



DTCC ITPM Central Matching Service Provider (CMSP) Policy

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Section 1 Purpose

This is the primary and overarching Client-facing policy governing DTCC ITP Matching (US) LLC's ("ITPM") obligations as a Central Matching Service Provider ("CMSP") pursuant to U.S. Securities and Exchange Commission ("SEC") Exchange Act Rule 17Ad-27 ("Exchange Act Rule 17Ad-27") (the "ITPM CMSP Policy"). This document describes the various policies, controls, and processes that ITPM has implemented to establish, execute against, govern and complies with CMSP requirements, such as how ITP positions its ITP Services ("Services") offerings, as defined in Section 5, captures input from the industry, establishes the ITP Strategy ("Strategy") and execution plans, incentivizes/disincentivizes behavior, and communicates to Clients, as defined in Section 5, and potential Clients, all to facilitate continuous improvements in Straight Through Processing ("STP") for institutional transactions.¹ STP means, generally, processes that allow for the automation of the entire trade process from trade execution through settlement without manual intervention, including to meet shortened settlement requirements.

Section 2 Audience

All functional areas supporting ITP and its Clients must comply with the requirements of this document, applicable to ITPM.

Section 3 Key Roles and Responsibilities

Below are the key roles and responsibilities:

- Management - Comprised of the General Manager ("GM") of DTCC ITP and their direct reports, is responsible for setting and overseeing the adoption of ITP's Strategy, including DTCC ITP Matching (US) LLC's ("ITPM") STP Strategy, and the prioritization and development of ITP's execution plans and any associated operational plans. Members of ITP Management are the subject matter experts on the ITP business and its associated Services, and are accountable for the overall health and performance of the business and Service offerings to clients.
- Principal of ITPM ("Principal") - The Principal of DTCC ITP Matching (US) LLC, as per the entity's Form CA-1 filed with the SEC.

Section 4 Background

Exchange Act Rule 17Ad-27 requires a CMSP to "establish, implement, maintain, and enforce written policies and procedures reasonably designed to facilitate straight-through processing of securities transactions at the clearing agency."² Specifically, *Shortening the Securities Transaction Settlement Cycle*, 88 F.R 13873 (March

¹ ITPM licenses certain Services (e.g., CTM and TradeSuite ID) to DTCC ITP, which provides those Services to Clients pursuant to an intercompany services agreement between DTCC ITP and ITPM. In addition, DTCC ITP licenses to certain non-U.S. subsidiaries of DTCC the right to use DTCC ITP intellectual property relating to the Services (including sublicensing intellectual property rights that DTCC ITP receives from ITPM pursuant to the services agreement previously mentioned).

² The SEC adopted rules to shorten the standard settlement cycle for most U.S. securities transactions from two business

6, 2023) (the “Adopting Release”) expects Exchange Act Rule 17Ad-27 to “encourage the development of strategic plans on a forward-looking basis to facilitate STP within the CMSP’s operating framework and to facilitate internal and external assessments as to the viability and implementation of those strategic plans.”³ The SEC states that, “the development of policies and procedures by CMSPs will facilitate the Commission’s ongoing development of the national clearance and settlement system generally by enhancing the oversight of CMSPs and ensuring a documented approach to further STP.”⁴ As a CMSP, ITPM has established policies and procedures to facilitate STP for our Clients through the Strategy, Client requirements, and controls.

Additionally, Exchange Act Rule 17Ad-27 requires a CMSP to submit an annual report to the SEC including⁵:

- a quantitative presentation of data that includes specified metrics and organized in a specified manner;
- a qualitative summary of current policies and procedures reasonably designed to facilitate straight-through processing;
- a qualitative description of progress in facilitating straight-through processing during the twelve-month period covered by the report; and
- a qualitative description of the actions intended to take to further facilitate straight-through processing during the twelve-month period that follows the period covered by the report.

The CMSP annual report will allow the SEC to: “(i) assess the qualitative and quantitative progress made by the CMSP and its users to further STP efforts in the processing of institutional transactions; (ii) evaluate the need for additional regulatory action; and (iii) further its oversight of, and the development of, the national clearance and settlement system.”⁶ As a CMSP, ITPM has established policies and procedures to support the timely and accurate publication of an annual report.

