

**Bold and underlined text** indicates proposed added language.

**~~Bold and strikethrough text~~** indicates proposed deleted language.

# **NATIONAL SECURITIES CLEARING CORPORATION RULES & PROCEDURES**

## NATIONAL SECURITIES CLEARING CORPORATION PROCEDURES

### PROCEDURE II. TRADE COMPARISON AND RECORDING SERVICE

**[Changes to this Procedure, as amended by File No. SR-NSCC-2026-001, are available at [www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings). These changes have been approved by the SEC but have not yet been implemented. By no later than [insert date 60 Business Days after approval], on a date to be announced by Important Notice, these changes will be implemented, and this legend will be automatically removed.]**

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#### F. Index Receipts

##### 1. Composition and Preliminary Financial Data

Each day, by such time as required by the Corporation from time to time, the Index Receipt Agent shall report to the Corporation (a) the composition of index receipts for creations and redemptions occurring on the next Business Day (“T”), i.e., the shares and their associated quantities, **including information concerning any component securities that are options (“Index Receipt Option Components”) to be transferred through another Registered Clearing Agency or derivatives clearing organization (“Options Clearing Organization”)**; (b) the cash value of the portfolio for creates and redeems made solely for cash, and, if applicable; (c) the estimated cash amount, representing accrued dividend, cash-in-lieu of securities<sup>1</sup>, if applicable, and balancing amount data (hereinafter referred to as the “Dividend/Balancing Cash Amount”); and (d) such other financial data as the Corporation may require or permit from time to time.

Each day, by such time as determined by the Corporation from time to time, the Index Receipt Agent may also report to the Corporation the composition of index receipts for purposes other than creations and redemptions.

Each evening, by such time as determined by the Corporation from time to time, the Corporation will make available to Members a report detailing, if applicable, the estimated Dividend/Balancing Cash Amount, other financial data, and the composition of the next Business Day’s index receipts, **including any Index Receipt Option Components** (“Portfolio Report”). The composition data within the Portfolio Report may be used by the Corporation to process index receipt creations and redemptions on the next Business Day. The Portfolio Report will also include, if available, portfolio holdings of the index receipts.

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<sup>1</sup> The “cash-in-lieu-of securities” portion of the cash amount represents cash substituted for a partial quantity of the components underlying a creation or redemption rather than acting as the sole underlying component.

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### **3. Index Receipts with Option Components**

**Index Receipt Option Components which are not eligible for settlement or processing through the facilities of the Corporation may be eligible for position transfers or adjustments through an Options Clearing Organization. The Corporation may provide instructions on behalf of Members to the applicable Options Clearing Organization concerning position transfers or adjustments of Index Receipt Option Components in connection with the creation and redemption of Index Receipts. Any transactions, position transfers, position adjustments, or settlements related to Index Receipt Option Components shall be governed by and subject to rules of the applicable Options Clearing Organization.**

**The Corporation will not be responsible for the completeness or accuracy of any instruction received from an Index Receipt Agent and transmitted to an Options Clearing Organization with respect to Index Receipt Option Components and will not be responsible for any action taken, or any delay or failure to take any action by the Options Clearing Organization, in connection with the transfer or adjustment of such Index Receipt Option Components.**

**The Corporation's guaranty shall not apply to position transfers, position adjustments or any associated settlements for Index Receipt Option Components. The Corporation shall not be liable for any obligations of any Options Clearing Organization transferring such Index Receipt Option Components nor shall the Clearing Fund or other assets of the Corporation be available to such Options Clearing Organization.**

**With respect to the redemption of index receipts containing Index Receipt Option Components, authorized participants may be required to make a cash payment to the Index Receipt Agents, which will be facilitated by the Corporation, equal to the value of the Index Receipt Option Components. With respect to the creation of index receipts containing Index Receipt Option Components, Index Receipt Agents may be required to make a cash payment to the authorized participant, which will be facilitated by the Corporation, equal to the value of the Index Receipt Option Components. These cash payments are intended to offset corresponding debits in CNS for the value of the Index Receipt Option Components transferred through an Options Clearing Organization.**

### **34. Settlement**

Index receipts and the underlying component securities which are eligible for CNS or cash, if applicable, will be reported on the next available Consolidated Trade Summary. The applicable Consolidated Trade Summary will also separately indicate the other component securities, or cash component, if applicable, due to settle. Component securities will be netted with all other CNS and Non-CNS securities and

entered into the CNS Accounting Operation or Balance Order Accounting Operation for trade-for-trade settlement (as applicable).

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