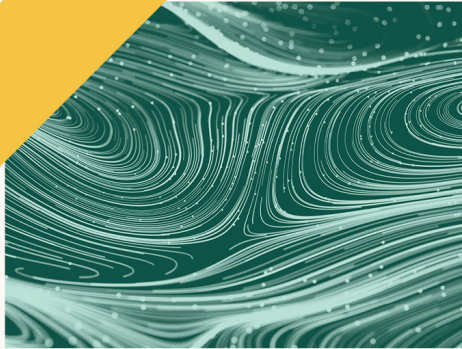


DTCC

SEPTEMBER 2023

Looking to the Horizon: Assessing a Potential Expansion of U.S. Treasury Central Clearing

A DTCC WHITE PAPER TO THE INDUSTRY



DTCC

Executive Summary

KEY FINDINGS FROM THE RESEARCH

KEY FINDING #1

FICC expects approximately \$1.63 trillion daily in incremental indirect participant Treasury activity to come into clearing.

KEY FINDING #2

FICC's various access models and available services are not broadly understood, and a majority of FICC members remain unsure which of FICC's access models they want to use for the indirect participant activity.

KEY FINDING #3

FICC expects that the incremental indirect participant Treasury volume could result in a corresponding increase in Value at Risk (VaR) margin, which it conservatively estimates could be approximately \$26.6 billion across the FICC / GSD membership.

KEY FINDING #4

Findings are inconclusive about the potential impact of the incremental indirect participant Treasury volume on FICC's liquidity needs or its Capped Contingent Liquidity Facility (CCLF).

KEY FINDING #5

Respondents suggested a variety of risk-focused and operations-focused enhancements to FICC's offerings in connection with the potential expansion of central clearing of Treasury activity.