

OMB APPROVAL

OMB Number: 3235-0045
 Estimated average burden
 hours per response.....38

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No.* SR - 2020 - * 011

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 checked="" 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 checked="" type="checkbox"/> 19b-4(f)(4) | |
| | | | <input type="checkbox"/> 19b-4(f)(2) | <input type="checkbox"/> 19b-4(f)(5) | |
| | | | <input type="checkbox"/> 19b-4(f)(3) | <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 type="checkbox"/> | Section 806(e)(2) * <input type="checkbox"/> |
|---|---|

Section 3C(b)(2) *
☐

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Clarify the Government Securities Division Schedule of Timeframes and Schedule of GCF Repo® Timeframes and
 Make Other Changes

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 * | Kristen | Last Name * | Lam |
| Title * | Director and Assistant General Counsel | | |
| E-mail * | klam1@dtcc.com | | |
| Telephone * | (212) 855-5258 | Fax | |

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 08/18/2020

By Nikki Poulos

(Name *)

Managing Director and Deputy General Counsel

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.

npoulos@dtcc.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

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 *

Add Remove View

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 *

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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.

1. Text of the Proposed Rule Change

(a) The proposed rule change of Fixed Income Clearing Corporation (“FICC”) is attached hereto as Exhibit 5. The proposed rule change would amend the FICC Government Securities Division (“GSD”) Rulebook (“Rules”)¹ in order to (i) clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules, (ii) revise specific references to times in Section 6 of Rule 13 to reference the Schedule of Timeframes, and (iii) make certain technical and conforming changes, as further described below.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved on August 10, 2020 by the Deputy General Counsel of FICC pursuant to delegated authority from FICC’s Board of Directors.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The purpose of the proposed rule change is to (i) clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules, (ii) revise specific references to times in Section 6 of Rule 13 to reference the Schedule of Timeframes, and (iii) make certain technical and conforming changes, as further described below.

- (i) **Clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules**

Currently, there are footnotes (one denoted by an asterisk and another denoted by two asterisks) in the Schedule of Timeframes that state that a particular deadline may be extended by FICC on days on which there are operational or systems difficulties that would reasonably

¹ Capitalized terms not defined herein are defined in the Rules, available at <http://www.dtcc.com/legal/rules-and-procedures>.

prevent members from satisfying this deadline. Currently, in the Schedule of Timeframes, the footnote denoted by one asterisk applies to the 9:30 a.m. and 2:45 p.m. timeframes, and the footnote denoted by two asterisks applies to the 12:00 p.m., 12:30 p.m., and 1:00 p.m. timeframes. The 9:30 a.m. and 2:45 p.m. timeframes are the deadlines for satisfaction of a Clearing Fund deficiency call. The 12:00 p.m., 12:30 p.m. and 1:00 p.m. timeframes are the deadlines for the submission of information regarding New Securities Collateral.

The 4:30 p.m. timeframe in the Schedule of GCF Repo Timeframes applies to Netting Member allocation of collateral, and it has a footnote (which is denoted by an asterisk) providing that the stated deadline of 4:30 p.m. may be one hour after the close of the Fedwire Securities Service reversals, if later than 4:30 p.m.

FICC proposes to clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules.² FICC would also clarify that the times applicable to FICC are standards and not deadlines and that actual processing times may vary slightly, as necessary.³ FICC believes these proposed changes would enhance members' understanding that these timeframes may be extended in certain circumstances and that the times applicable to FICC may also vary slightly.

FICC proposes to effectuate these proposed changes by adding a new footnote denoted by an asterisk to the headings "Schedule of Timeframes" and "Schedule of GCF Repo Timeframes." In addition, in the Schedule of Timeframes, FICC proposes to delete the current asterisks with respect to the 9:30 a.m., 2:45 p.m., 12:00 p.m., 12:30 p.m. and 1:00 p.m. timeframes because, with the addition of the new proposed footnote to the heading of the "Schedule of Timeframes," these current footnotes would be redundant. FICC proposes a

² For example, pursuant to Section 6 of Rule 13, on any Business Day on which a Netting Member is notified by FICC that it must increase the amount of its Required Fund Deposit and the Netting Member has a Funds-Only Settlement Amount due to it from FICC, in lieu of paying the Funds-Only Settlement Amount to the Netting Member, FICC may retain the lesser of the requested increase in the Required Fund Deposit or such Funds-Only Settlement Amount and apply such amount against the Netting Member's obligation to increase its Required Fund Deposit. If FICC determines to exercise this provision, it is possible that the applicable time set forth in the Schedule of Timeframes for the processing of funds-only settlement debits and credits (10:00 a.m. or 3:15 p.m.) could be delayed due to the operational process necessary to recalculate the funds-only settlement amounts.