DTCC, ITPM’s ultimate parent, also establishes, implements, and maintains policies applicable to ITPM and the ITP Business (“ITP”). Many of the policies and procedures which support ITPM’s compliance as a CMSP are policies or procedures established at the enterprise-wide level by DTCC. DTCC ITP’s operations are supported by a shared services model, which DTCC institutes to operate its multiple subsidiaries, including DTCC ITP LLC (“DTCC ITP”). Pursuant to this model, DTCC ITP receives services (“Support Services”) from the Service Providers, which are controlled by DTCC and under common control with ITPM and DTCC ITP. The functions described in the various policies (for example, DTCC Finance, DTCC Tribe, Legal, Compliance, etc.) are Support Services which may support STP and ITPM’s operations.

For more information concerning DTCC’s organizational structure and subsidiaries, see [DTCC’s Businesses, Subsidiaries & Joint Ventures | DTCC](#).

ITPM has also developed a governance structure to oversee compliance with its CMSP obligations. While the day to day and program-level management and accountability of CMSP related initiatives is led by ITP Management (“Management”), ITP has also established a cross-functional, management-level group, titled the “CMSP Leadership Council”, as defined in Section 15, to provide senior level transparency into, and oversight of, ITPM’s CMSP obligations. The DTCC ITP Board of Managers provides oversight of the CM SP Leadership Council.

As the SEC has stated in the Adopting Release, “CMSPs have become increasingly critical to the functioning of the securities market over the past twenty years, due in part to the rising volume of securities transactions

days after the trade date to one business day after the trade date (“**T+1**”). To facilitate a T+1 standard settlement cycle, the SEC also adopted new requirements for the processing of institutional trades by broker-dealers (Exchange Act Rule 15c6-2), investment advisers (Advisers Act Rule 204-2), and certain clearing agencies that provide a central matching service (Exchange Act Rule 17Ad-27). Exchange Act Rule 17Ad-27 imposes obligations on CMSPs which are intended to form a part of the overall “rules adopted by the SEC (the “**T+1 Rules**”), as described more fully in the Adopting Release and in the rules themselves. Refer to <https://www.sec.gov/files/rules/final/2023/34-96930.pdf>.

³ Adopting Release, at 128.

⁴ Adopting Release, at 129.

⁵ Adopting Release, at 140 – 150.

⁶ Adopting Release, at 137.

for which CMSPs provide matching and other services.”⁷ In recognition of this important role, and to comply with the requirements of Exchange Act Rule 17Ad-27, ITPM has established this policy document, which sets forth the various components of ITPM’s CMSP compliance and covers the following topics pursuant to the Adopting Release:

- DTCC ITP Services
- DTCC ITP Client requirements
- DTCC ITP Strategy and execution
- Capturing feedback on the advancement of STP
- Client and industry communication
- Incentives and disincentives to facilitate STP
- Promotion and inhibition of onward transmission of messages for timely settlement
- Manual systems and processes
- Matching criteria and tolerances
- CMSP Governance
- Compliance with Terms and Procedures
- CMSP Annual Reporting

Section 5 DTCC ITP Services

ITP offers Services that support post-trade allocation, confirmation, matching, and affirmation of securities transactions executed by broker-dealers and Institutions (the “Services”).

ITP maintains a DTCC ITP Services Catalog (“Services Catalog”) published on <https://www.dtcc.com/institutional-trade-processing>, which describes the Service offerings available to Clients; this Services Catalog is the framework by which ITP strives to offer, contract and communicate Service offerings with Clients. The Services Catalog includes details on Services functionality, as well as Client connectivity and access configurations (which may differ depending on Client type), optional workflows and add-on/ancillary Services, subject to elected Services. Optional workflows and add-on/ancillary Services are not stand-alone Services and may require additional documentation and/or fees may apply.

The Services Catalog also describes certain functionality which ITP offers at no cost, on a limited basis, to non-Clients (“Non-Client Set-ups”). These Non-Client Set-ups may: (i) support Client operations; (ii) facilitate STP; or (iii) ease the onboarding to, or increase the adoption / usage of, Services. Entities who use Non-Client Set-ups do not receive access to ITP systems, do not receive ITP support services, and do not complete the standard DTCC ITP Client onboarding process.

ITP maintains a change control procedure governing changes to the Services Catalog.

Services are provided to ITP Clients, which include a broad array of securities market participants, including (i) investment managers, investment manager outsourcers (“IMOs”), 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 (including global custodians and regional custodians), as well as brokers who are acting in the capacity as a custodian by providing prime brokerage services to their underlying clients; and (iv) agents, including certain parties who may not have an active role in post-trade processing but may have an interest in, or need access to the Services for the administration of the allocation, confirmation, matching, and/or allocation process (collectively, “Clients”).

⁷ Adopting Release, at 110.

