

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 15	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2014 - * 801	Amendment No. (req. for Amendments *)
Filing by Fixed Income Clearing Corporation Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934				
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(6)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input checked="" type="checkbox"/>		Section 806(e)(2) * <input type="checkbox"/>	Section 3C(b)(2) * <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text" value="GSD proposes to include GCF Repo® positions in its intraday participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles."/>				
Contact Information				
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.				
First Name *	<input type="text" value="Donaldine"/>	Last Name *	<input type="text" value="Temple"/>	
Title *	<input type="text" value="Vice President and Assistant General Counsel"/>			
E-mail *	<input type="text" value="dtemple@dtcc.com"/>			
Telephone *	<input type="text" value="(212) 855-3277"/>	Fax	<input type="text" value="(201) 533-6632"/>	
Signature				
Pursuant to the requirements of the Securities Exchange Act of 1934,				
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.				
(Title *)				
Date	<input type="text" value="01/10/2014"/>	<input type="text" value="Managing Director and General Counsel"/>		
By	<input type="text" value="Nikki Poulos"/>	<input type="text" value=""/>		
(Name *)				
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.				
<input type="button" value="Persona Not Validated - 1363961507761"/>				

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Advance Notice

(a) This advance notice is filed by the Government Securities Division (the “GSD”) of the Fixed Income Clearing Corporation (“FICC”) in connection with including GCF Repo^{®1} positions in its intraday (i.e., noon) participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles. The model change is described in additional detail in Item 10 below.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The enhancement was formally approved by the Board Risk Committee of the FICC Board of Directors at a meeting held on October 23, 2013.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Advance Notice

(a) GSD plans to incorporate GCF Repo positions in its intraday (i.e., noon) participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles. This enhancement is intended to align GSD’s risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Tri-Party Reform Task Force (the “Task Force”)², specifically, with respect to locking up of GCF Repo collateral until 3:30 p.m. (EST) rather than 7:45 a.m. (EST).

(b) The proposed change is consistent with Rule 17Ad-22³ (the “Clearing Agency Standards”) which establishes the minimum requirements regarding how registered clearing agencies must maintain effective risk management procedures and controls. Specifically, consistent with Rule 17Ad-22(b)(1)⁴ and (b)(2)⁵, FICC’s more accurate and timely calculations

¹ The GCF Repo[®] service enables dealers to trade general collateral repos, based on rate, term, and underlying product, throughout the day without requiring intra-day, trade-for-trade settlement on a Deliver-versus-Payment (DVP) basis. The service fosters a highly liquid market for securities financing.

² The Tri-Party Repo Infrastructure Task Force was formed in September 2009 under the auspices of the Payments Risk Committee, a private-sector body sponsored by the Federal Reserve Bank of New York. The Task Force’s goal is to enhance the repo market’s ability to navigate stressed market conditions by implementing changes that help better safeguard the market. DTCC has worked in close collaboration with the Task Force on their reform initiatives.

³ 17 CFR 240.17Ad-22

⁴ 17 CFR 240.17Ad-22(b)(1)

⁵ 17 CFR 240.17Ad-22(b)(2)

around and monitoring of GCF Repo activity will better enable FICC to respond in the event that a member defaults. As such, FICC believes that the proposal promotes robust risk management, and the safety and soundness of FICC's operations, which reduce systemic risk and support the stability of the broader financial system which is consistent with the Clearing Agency Standards.⁶

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

Not applicable.

Item 5. Self-Regulatory Organization's Statement on Comments on the Advance Notice Received from Members, Participants, or Others

Written comments relating to the change have not yet been solicited or received. FICC will notify the Commission of any written comments received by FICC.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

⁶ 17 CFR 240.17Ad-22

(e) Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Description of Change

(i) Overview

GSD plans to incorporate GCF Repo positions in its intraday (i.e., noon) participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles. This enhancement is intended to align GSD's risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Task Force.

Historically, the GCF Repo collateral had been unwound by approximately 7:45 a.m. (all times are New York time). In connection with the Task Force's tri-party reform, GCF Repo collateral now remains locked up until 3:30 p.m., with substitutions permitted intraday at the times established by each clearing bank. Because the GCF Repo collateral was unwound at 7:45 a.m., the current production system does not include GCF Repo collateral in the GSD intraday Clearing Fund requirement calculation, and its hourly surveillance cycles. To account for the risk associated with the GCF Repo positions, GSD's margin requirements currently apply a "higher of" standard, which means that the margin calculation takes the higher of the prior night's core charge⁷ (which includes GCF Repo collateral) or the current day's noon core charge (which does not⁸ include GCF Repo collateral). However, now that the collateral is locked-up until 3:30 p.m., the intraday Clearing Fund requirements and hourly surveillance calculations will be based on the actual locked-up GCF Repo collateral. In the ordinary course of business, the "higher of" standard will not apply. However, this standard will remain available in the event that one or both clearing banks do not provide intraday GCF Repo position data because such clearing bank, as applicable, is unable to provide the data.

