

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-99567; File No. SR-NSCC-2023-007)

February 20, 2024

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as Modified by Partial Amendment No. 1 and Amendment No. 2, to Modify the Amended and Restated Stock Options and Futures Settlement Agreement and Make Certain Revisions to the NSCC Rules

On August 10, 2023, National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-NSCC-2023-007 (“Proposed Rule Change”) pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder to modify the Amended and Restated Stock Options and Futures Settlement Agreement dated August 5, 2017, between NSCC and the Options Clearing Corporation (“OCC”) and make certain revisions to NSCC’s related Rules & Procedures.<sup>3</sup> The Proposed Rule Change was published for public comment in the *Federal Register* on August 30, 2023.<sup>4</sup>

On September 25, 2023, pursuant to Section 19(b)(2) of the Exchange Act,<sup>5</sup> the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the Proposed Rule Change.<sup>6</sup>

On November 8, 2023, NSCC filed a Partial Amendment No. 1 to the Proposed Rule

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

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

<sup>3</sup> Capitalized terms not defined herein are defined in the NSCC Rules. The NSCC Rules are available at [www.dtcc.com/-/media/Files/Downloads/legal/rules/nsc\\_rules.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/rules/nsc_rules.pdf).

<sup>4</sup> Securities Exchange Act Release No. 98213 (Aug. 24, 2023), 88 FR 59968 (Aug. 30, 2023) (File No. SR-NSCC-2023-007) (“Notice of Filing”).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> Securities Exchange Act Release No. 98508 (Sep. 25, 2023), 88 FR 67407 (Sep. 29, 2023) (File No. SR-NSCC-2023-007).

Change.<sup>7</sup> On November 14, 2023, the Commission published notice of Partial Amendment No. 1 and instituted proceedings, pursuant to Section 19(b)(2)(B) of the Exchange Act,<sup>8</sup> to determine whether to approve or disapprove the proposed rule change, as modified by the Partial Amendment No. 1.<sup>9</sup> On January 24, 2024, NSCC filed Amendment No. 2 to the Proposed Rule Change, which was published in the *Federal Register* for public comment on January 31, 2024.<sup>10</sup> The Commission has received no comments regarding the substance of the Proposed Rule Change.<sup>11</sup>

Section 19(b)(2) of the Exchange Act<sup>12</sup> provides that proceedings to determine whether to approve or disapprove a proposed rule change must be concluded within 180 days of the date of publication of notice of filing of the proposed rule change. The time for conclusion of the proceedings may be extended for up to 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination.<sup>13</sup> The 180<sup>th</sup> day after publication of the Notice in the *Federal Register* is February 26, 2024.

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7 Partial Amendment No. 1 delays implementation of the proposed change; however, Partial Amendment No. 1 was amended and replaced by Amendment No. 2. *See* Notice of Amendment *infra* note 10, at 89 FR 6140.

8 15 U.S.C. 78s(b)(2)(B).

9 Securities Exchange Act Release No. 98930 (Nov. 14, 2023), 88 FR 80790 (Nov. 20, 2023) (File No. SR-NSCC-2023-007).

10 Securities Exchange Act Release No. 99432 (Jan. 25, 2024), 89 FR 6140 (Jan. 31, 2024) (File No. SR-NSCC-2023-007) (“Notice of Amendment”). Amendment No. 2 adds a second phase of changes to the proposed rule change. The changes added in Phase 2 include improved information sharing between OCC and NSCC and are designed to facilitate the shortening of the standard settlement cycle for most broker-dealer transactions from T+2 to T+1. *See* Securities Exchange Act Release No. 96930 (Feb. 15, 2023), 88 FR 13872 (Mar. 6, 2023) (File No. S7-05-22).

11 The Commission received comments expressing general concerns unrelated to the substance of the filing. *See, e.g.*, comments from JT Clark (Oct. 10, 2024) (general concern about corruption in the markets) and Anthony LaBree (Oct. 12, 2024) (concerns about OCC’s business practices). Comments are available at <https://www.sec.gov/comments/sr-nbcc-2023-007/srnsc2023007.htm>.

12 15 U.S.C. 78s(b)(2).

13 15 U.S.C 78s(b)(2)(B)(ii)(II).

The Commission is extending the period for Commission action on the Proposed Rule Change, as modified by Partial Amendment No. 1 and Amendment No. 2 (hereinafter, the “Proposed Rule Change”). The Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change so that the Commission has sufficient time to consider the issues raised by the Proposed Rule Change and to take action on the Proposed Rule Change. Accordingly, pursuant to Section 19(b)(2)(B)(ii)(II) of the Exchange Act,<sup>14</sup> the Commission designates April 26, 2024, as the date by which the Commission should either approve or disapprove the Proposed Rule Change SR-NSCC-2023-007.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

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

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14 *Id.*

15 17 CFR 200.30-3(a)(57).