The Services Catalog is available for all Clients and non-Clients and is on dtcc.com and dtcclearning.com. When updated, the latest version of the Service Catalog is posted on these sites for Clients to view, and is also attached to the current MSA (defined below).

STP Partners for Client Access

ITP also offers Clients access to ITP via the DTCC Partner Program, a DTCC Enterprise program which provides Mutual Clients access to Services through a STP Partner interface (“Interface”). The Interface facilitates the transfer of information between the product and services of a STP Partner and specific Services. The information transferred includes any details which are required from the Mutual Client to fulfill a successful transmission or trade match. DTCC Partners are not defined as Clients of ITP and enter into separate terms and agreements with ITP. Clients who choose to come through a DTCC Partner interface can access ITP Services if they are Mutual Clients, and otherwise comply with DTCC ITP’s Client Requirements. For more information on DTCC’s Partner Program please visit <https://www.dtcc.com/partner-program>.

Section 6 DTCC ITP Client Requirements

In order to be eligible as a Client of ITP, entities must: (i) enter into a DTCC ITP Master Services Agreement (“MSA”); (ii) complete an Order Form to elect Services (and other applicable onboarding documentation); (iii) be subject to ITP’s client verification process; and (iv) be subject to global sanctions screenings against various watch lists.

Terms

Clients who enter into the MSA must acknowledge that ITP provides all Services (also defined as the “Services” under the MSA). Clients are subject to the “Terms,” and other “Procedures,” each as defined under the MSA.

Procedures Applicable to Clients

“Procedures” as further set forth under the MSA, include any documentation posted on DTCC.com (including the DTCC Learning Center) which are designed to guide Clients on how ITP Services and related systems work and what is expected of Clients when using the Services. To elaborate on the definition provided in the MSA, this Policy further explains that Procedures include, without limitation: (i) policies and procedures communicated to Clients, such as this ITPM CMSP Policy; (ii) the Service-Specific Terms Addendum (which is an addendum to the MSA which covers specific terms of use for particular Services), the DTCC’s security, privacy and general web access terms and conditions periodically communicated to Clients; and (iii) Service Guides, which are client-facing user terms, operating materials and best practices, and similar operational and instructional information about ITP Services, located on the DTCC Learning Center.

Failure to comply with and/or provide accurate or complete information required for setup may lead to consequences, such as but not limited to, a delay in access to Services or termination of the MSA. If Services are not used as outlined in the Procedures, Clients may experience limitations with the Services and difficulty achieving STP. Please refer to the DTCC ITP Client Requirement Policy for more details.

Section 7 Compliance with Terms and Procedures

In the Adopting Release, the SEC states, “the requirement to “enforce” requires the CMSP to develop a reasonable approach with sufficient specificity to ensure that its users comply with any required user obligations and to make clear any consequences of non-compliance within the established policies and procedures framework and the timeframes associated with any such consequences”.⁸ ITPM has developed Policies & Procedures to outline Client obligations. Clients who do not use the Services as defined in the Procedures may not derive the full STP value the Services are designed to provide. This may lead to reduced

affirmation rates, poor settlement rates, increased costs, reputational damage, and potential regulatory action. ITP will strive to identify such Client(s) / Client segment behavior and work with Clients to mitigate (i.e., additional education, system enhancements, pricing incentive/disincentives etc.). The MSA, as amended from time to time, shall constitute the terms and conditions on which the Client may procure the Services. This will be communicated to Clients as per material changes in Section 10. Of note:

- ITP needs the flexibility to modify the Terms (including Procedures) and Services in order to update and improve the Services or to comply with applicable law or regulatory requirements (including to align with STP facilitation strategy and policies as they evolve).
- The MSA permits ITP to amend Procedures for various reasons, including to facilitate STP.
- Clients are obligated to upgrade technology and/or connectivity, as ITP may need to decommission all or part of the Services, or push modernizations in technology to ensure resiliency, mitigate sources of operational risk, including cyber risk, and to facilitate STP.
- ITP needs the ability to exercise suspension and termination rights as it deems appropriate based on Client eligibility criteria, and to align with risk policies such as those pertaining to suspending or terminating Service(s) for cyber-security reasons or to align with global sanctions policies.

Section 8 DTCC ITP Strategy and Execution

ITP is committed to providing an integrated post-trade infrastructure that eliminates redundancies and manual processing across asset classes to create a place where Clients can manage the entire trade lifecycle, from post-execution to settlement, on one platform. ITP is uniquely positioned to facilitate the STP of institutional trades by seamlessly connecting our global Client community to an open and integrated ecosystem that services the full post-trade lifecycle. ITP incorporates this commitment and goal into its Strategy.

