Series program in Options 4A, Section 12(g).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.