³ For example, the Schedule of GCF Repo Timeframes currently states that the system opens at 7:00 a.m. Typically, however, the system opens two minutes earlier than 7:00 a.m.

similar change in the Schedule of GCF Repo Timeframes to delete the current asterisk with respect to the 4:30 p.m. deadline for the same reason.

(ii) Revise specific references to times in Section 6 of Rule 13 to reference the Schedule of Timeframes

Currently, Sections 6(b) and 6(c) of Rule 13 set forth specific times for the payment of a Funds-Only Settlement Amount. Specifically, Section 6(b) of Rule 13 states that a Netting Member that has an obligation to pay the Funds-Only Settlement Amount to FICC shall make such payment by no later than 10:00 a.m. New York Time. Section 6(c) of Rule 13 states that when a Netting Member is entitled to collect a Funds-Only Settlement Amount from FICC, FICC shall cause the payment to be made by 11:00 a.m. New York Time.

FICC proposes to replace the specific references to times in Section 6(b) and Section 6(c) of Rule 13 with references to the Schedule of Timeframes. Because the Schedule of Timeframes addresses these two payments and their specific timeframes, FICC believes the references to specific times in these subsections of Rule 13 are unnecessary and that it would enhance clarity to reference the Schedule of Timeframes instead of specific times.

(iii) Make certain technical and conforming changes

FICC would also make certain technical and conforming changes.

FICC proposes to make a conforming change to Section 6(b) of Rule 13 by deleting the phrase “Except as otherwise provided in Section 2 with respect to intraday collections.” Because FICC proposes to reference the Schedule of Timeframes instead of specific times (as described in Item 3(a)(ii) above), FICC believes this exception is no longer necessary and, therefore, proposes to delete it. The Schedule of Timeframes covers the intraday collection of Funds-Only Settlement Amounts.

FICC proposes to make a technical change to capitalize “a” before “Netting Member” in Section 6(b) of Rule 13. Because the exception clause would be deleted (as described above), this would be the beginning of the sentence. In addition, in Section 6(b) of Rule 13, FICC proposes to make another technical change to revise the semi-colon to a period in order to be consistent with the other subsections in Section 6 of Rule 13.

(b) Statutory Basis

Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 (“Act”) requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.⁴ The proposed changes to (i) clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules, (ii) revise specific references to times

⁴ 15 U.S.C. 78q-1(b)(3)(F).

in Section 6 of Rule 13 to reference the Schedule of Timeframes, and (iii) make certain technical and conforming changes to the Rules would help to ensure that the Rules are accurate and clear to participants. When members better understand their rights and obligations regarding the Rules, such members are more likely to act in accordance with the Rules, which FICC believes would promote the prompt and accurate clearance and settlement of securities transactions. As such, FICC believes that the proposed changes would be consistent with Section 17A(b)(3)(F) of the Act.⁵

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

FICC does not believe the proposed rule changes to (i) clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules, (ii) revise specific references to times in Section 6 of Rule 13 to reference the Schedule of Timeframes, and (iii) make certain technical and conforming changes to the Rules would impact competition. The proposed rule changes would help to ensure that the Rules remain clear and accurate. In addition, the changes would facilitate members' understanding of the Rules and their obligations thereunder. As such, FICC believes the proposed rule changes would not have any impact on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments relating to the proposed rule change have not been solicited or received. FICC will notify the Securities and Exchange Commission ("Commission") of any written comments received by FICC.

6. Extension of Time Period for Commission Action

Not applicable.

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

(a) The proposed rule changes are to take effect immediately upon filing pursuant to paragraph A of Section 19(b)(3) of the Act.⁶

(b) The proposed rule change effects changes in an existing service of a registered clearing agency that: (A) do not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible; and (B) do not

⁵ Id.

⁶ 15 U.S.C. 78s(b)(3)(A).

significantly affect the respective rights or obligations of the clearing agency or persons using the service.⁷

(c) Not applicable.

(d) Not applicable.

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

Not applicable.

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

Not applicable.

10. Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing, and Settlement Supervision Act of 2010

Not applicable.

11. Exhibits

Exhibit 1 – Not applicable.

Exhibit 1A - Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 – Not applicable.

Exhibit 3 – Not applicable.

Exhibit 4 – Not applicable.

Exhibit 5 – Proposed changes to the Rules.

⁷ 17 CFR 240.19b-4(f)(4).

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[____]; File No. SR-FICC-2020-011)

[DATE]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Clarify the Government Securities Division Schedule of Timeframes and Schedule of GCF Repo[®] Timeframes and Make Other Changes

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on August __, 2020, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to the FICC Government Securities Division (“GSD”) Rulebook (“Rules”)⁵ in order to (i) clarify that all times set

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).

⁵ Capitalized terms not defined herein are defined in the Rules, available at <http://www.dtcc.com/legal/rules-and-procedures>.

forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules, (ii) revise specific references to times in Section 6 of Rule 13 to reference the Schedule of Timeframes, and (iii) make certain technical and conforming changes, as further described below .

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

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

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to (i) clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules, (ii) revise specific references to times in Section 6 of Rule 13 to reference the

Schedule of Timeframes, and (iii) make certain technical and conforming changes, as further described below.

- (i) **Clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules**

Currently, there are footnotes (one denoted by an asterisk and another denoted by two asterisks) in the Schedule of Timeframes that state that a particular deadline may be extended by FICC on days on which there are operational or systems difficulties that would reasonably prevent members from satisfying this deadline. Currently, in the Schedule of Timeframes, the footnote denoted by one asterisk applies to the 9:30 a.m. and 2:45 p.m. timeframes, and the footnote denoted by two asterisks applies to the 12:00 p.m., 12:30 p.m., and 1:00 p.m. timeframes. The 9:30 a.m. and 2:45 p.m. timeframes are the deadlines for satisfaction of a Clearing Fund deficiency call. The 12:00 p.m., 12:30 p.m. and 1:00 p.m. timeframes are the deadlines for the submission of information regarding New Securities Collateral.

The 4:30 p.m. timeframe in the Schedule of GCF Repo Timeframes applies to Netting Member allocation of collateral, and it has a footnote (which is denoted by an asterisk) providing that the stated deadline of 4:30 p.m. may be one hour after the close of the Fedwire Securities Service reversals, if later than 4:30 p.m.

FICC proposes to clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to

operationally exercise its existing rights under the Rules.⁶ FICC would also clarify that the times applicable to FICC are standards and not deadlines and that actual processing times may vary slightly, as necessary.⁷ FICC believes these proposed changes would enhance members' understanding that these timeframes may be extended in certain circumstances and that the times applicable to FICC may also vary slightly.

FICC proposes to effectuate these proposed changes by adding a new footnote denoted by an asterisk to the headings "Schedule of Timeframes" and "Schedule of GCF Repo Timeframes." In addition, in the Schedule of Timeframes, FICC proposes to delete the current asterisks with respect to the 9:30 a.m., 2:45 p.m., 12:00 p.m., 12:30 p.m. and 1:00 p.m. timeframes because, with the addition of the new proposed footnote to the heading of the "Schedule of Timeframes," these current footnotes would be redundant. FICC proposes a similar change in the Schedule of GCF Repo Timeframes to delete the current asterisk with respect to the 4:30 p.m. deadline for the same reason.

⁶ For example, pursuant to Section 6 of Rule 13, on any Business Day on which a Netting Member is notified by FICC that it must increase the amount of its Required Fund Deposit and the Netting Member has a Funds-Only Settlement Amount due to it from FICC, in lieu of paying the Funds-Only Settlement Amount to the Netting Member, FICC may retain the lesser of the requested increase in the Required Fund Deposit or such Funds-Only Settlement Amount and apply such amount against the Netting Member's obligation to increase its Required Fund Deposit. If FICC determines to exercise this provision, it is possible that the applicable time set forth in the Schedule of Timeframes for the processing of funds-only settlement debits and credits (10:00 a.m. or 3:15 p.m.) could be delayed due to the operational process necessary to recalculate the funds-only settlement amounts.

⁷ For example, the Schedule of GCF Repo Timeframes currently states that the system opens at 7:00 a.m. Typically, however, the system opens two minutes earlier than 7:00 a.m.