Per the Adopting Release, “the rule will also encourage the development of strategic plans on a forward-looking basis to facilitate STP within the CMSP’s operating framework and to facilitate internal and external assessments as to the viability and implementation of those strategic plans.”⁹ ITP has incorporated internal and external feedback and periodic review into its Strategy and execution planning to comply with Exchange Act Rule 17Ad-27, as described below.

On an annual basis, Management reviews and refreshes the Strategy. This review takes into account feedback from Clients and the industry at large, global market conditions, regulatory mandates, new opportunities, performance and risk related matters, as well as opportunities to further promote STP, which is core to ITP’s Strategy. Once the Strategy is established, Management develops an annual Book of Work (“BoW”), which defines ITP’s execution and delivery plans for the year, inclusive of which initiatives are in support of furthering STP. ITP also creates a Client-Facing Roadmap (“Roadmap”) which outlines ITP’s plans for the upcoming year, along with expectations of Clients to adopt these initiatives. The Strategy and Roadmap are socialized with the ITP Board of Managers and Regional Advisory Councils (“RAC”), as defined in Section 9, to solicit feedback and ensure alignment on plans and prioritization. Socialization of the Strategy supports compliance with the Adopting Release requirements.¹⁰ The Roadmap is made available to Clients on dtcclearing.com.

⁸ Adopting Release at 129-130.

⁹ Adopting Release at 128.

ITP's Strategy, BoW and Roadmap are subject to change throughout the year as conditions, requirements and needs of Clients or the industry change. ITP has in place a Delivery Change Control process to fully vet and document these changes, along with their impact. If and as changes occur that impact the Services Catalog or Roadmap (based on changes to the Strategy or BoW) throughout the year, ITP will update the Services Catalog or Roadmap and notify Clients of these changes accordingly.

Section 9 Capturing Feedback on the Advancement of STP

ITP is committed to partnering with its Clients and the industry to help promote a no-touch workflow and STP in the industry. As the financial markets' trusted industry partner, ITP provides thought leadership and engagement opportunities to capture feedback from our Client community and the industry, in support of bringing efficiencies to the industry from post execution to settlement.

The following governance or Client-facing forums are avenues where ITP solicits feedback from Clients on ITP's strategic plans. The feedback from these forums is provided to Management who, in turn, leverage it as part of the annual Strategy development and BoW planning, inclusive of its STP Strategy and plans.

- **Board of Managers** - The Board of Managers of DTCC ITP LLC ("the Board"), the parent of ITPM, oversees Management's activities in managing, operating, and developing ITP's Strategy and is responsible for providing oversight of and guidance to ITP's General Manager and its management framework in creating the Strategy, including with respect to ITPM's compliance with Exchange Act Rule 17Ad-27.
- **Regional Advisory Councils** ("RAC") are Client groups established by Management, subject to a charter, and their goal is to represent the Client perspective with regards to ITP's Strategy and its Services. The feedback received and items discussed at the RACs are intended to be collected and reviewed periodically, with material updates reviewed with Management and reported to the Board as appropriate.

Client Working Groups are Service-specific meetings comprised of Clients who represent the Service community who have a strong working knowledge of the particular Service. Client Working Groups are established by Management, subject to a charter, and their goal is to maintain and enhance the Client experience and capture feedback on features, functionality, and strategic priorities, which may inform the Strategy.

- **Design Partner Working Groups** are established from time to time by Management, subject to a charter, and their goal is to work with a subset of members from a Client segment to gather feedback on particular features and functionality when designing and developing a new Service, optional workflow, or add-on/ancillary Service. Membership is generally driven by Clients who share the use-case of a challenge which the Design Partner Working Group is tasked with trying to solve. Participants in these working groups, at times, may also evolve into the target group for the ITP Early Adopters Program.

Additionally, Clients are able to consult with and provide feedback to one or more of the various Client-facing teams described below, depending on the nature of the Client and its set-up:

- **Sales**, who is responsible for cultivating and growing long-term Client relationships to deliver on revenue growth targets and support the corporate objectives.

¹⁰ Adopting Release at 128 ("to facilitate internal and external assessments as to the viability and implementation of those strategic plans").