In connection with this initiative, FICC will have an extended member parallel period of at least 6 weeks during which GCF Repo participants will be able to view their production and test requirements on a daily basis. This will allow members to assess the impact of the change in margining for the mid-day cycle and potentially adjust their GCF Repo activity prior to implementation of the change.

Anticipated Effect on and Management of Risks

FICC believes that the proposed changes will improve its risk management by providing a more accurate and timely view of member positions and their corresponding exposures.

⁷ The core charge consists primarily of Value-at-Risk, the Implied Volatility Charge (also known as the Augmented Volatility Multiplier) and the Coverage Component.

⁸ Since GCF collateral is excluded, only DVP positions are included in the noon core charge.

This enhancement is intended to align GSD's risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Task Force.

Prior to implementation of the proposed changes, several steps were and/or will be taken to prepare for the changes and to prepare members for the changes. These steps include internal review of the data available in the test environment, customer outreach and the parallel period for members.

FICC believes it is important to incorporate the proposed changes in its risk management process as soon as possible because such changes will allow GSD to use more accurate position information in its margin calculations. Because FICC's risk engine has not yet incorporated the locked-up GCF Repo positions in intraday risk calculations, FICC cannot at this time provide a specific estimate of the impact of this enhancement.

FICC believes that the proposed changes will better reflect the actual risk in its members' portfolios. For members who participate in the GCF Repo service, this change will impact their Clearing Fund requirements. However, because of the parallel period, members will have time to review the possible impact and potentially modify their settlement and trading activity to align with the changes to the intraday margin calculation. FICC's parallel period will cover at least six weeks to give customers ample time to review the impact and consider changes to their portfolios.

Item 11. Exhibits

Exhibit 1 – Not applicable

Exhibit 1A - Notice of Advance Notice for publication in the Federal Register.

Exhibit 2 – Not applicable.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

Exhibit 5 – Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Government Securities Division of the Fixed Income Clearing Corporation has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

FIXED INCOME CLEARING CORPORATION

By: /s/Nikki Poulos

Nikki Poulos
Managing Director and General Counsel

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-_____; File No. SR-FICC-2014-801]

[DATE]

SELF-REGULATORY ORGANIZATIONS; FIXED INCOME CLEARING CORPORATION; Advance Notice relating to the Government Security Division's inclusion of GCF Repo® positions in its intraday participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1) and Rule 19b-4, 17 CFR 240.19b-4, notice is hereby given that on _____, Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission (the "Commission"), the proposed advance notice as described in Item I, II and III below, which Items have been prepared primarily by FICC. The Commission is publishing this notice to solicit comments on the advance notice from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Advance

Notice

This advance notice is filed by the Government Securities Division (the "GSD") of FICC in connection with including GCF Repo®¹ positions in its intraday (i.e., noon) participant

¹ The GCF Repo® service enables dealers to trade general collateral repos, based on rate, term, and underlying product, throughout the day without requiring intra-day, trade-for-trade settlement on a Deliver-versus-Payment (DVP) basis. The service fosters a highly liquid market for securities financing.

Clearing Fund requirement calculation, and its hourly internal surveillance cycles. The model change is described in additional detail below.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Advance Notice

In its filing with the Commission, FICC included statements concerning the purpose of and basis for the advance notice and discussed any comments it received on the advance notice. The text of these statements may be examined at the places specified in Item IV below. FICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization’s Statement of the purpose of, and Statutory Basis for, the Advance Notice

(a) GSD plans to incorporate GCF Repo positions in its intraday (i.e., noon) participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles. This enhancement is intended to align GSD’s risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Tri-Party Reform Task Force (the “Task Force”)², specifically, with respect to locking up of GCF Repo collateral until 3:30 p.m. (EST) rather than 7:45 a.m. (EST).

² The Tri-Party Repo Infrastructure Task Force was formed in September 2009 under the auspices of the Payments Risk Committee, a private-sector body sponsored by the Federal Reserve Bank of New York. The Task Force’s goal is to enhance the repo market’s ability to navigate stressed market conditions by implementing changes that help better safeguard the market. DTCC has worked in close collaboration with the Task Force on their reform initiatives.

(b) The proposed change is consistent with Rule 17Ad-22³ (the “Clearing Agency Standards”) which establishes the minimum requirements regarding how registered clearing agencies must maintain effective risk management procedures and controls. Specifically, consistent with Rule 17Ad-22(b)(1)⁴ and (b)(2)⁵, FICC’s more accurate and timely calculations around and monitoring of GCF Repo activity will better enable FICC to respond in the event that a member defaults. As such, FICC believes that the proposal promotes robust risk management, and the safety and soundness of FICC’s operations, which reduce systemic risk and support the stability of the broader financial system which is consistent with the Clearing Agency Standards.⁶

(B) Self-Regulatory Organization’s Statements on Comments on the Advance Notice Received from Members, Participants or Others

Written comments relating to the change have not yet been solicited or received. FICC will notify the Commission of any written comments received by FICC.

