

<b>GOV #:</b>	GOV346-17
<b>Date:</b>	November 30, 2017
<b>To:</b>	Government Securities Division Netting Members
<b>Category:</b>	Service Update
<b>Subject:</b>	Parallel Period Regarding Proposed Changes to the Clearing Fund Methodology

The Government Securities Division (“GSD”) of the Fixed Income Clearing Corporation (“FICC”) plans, subject to regulatory approval, to amend GSD’s Clearing Fund methodology. FICC held two industry calls in August to describe the proposed changes to Netting Members. These proposed changes are subject to regulatory review and will be filed as proposed changes to the GSD Rulebook.<sup>1</sup> FICC will inform the Membership through subsequent Important Notice when it has filed the related advance notice and the rule filing (together, the “Filings”).

### **Parallel Period**

The Filings remain subject to regulatory approval; however, beginning on December 18, 2017, Netting Members will be able to view daily Clearing Fund reports that reflect the proposed methodology in the “PSE Test Region” of FICC’s Report Center in the RTTM Web application. Netting Members can compare these results to the production reports, which reflect the current methodology, to assess the impact of the proposed Clearing Fund methodology and plan accordingly. The reports in the PSE Test Region are for informational and comparative purposes only, however, they will reflect actual production positions. FICC plans to provide comparative reports in the PSE Test region until implementation of the proposed changes, which remain subject to regulatory approval. Any trades submitted via FICC’s RTTM PSE Test Region during the parallel period will not be reflected in the Clearing Fund reports of the PSE Test Region. **Please note that the actual Clearing Fund requirements will continue to be governed by the reports in the Production region.**

Prior to the start of the parallel period, FICC recommends that clients test connectivity to FICC’s RTTM PSE Test Region and access to the PSE Clearing Fund Reports on Report Center. For questions regarding the PSE Test Region, please send an email to [ficcsupport@dtcc.com](mailto:ficcsupport@dtcc.com).

In addition, Netting Members that have subscribed to the Risk FICC Management Customer Reporting (FIR) application will also be able to view Production and Test Clearing Fund

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<sup>1</sup> Available at DTCC’s website, [www.dtcc.com/legal/rules-and-procedures.aspx](http://www.dtcc.com/legal/rules-and-procedures.aspx)

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requirements via this application. For more information on this service, please refer to Important Notice GOV054.13, available at: <http://www.dtcc.com/~media/Files/pdf/2013/8/15/GOV054-13.ashx>. If subscribed to this service, please contact your firm's Super Access Coordinator (SAC) for access to the Test region of FIR or to reset your Test region password.

### **Impact Studies**

FICC previously provided GSD Netting Members with individual impact study reports for the study period July 1, 2015 through June 30, 2017. Within the next few weeks, additional individual impact study reports for the period covering May 1, 2017 through November 30, 2017, an overview of the proposed methodology, and a FAQ document will be distributed to Netting Members by Relationship Management. Please note that the impact study reports are for informational and comparative purposes only.

Please contact FICC Risk Management staff at [FICCPRODUCTRISK@dtcc.com](mailto:FICCPRODUCTRISK@dtcc.com) if you have any questions relating to the proposed Clearing Fund methodology or your impact studies.

Questions regarding this notice should be directed to your Relationship Manager.