- **Relationship Managers** (“RMs”), who are strategic advisors to DTCC ITP’s largest and most strategic Clients across the globe, and who have a deep understanding of their operating model, tailoring our engagement to maximize value of our Services, and collaborating to develop new innovative solutions.
- **Technical Account Managers** (“TAM”), who have a deep working knowledge of the Services, as well as a comprehensive understanding of Clients’ technical infrastructure and specifics of how they leverage Services within their businesses. This intimate knowledge facilitates partnerships that enhance the Client experience by creating efficiencies and stability through changing technical and regulatory environments.
- **Client Contact Center** (“CCC”), which is responsible for Client troubleshooting and inquiry management for test and production environments, as well as Client billing questions. CCC provides technical and business support for Clients and acts as the primary communication channel with Clients in the event of a Service disruption.

Client-facing teams are in regular communication with Management and participate on cross -functional internal forums where initiatives related to STP are raised and discussed. Client-facing teams are responsible for providing Management with key feedback captured from Clients, to help inform the Strategy and annual plans.

Additionally, ITP is actively engaged with key industry associations, such as ISITC, SIFMA, ICI, CCMA, ASIFMA and Eurofi, where ITP’s Strategy, Services and thought leadership are promoted and where feedback is solicited from the industry at large.

Section 10 Client and Industry Communication

Many communication types are utilized to encourage Clients or potential Clients to use the Services and/or to promote the facilitation of STP, including press releases, bylines, news statements, email campaigns and interviews. Management and Marketing teams have discretion to determine which type of communication is most appropriate.

ITP also provides Clients with visibility into its Strategy and BoW, including STP related initiatives through the Roadmap, which is available on dtcclearing.com.

Additionally, pursuant to internal policies and the MSA, ITP is required to communicate to Clients regarding material changes to its Terms (including Procedures) and Services, including what the change is, why the change is being made, and what, if any action Client(s) may need to take. For any material changes to Services or Terms (including Procedures) or an increase in any Fee, such material change will be communicated, at minimum 30 days in advance, via email communication and/or posted on the My Product Updates section of MyDTCC portal as applicable. Material changes are defined in internal policies and include an addition, amendment or removal of a field related to matching criteria; changes that would require a change to the Services Catalog as it relates to the addition or removal of a Service, access method, workflow and/or add -on/ancillary Service; an increase in Fees (or the introduction of a new fee) for a Service; mandatory upgrades and legacy interface retirement; changes to the DTCC ITP Central Matching Service Provider (CMSP) Policy and DTCC ITP Client Requirement Policy. In the instance where there are minor changes, such as administrative updates like correcting typographical errors, no advance notice will be given.

Section 11 Incentives and Disincentives to Facilitate STP

In the Adopting Release, the SEC encourages CMSPs to develop a policies and procedures framework that incentivizes the facilitation of STP.¹¹ The general stance of Management is to offer Client's incentives to facilitate STP over disincentives. Incentives ITP primarily considers are those of Early Adopter and/ or Best Practice programs, as described below, where Clients who engage in the program(s) receive financial benefit (i.e., waived/reduced fees) for their participation and/or meeting certain defined criteria which reflect best practices in achieving STP.

ITP Early Adopter Program – established at the discretion of Management, an Early Adopter Program may be available to Clients when considering/developing a new, or significant enhancement to, a Service(s), workflow(s) and/or add-on/ancillary Service(s), and/or looking to encourage community adoption. An Early Adopter Program may or may not be associated with a Design Partner Working Group, as previously described in Section 9. Management will establish a charter which clearly defines Client participation requirements/criteria, including Client profile, expected duration of the program, and incentives for the participating Client(s) for the Client(s)' consideration before committing to participate. Pursuant to the applicable charter, Clients are expected to act in good faith and participate as agreed. It is noted and agreed that it is in the Management's sole discretion to grant any extensions.

- **Best Practice Programs** – established at the discretion of Management, Best Practice Programs are designed to incentivize behavior to further improve STP. Management will establish clear criteria for meeting best practice incentives and duration of the program. Best Practice Programs are made available to all Clients within the segment(s) the Best Practice Program is defined for, presuming they meet the defined criteria.

Management also considers disincentives. Disincentives are generally financial in nature and are considered in cases where Clients fail to meet ITPM's timelines for critical initiatives such as platform migrations or end of life/retirement initiatives whose drivers are to further facilitate STP or reduce risk in achieving STP.

Pricing is established fairly and reasonably to all Clients. Standard pricing is offered to all Clients in a segment through a standard rate card. ITP reserves the right to use pricing as an incentive or disincentive to encourage Clients to implement Services and further promote STP, as established in DTCC's internal pricing policy.

