



*Important Notice*

**Fixed Income Clearing Corporation - GOV**

<b>GOV #:</b>	GOV181-16
<b>Date:</b>	September 28, 2016
<b>To:</b>	Government Securities Division Members
<b>Category:</b>	Service Updates
<b>Subject:</b>	Foreign affiliate trading reporting requirement – Reminder

The Fixed Income Clearing Corporation (“FICC”) would like to remind Netting Members of their requirement to report certain GSD netting-eligible activity engaged in by their foreign affiliates to FICC.

Specifically, Netting Members must report to FICC in writing on an annual basis whether and to what extent any of their foreign affiliates are engaging in GSD netting-eligible activity that exceeds the de minimis amount specified in GSD’s Rules (less than an average of 30 eligible trades per business day per month within the prior twelve-month period). This requirement applies with respect to trading by the foreign affiliate with counterparties that are other GSD Netting Members, “covered” affiliates of such other Netting Members (i.e. U.S. banks, broker-dealers or futures commission merchants), or foreign affiliates of such other Netting Members. The reporting requirement does not apply to trades executed between a Member and its affiliate or between affiliates of the same Member. Netting Members are required to submit the requisite information to FICC by January 31, 2017 for trading activity conducted by their foreign affiliates during the entire year of 2016. **Members are expected to complete and return the forms even if they do not have any activity to report.**

The **attached forms** are provided to facilitate firms’ reporting of their applicable trading.

**Please complete the attached new spreadsheet (Attachment 1)**

**AND**

**Complete and return the accompanying certification (Attachment 2)**

**Note that the spreadsheet must be completed in Excel**

Please e-mail the completed forms to: [GSDForeignAffiliateReporting@DTCC.com](mailto:GSDForeignAffiliateReporting@DTCC.com) no later than **January 31, 2017**.

As previously stated in Important Notice # GOV080.15, failure to submit the requisite information regarding foreign affiliate trading on a timely basis will result in the same consequences that are set forth in the GSD’s rules for failure to submit any other type of required information on a timely basis (e.g. a fine, Clearing Fund premium, etc.).

Questions regarding this Important Notice should be directed to your DTCC Relationship Manager.

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