



Important Notice

Fixed Income Clearing Corporation - GOV

GOV #:	GOV1094-21
Date:	May 10, 2021
To:	Government Securities Division (“GSD”) Members
Category:	Service Update
Subject:	Same-Day Settling Trade Submissions

In connection with the Same-Day Settling (“SDS”) initiative, the Fixed Income Clearing Corporation’s (“FICC”) Government Securities Division (“GSD”) has further reviewed the transactions being submitted by Repo Brokers. The SDS Trades that have different configurations or “shapes” (e.g., two Reverse Repo transactions with a par value of \$25 million each versus one Repo Transaction with a par value of \$50 million) can create an end of day clearing bank position for FICC if all sides do not settle. This results in FICC having to finance securities at end of day.

The practice described in the previous paragraph creates financial risk to FICC, given the uncertainty of the size and volume of these trades on any given day. FICC needs to ensure a prompt and efficient settlement process, which would be enhanced with matching shapes.

As a result, effective on **June 1, 2021**, FICC will require all SDS Trades submitted by a Repo Broker to be in equal and identical size and shapes between Netting Members. Trades that do not follow these requirements will be cancelled by FICC and the Repo Broker will need to resubmit the SDS Trades following the appropriate form as described above.¹

If you have any questions on the requirements described above, please contact your Relationship Manager.

¹ See GSD Rule 5, Section 5, GSD Rule 6B, Section 7 and GSD Rule 12, Section 11.

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts visit http://www.dtcc.com/subscription_form.php.