Section 12 Promotion and Inhibition of the Onward Transmission of Messages for Timely Settlement

Services and supporting Procedures are designed to promote the successful onward transmission of messages for timely settlement. By using Services as defined in the Procedures, Clients are operating in the most effective manner to promote STP. ITP, as part of its STP Strategy, will continually look to identify and review opportunities to further enhance and bring efficiencies to its Services and associated Procedures to improve STP and timely settlement. At times, Service disruptions can impact the onward transmission of

¹¹ Adopting Release at 131 (“However, and to the extent practicable, the Commission encourages CMSPs to develop a policies and procedures framework that incentivizes CMSP users and their customers to adopt and implement the necessary systems and services within their own firms to make full use of the CMSP's systems that facilitate STP”).

messages for timely settlement. ITP, as part of the broader DTCC Enterprise, has robust Operational Resilience, Business Continuity and Incident Management & Crisis Response programs to support issue identification, resolution, and communication where applicable. For more information on DTCC's Operational Resiliency, please visit <https://www.dtcc.com/operational-resilience>.

Section 13 Manual Systems and Processes

As a CMSP, facilitating STP is a priority, and in alignment with the Adopting Release,¹² ITPM strives to offer Services that reduce or remove manual systems and processes. As part of the Strategy and the annual planning process, along with the oversight and review provided by the CMSP Leadership Council, ITPM will identify and consider what opportunities, both for Clients and internal ITP operations, present themselves for increased automation and the promotion of STP. While ITPM strives to reduce manual systems and processes, there will at times remain manual processes and/or systems by design. This may be due to limiting factors such as cost or complexities which inhibit automation, or to meet the needs of a subset of the Client community, who may require manual processes and/or not have the means for full automation, but by leveraging these Services, brings them some degree of automation and closer to STP.

The Adopting Release also provides guidance on reducing human intervention¹³ to further facilitate STP. In compliance with the Adopting Release, ITP's End User Computing Applications (EUCA) will be reviewed during the quarterly CMSP Leadership Council meeting to confirm ongoing necessity. EUCA is defined as a technology solution supporting a business need and hosted within the DTCC network or cloud that is developed in a common tool (such as excel), is not part of the formal technology program, contains mathematical calculations, and is not a one-time use tool.

Section 14 Matching Criteria and Tolerances

As per the Adopting Release, “. . . a CMSP's policies and procedures generally should explain the criteria that the CMSP applies to determine when a “match” has been achieved, including any relevant tolerances that it or its users might apply to achieve a match, and the extent to which such criteria should be standardized or customized”. Through various Procedures made available to Clients based on setup , ITP articulates

¹² Adopting Release at 136 (“where a CMSP continues to permit manual reconciliation or other types of human intervention, it generally should explain in its policies and procedures why those manual processes remain necessary as part of its systems and processes and initiate incremental steps to alleviate the need for any manual process”).

Adopting Release at 133 (“a CMSP generally should evaluate its operations and systems to determine potential sources of inefficiency or manual operation that exist within the current CMSP's processing stream, and consider addressing these frictions in a manner that does not disrupt the CMSP's ability to facilitate the prompt and accurate settlement of securities transactions”).

Adopting Release at 134 (“minimize or eliminate, to the greatest extent that is technologically practicable, the need for manual input of trade details, the manual intervention to resolve errors and exceptions that can prevent settlement of the trade”).

Adopting Release at 136 (“the CMSP should consider developing processes that ultimately would eliminate the underlying issues that drive the use of manual processes in order to facilitate a more automated and STP-focused approach”).

Adopting Release at 132 (“Moreover, the policies and procedures framework generally should also endeavor, to the extent prudent, to dis-incentivize the use of manual systems or automated systems that do not facilitate STP”).

¹³ Adopting Release at 132 (“The Commission also understands that at this time there may be scenarios where human intervention is necessary or prudent. However, as technology and the markets evolve over the near term, CMSPs should consider reducing or eliminating instances where human intervention is required as soon as reasonably possible, both on a technological and operational basis.”).

requirements and best practices of matching criteria and tolerances so that Clients are equipped to use Services in an accurate and efficient way, thereby achieving increased STP.

ITP, through its client facing forums such as Client Working Groups or RACs, also solicits feedback and promotes dialogue between members representing various Client segments, on additional opportunities to enhance matching criteria and tolerance standardization, ultimately to further promote STP.

Any changes to matching fields for Services are considered a material change and will be communicated to Clients at minimum 30 days in advance of the change going into effect as outlined in Section 10 of this Policy.

Section 15 CMSP Governance

A comprehensive program has been developed to manage and govern ITPM's CMSP obligations.

General oversight and management of ITPM's CMSP requirements adherence is provided by the General Manager of ITP and their leadership team.