(C) Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act.

Description of Change

(i) Overview

³ 17 CFR 240.17Ad-22

⁴ 17 CFR 240.17Ad-22(b)(1)

⁵ 17 CFR 240.17Ad-22(b)(2)

⁶ 17 CFR 240.17Ad-22

GSD plans to incorporate GCF Repo positions in its intraday (i.e., noon) participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles. This enhancement is intended to align GSD's risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Task Force.

Historically, the GCF Repo collateral had been unwound by approximately 7:45 a.m. (all times are New York time). In connection with the Task Force's tri-party reform, GCF Repo collateral now remains locked up until 3:30 p.m., with substitutions permitted intraday at the times established by each clearing bank. Because the GCF Repo collateral was unwound at 7:45 a.m., the current production system does not include GCF Repo collateral in the GSD intraday Clearing Fund requirement calculation, and its hourly surveillance cycles. To account for the risk associated with the GCF Repo positions, GSD's margin requirements currently apply a "higher of" standard, which means that the margin calculation takes the higher of the prior night's core charge⁷ (which includes GCF Repo collateral) or the current day's noon core charge (which does not⁸ include GCF Repo collateral). However, now that the collateral is locked-up until 3:30 p.m., the intraday Clearing Fund requirements and hourly surveillance calculations will be based on the actual locked-up GCF Repo collateral. In the ordinary course of business, the "higher of" standard will not apply. However, this standard will remain available in the event that one or both clearing banks do not provide intraday GCF Repo position data because such clearing bank, as applicable, is unable to provide the data.

⁷ The core charge consists primarily of Value-at-Risk, the Implied Volatility Charge (also known as the Augmented Volatility Multiplier) and the Coverage Component.

⁸ Since GCF collateral is excluded, only DVP positions are included in the noon core charge.

In connection with this initiative, FICC will have an extended member parallel period of at least 6 weeks during which GCF Repo participants will be able to view their production and test requirements on a daily basis. This will allow members to assess the impact of the change in margining for the mid-day cycle and potentially adjust their GCF Repo activity prior to implementation of the change.

Anticipated Effect on and Management of Risks

FICC believes that the proposed changes will improve its risk management by providing a more accurate and timely view of member positions and their corresponding exposures.

This enhancement is intended to align GSD's risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Task Force.

Prior to implementation of the proposed changes, several steps were and/or will be taken to prepare for the changes and to prepare members for the changes. These steps include internal review of the data available in the test environment, customer outreach and the parallel period for members.

FICC believes it is important to incorporate the proposed changes in its risk management process as soon as possible because such changes will allow GSD to use more accurate position information in its margin calculations. Because FICC's risk engine has not yet incorporated the locked-up GCF Repo positions in intraday risk calculations, FICC cannot at this time provide a specific estimate of the impact of this enhancement.

FICC believes that the proposed changes will better reflect the actual risk in its members' portfolios. For members who participate in the GCF Repo service, this change will impact their Clearing Fund requirements. However, because of the parallel period, members will have time

to review the possible impact and potentially modify their settlement and trading activity to align with the changes to the intraday margin calculation. FICC's parallel period will cover at least six weeks to give customers ample time to review the impact and consider changes to their portfolios.

III. Date of Effectiveness of the Advance Notice and Timing for Commission Action

The proposed change may be implemented if the Commission does not object to the proposed change within 60 days of the later of (i) the date that the proposed change was filed with the Commission or (ii) the date that any additional information requested by the Commission is received. The Clearing Agency shall not implement the proposed change if the Commission has any objection to the proposed change.

The Commission may extend the period for review by an additional 60 days if the proposed change raises novel or complex issues, subject to the Commission or the Board of Governors of the Federal Reserve System providing the Clearing Agency with prompt written notice of the extension. A proposed change may be implemented in less than 60 days from the date the advance notice is filed, or the date further information requested by the Commission is received, if the Commission notifies the Clearing Agency in writing that it does not object to the proposed change and authorizes the Clearing Agency to implement the proposed change on an earlier date, subject to any conditions imposed by the Commission.

The Clearing Agency shall post notice on its website of proposed changes that are implemented.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the advance notice is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FICC-2014-801 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-FICC-2014-801. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the advance notice that are filed with the Commission, and all written communications relating to the advance notice between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm.

Copies of the filing also will be available for inspection and copying at the principal office of FICC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FICC-2014-801 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Elizabeth M. Murphy

Secretary

By the Commission

Dated:

⁹ 17 CFR 200.30-3(a)(12).