(ii) **Revise specific references to times in Section 6 of Rule 13 to reference the Schedule of Timeframes**

Currently, Sections 6(b) and 6(c) of Rule 13 set forth specific times for the payment of a Funds-Only Settlement Amount. Specifically, Section 6(b) of Rule 13 states that a Netting Member that has an obligation to pay the Funds-Only Settlement Amount to FICC shall make such payment by no later than 10:00 a.m. New York Time. Section 6(c) of Rule 13 states that when a Netting Member is entitled to collect a Funds-Only Settlement Amount from FICC, FICC shall cause the payment to be made by 11:00 a.m. New York Time.

FICC proposes to replace the specific references to times in Section 6(b) and Section 6(c) of Rule 13 with references to the Schedule of Timeframes. Because the Schedule of Timeframes addresses these two payments and their specific timeframes, FICC believes the references to specific times in these subsections of Rule 13 are unnecessary and that it would enhance clarity to reference the Schedule of Timeframes instead of specific times.

(iii) **Make certain technical and conforming changes**

FICC would also make certain technical and conforming changes.

FICC proposes to make a conforming change to Section 6(b) of Rule 13 by deleting the phrase “Except as otherwise provided in Section 2 with respect to intraday collections.” Because FICC proposes to reference the Schedule of Timeframes instead of specific times (as described in Item II(A)1(ii) above), FICC believes this exception is no longer necessary and, therefore, proposes to delete it. The Schedule of Timeframes covers the intraday collection of Funds-Only Settlement Amounts.

FICC proposes to make a technical change to capitalize “a” before “Netting Member” in Section 6(b) of Rule 13. Because the exception clause would be deleted (as described above), this would be the beginning of the sentence. In addition, in Section 6(b) of Rule 13, FICC proposes to make another technical change to revise the semi-colon to a period in order to be consistent with the other subsections in Section 6 of Rule 13.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.⁸ The proposed changes to (i) clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules, (ii) revise specific references to times in Section 6 of Rule 13 to reference the Schedule of Timeframes, and (iii) make certain technical and conforming changes to the Rules would help to ensure that the Rules are accurate and clear to participants. When members better understand their rights and obligations regarding the Rules, such members are more likely to act in accordance with the Rules, which FICC believes would promote the prompt and accurate clearance

⁸ 15 U.S.C. 78q-1(b)(3)(F).

and settlement of securities transactions. As such, FICC believes that the proposed changes would be consistent with Section 17A(b)(3)(F) of the Act.⁹

(B) Clearing Agency's Statement on Burden on Competition

FICC does not believe the proposed rule changes to (i) clarify that all times set forth in the Schedule of Timeframes and the Schedule of GCF Repo Timeframes may be extended as needed by FICC to (a) address operational or other delays that would reasonably prevent members or FICC from meeting the deadline or timeframe, as applicable or (b) allow FICC time to operationally exercise its existing rights under the Rules, (ii) revise specific references to times in Section 6 of Rule 13 to reference the Schedule of Timeframes, and (iii) make certain technical and conforming changes to the Rules would impact competition. The proposed rule changes would help to ensure that the Rules remain clear and accurate. In addition, the changes would facilitate members' understanding of the Rules and their obligations thereunder. As such, FICC believes the proposed rule changes would not have any impact on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

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

⁹

Id.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)¹⁰ of the Act and paragraph (f)¹¹ of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change 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-2020-011 on the subject line.

Paper Comments:

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

¹⁰ 15 U.S.C 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f).

All submissions should refer to File Number SR-FICC-2020-011. 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 proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change 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 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of FICC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FICC-2020-011 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.¹²

Secretary

¹² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Bold and underlined text indicates proposed new language

~~Bold and strikethrough text~~ indicates proposed deleted language

FIXED INCOME CLEARING CORPORATION

GOVERNMENT SECURITIES DIVISION RULEBOOK

RULE 13 - FUNDS-ONLY SETTLEMENT

* * *

Section 6 – Acknowledgement and Payment Deadlines for Funds-Only Settlement Amounts

* * *

(b) ~~Except as otherwise provided in Section 2 with respect to intraday collections,~~
a A Netting Member that has an obligation, pursuant to this Rule, to pay a Funds-Only Settlement Amount to the Corporation shall cause such payment to be made, pursuant to the process set forth in Section 5 of this Rule, in Federal funds, by ~~no later than 10:00 a.m. New York Time~~ the time stated in the Schedule of Timeframes.;

(c) When a Netting Member is entitled, pursuant to this Rule, to collect a Funds-Only Settlement Amount from the Corporation, the Corporation shall cause such payment to be made, in Federal funds, pursuant to the process set forth in Section 5 of this Rule, by ~~11:00 a.m. New York Time~~ the time stated in the Schedule of Timeframes.