Program-level and day to day management of CMSP related initiatives is led by Management, supported by DTCC's Enterprise Program Management Office and associated DTCC initiative governance forums. This provides regular oversight of, and transparency into, the execution against plans and the impact to STP as changes are made, as necessary.

ITP has also established a cross-functional, management-level group, titled the CMSP Leadership Council, to provide senior level transparency into and oversight of ITPM's CMSP obligations, including initiatives, operations, and Procedures related to facilitating STP¹⁴ and the timely submission of its annual report. Pursuant to its charter, the CMSP Leadership Council will, among other things, review and provide feedback on ITP's STP Strategy (reviewed at least annually), progress against associated initiatives to that strategy, CMSP related policies and procedures, operations supporting ITPM's fulfilment of its CMSP obligations, and the year-round build and sign off of the CMSP annual report. The CMSP Leadership Council will report material updates to the Board, who provides oversight of ITPM's CMSP obligations. Additionally, the Leadership Council is responsible for escalating significant issues discussed by the Council to the Board and the Principal of ITPM ("Principal"). The Principal will then determine if such issues should be further escalated to the DTCC Executive Committee for further review, as needed.

Section 16 Exceptions

STP related proposals can be turned down due to cost constraints, poor ROI, client/segment fragmentation, etc. For proposals that are turned down, if the driver of the proposal was to facilitate STP, Management will keep a record of that decision and the rationale for not advancing the proposal. Besides informing the requestor of the decision, no further action is required.

¹⁴Adopting Release at 134-135 ("a CMSP generally should consider the full range of operations and services related to the processing of institutional trades for settlement and establish a holistic framework for STP on a CMSP-wide basis").

Section 17 CMSP Annual Reporting

Pursuant to Exchange Act Rule 17Ad-27, ITPM as a CMSP is required to provide an annual report filed with the SEC using their Electric Data Gathering, Analysis, and Retrieval (“EDGAR”) system. Management, additionally, will make it available on DTCC’s website to enable the public to review and analyze the CMSP’s progress on achieving STP. This report covers a 12-month reporting timeframe and is both forward and backwards looking. The annual report will include quantitative and qualitative data.

The quantitative data requirements are set forth in 17 CFR 240.17Ad-27(b)(3):

A quantitative presentation of data that includes:

- (i) The total number of trades submitted to the clearing agency for processing;¹⁵
- (ii) The total number of allocations submitted to the clearing agency;
- (iii) The total number of confirmations submitted to the clearing agency, as well as the total number of confirmations cancelled by a user;
- (iv) The percentage of confirmations submitted to the clearing agency that are affirmed on trade date, specifying to the extent practicable the relevant timeframe in which the affirmation is processed on trade date;
- (v) The percentage of allocations and confirmations submitted to the clearing agency that are matched and automatically confirmed through the clearing agency’s services; and
- (vi) Metrics concerning the use of manual and automated processes by the clearing agency’s users with respect to its services that may be used to assess progress in facilitating straight-through processing.

Additional requirements concerning the data sets are set forth in 17 CFR 240.17Ad-27(b)(4):

Each of the data sets required shall be:

- (i) Organized on a month-by-month basis, beginning with January of each year, for the twelve months covered by the report;
- (ii) Separated, where applicable, between the use of central matching and electronic trade confirmation services offered by the clearing agency;
- (iii) Separated, as appropriate, by asset class;
- (iv) Separated by type of user; and
- (v) Presented on an anonymized and aggregated basis.

The qualitative data requirements are set forth in 17 CFR 240.17Ad-27(b)(5):

A qualitative description of the actions the clearing agency intends to take to further facilitate straight-through processing of securities transactions at the clearing agency during the twelve-month period that follows the period covered by the report required under paragraph (b) of this section.

¹⁵ See Adopting Release at 110 n. 313 (“CMSPs are clearing agencies as defined in section 3(a)(23) of the Exchange Act, and as such, are required to register as a clearing agency or obtain an exemption from registration. The Commission has currently exempted three CMSPs from the registration requirement. The Commission also has adopted rules that apply to both registered and exempt clearing agencies, including CMSPs operating pursuant to an exemption from registration.”)

