

# SEC Adopts Rules to Improve Clearing Agency Governance and Mitigate Conflicts of Interest

## FOR IMMEDIATE RELEASE

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Washington D.C., Nov. 16, 2023 — The Securities and Exchange Commission has adopted new rules to improve the governance of all registered clearing agencies by reducing the likelihood that conflicts of interest may influence their boards of directors or equivalent governing bodies.

“I am pleased to support this adoption because it helps foster more resilient clearinghouses,” said SEC Chair Gary Gensler. “Congress has said that the Commission has an important role relating to clearinghouses. This adoption seeks to enhance standards to achieve several goals: promote board independence, consider the views of relevant stakeholders, and reduce the potential for conflicts of interest with respect to the board and senior management. Taken together, these final rules benefit investors, issuers, and the markets connecting them.”

The new rules establish governance requirements regarding board composition, independent directors, nominating committees, and risk management committees. The rules also require new policies and procedures regarding conflicts of interest, management of risks from relationships with service providers for core services, and a board obligation to consider stakeholder viewpoints. The rules are being adopted pursuant to, among other statutory provisions, Section 765 of the Dodd-Frank Act, which specifically directs the Commission to adopt rules to mitigate conflicts of interest for security-based swap clearing agencies.

The rules improve the governance of registered clearing agencies by identifying certain responsibilities of the board, increasing transparency into board governance, and, more generally, improving the alignment of incentives among owners and participants of a registered clearing agency. In support of these objectives, the rules establish new requirements for board and committee composition, independent directors, management of conflicts of interest, and board oversight.

The adopting release has been published on SEC.gov and will be published in the Federal Register. The compliance date is 12 months after publication in the Federal Register, except for the independence requirements for the board and board committees, for which the compliance date is 24 months after publication in the Federal Register.

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## Related Materials

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- [Rule Details](#)