The report must be filed within 60 days of the end of the twelve-month period covered by the report.¹⁶ Each report covers the twelve-month period, commencing from January 1 of the calendar year, with the exception of the first year, where the reporting period is April 1, 2024 – December 31, 2024.¹⁷

The report may be drafted throughout the year, leveraging information from various sources, such as the CMSP Leadership Council meetings. The CMSP Leadership Council will review the compiled draft report in January following the report year end. Given that the CMSP Leadership Council meetings are quarterly and the materials are leveraged to create the Report, members of the Council have insight to the information and topics that will be covered in the Report. As part of this review, each key component of ITPM's CMSP Policy (i.e., DTCC ITP Services, DTCC ITP Client requirements, DTCC ITP Strategy and execution, etc.) will be reviewed for its progress and adherence which contribute to the qualitative and quantitative components of the annual report. The Board will have the opportunity to review the annual report via advance copy before submitting to the SEC.

Section 18 Policy Governance

This Policy is not subject to Board or Committee governance review or approval.

¹⁶ 17 CFR 240.17Ad-27(c)

¹⁷ See 17 CFR 240.17Ad-27(c)

Glossary

“Business Continuity”, resiliency is first and foremost for DTCC in respect to ensuring business continuity for its critical processes. DTCC has tools in place to ensure continuity of its critical services.”

“Delivery Change Control” is a process to review any significant new or unplanned incoming demand and/or changes to the baseline of an initiative, with the intent to evaluate and action (approve, reject or defer).

“CMSP” means, Central Matching Service Provider, which assists in facilitating communication among a broker-dealer, an institutional investor or its investment adviser, and the institutional investor’s custodian to reach agreement on the details of a securities trade.

“DTCC Enterprise” DTCC institutes a shared services model to operate its multiple subsidiaries., including DTCC ITP and ITPM and other affiliates within ITP. Pursuant to this model, ITPM and the entities supporting ITP receive services from various entities which are controlled by DTCC and under common control with ITPM pursuant to service agreements (the “Service Agreements”). ITPM’s activities are conducted entirely pursuant to these support services and the received through the Services Agreements, including through the personnel made available to it pursuant to the Services Agreements.

“DTCC Executive Committee” (EC), provides enterprise-wide strategic direction for, and oversight of, DTCC. This includes DTCC’s mission, vision, and values as well as its businesses, technology, operations, human capital, financial health and risk management. The EC, or through its internal committees, provide oversight and set the strategic direction for DTCC and its subsidiaries.

“DTCC ITP” means, DTCC ITP LLC.

“DTCC Partner Program”, connects clients and industry participants across the post-trade ecosystem through integrated workflows that deliver value to our partners and efficiencies to our mutual clients.

“Early Adopters” are Clients participating in the Early Adopter Program.

“ITP”, refers to the ITP Business, which is the global provider of the Services which DTCC ITP licenses to certain non-U.S. subsidiaries of DTCC the right to use DTCC ITP’s intellectual property relating to the Services (including sublicensing intellectual property rights that the Applicant receives from DTCC ITP Matching pursuant to the DTCC ITP-DTCC ITP Matching Services Agreement) in certain non-U.S. jurisdictions in order for such subsidiaries to provide Services in such jurisdictions. Although the non-U.S. subsidiaries provide Services in such jurisdictions, such Services are performed by the DTCC ITP’s systems located in the United States with respect to U.S. and/or DTC-eligible securities.

“ITPM” means, DTCC ITP Matching (US) LLC.

“IMO” means, investment manager outsourcer.

“Incident Management & Crisis Response”, when an unexpected service disruption or degradation occurs, impacting clients’ ability to perform normal operations, DTCC works to restore service as quickly as possible.

“Institutions” means, collectively, investment managers, IMOs, hedge funds, and other institutions.

“M&C” means, Marketing and Communications teams.

“Marketing”, is the DTCC ITP Business Marketing team within M&C.

“Mutual Clients” refers to persons who, at the relevant time, are clients of STP Partner, and of DTCC ITP or any of its affiliates utilizing the Interface.

“MSA” means, a Master Services Agreement documenting the legal terms and conditions governing the Services set forth in the DTCC ITP Services Catalog.

“Operational Resilience”, is generally defined as the ability to prevent, withstand and quickly recover from disruptive events to continue providing critical business services .

“Sales”, which is responsible for cultivating and growing long-term Client relationships to deliver on revenue growth targets and support the corporate objectives.

“SEC” means, the U.S. Securities and Exchange Commission.

“Strategy” is set by the DTCC ITP General Manager and the Principal of ITPM for the ITP Business globally, with input from various fora. The ITP strategy drives the ITPM STP Strategy, as well as the annual BoW and resulting Roadmap.

“STP Strategy” is defined as part of the initial ITP Strategy planning.

“Terms” means, the Agreement (the MSA, Order Form, Fee Provisions, SOWs), together with the Procedures, each as amended from time to time.