* * *

SCHEDULE OF TIMEFRAMES*
(all times are New York City times)

8:00 p.m. – Deadline for final input by members to FICC of trade data.

10:30 p.m. to 2:00 a.m. – Time during which FICC’s comparison, netting, settlement and margining output is made available to Members.

9:15 a.m. – Netting-eligible auction purchases are received by FICC from the Federal Reserve Banks and are immediately redelivered to members in a long position.

9:30 a.m.** – Deadline for satisfaction of a Clearing Fund deficiency call.

10:00 a.m. – Funds-only settlement debits and credits are executed via the Federal Reserve’s National Settlement Service

11:00 a.m. – Deadline for submission of repo collateral substitution notifications, after which a late fee will be imposed. Such notification is not deemed to be submitted until it is received by FICC.

12:00 p.m. – Netting Member deadline to either (1) initiate request to receive back excess cash or collateral from the A.M. Clearing Fund call, or (2) initiate request to substitute currently held Clearing Fund securities.

12:00 p.m. – All open positions and obligations will be recorded at this time and used in the computation of intraday Clearing Fund requirements, and intraday funds-only settlement.

12:00 p.m.** – First deadline for submission of information regarding New Securities Collateral, after which a late fee will be imposed. Such information is not deemed to be submitted until it is received by FICC.

12:30 p.m.** – Second deadline for submission of information regarding New Securities Collateral, after which such submissions will be processed by FICC on a good faith basis only and a late fee imposed. Such information is not deemed to be submitted until it is received by FICC.

1:00 p.m.** – Final deadline for submission of information regarding New Securities Collateral, after which the Netting Member must resubmit its information for processing by FICC during the

* ~~This deadline may be extended by FICC on days on which there are operational or systems difficulties that would reasonably prevent members from satisfying the deadline.~~ All times may be extended as needed by the Corporation to (i) address operational or other delays that would reasonably prevent members or the Corporation from meeting the deadline or timeframe, as applicable, or (ii) allow the Corporation time to operationally exercise its existing rights under these Rules. In addition, times applicable to the Corporation are standards and not deadlines; actual processing times may vary slightly, as necessary.

** ~~This deadline may be extended by FICC on days on which there are operational or systems difficulties that would reasonably prevent members from satisfying the deadline.~~

following business day. Such information is not deemed to be submitted until it is received by FICC.

2:00 p.m. – Time during which reports will be made available with respect to the intraday Clearing Fund requirements, and intraday funds-only settlement.

2:15 p.m. – Netting Member deadline to initiate request in the Clearing Fund Management system (CFM) to receive back excess Clearing Fund cash or collateral from intraday call.

2:45 p.m.^{*} – Deadline for satisfaction of a Clearing Fund deficiency call (P.M. Clearing Fund call).

3:15 p.m. – Intraday funds-only settlement debits and credits are executed via the Federal Reserve's National Settlement Service for Netting Members.

4:00 p.m. – Brokered Repo Transactions submitted prior to 4:00 p.m. will be processed as Demand Trades. After 4:00 p.m. such trades will be processed for Bilateral Comparison.

4:30 p.m. – Deadline for submission of DK Notices by Repo Parties to Brokered Repo Transactions submitted on a Demand basis prior to 4:00 p.m.

^{*} ~~This deadline may be extended by FICC on days on which there are operational or systems difficulties that would reasonably prevent members from satisfying the deadline.~~

SCHEDULE OF GCF REPO TIMEFRAMES*

(all times are New York City times)

- 7:00 a.m.** FICC begins to accept from GCF-Authorized Inter-Dealer Brokers data on GCF Repo Transactions – GCF-Authorized Inter-Dealer Brokers must submit data on a GCF Repo Transaction that they are a party to within five minutes of executions of such transaction.
- 9:00 a.m.** Deadline for Netting Members to deliver additional securities or cash such that value of such securities and cash equals or exceeds Collateral Allocation Obligations from previous Business Day.
- 10:00 a.m.** Netting Members must begin affirming or disaffirming GCF Repo Transactions within one half hour of receipt of data on such transactions from FICC
- 10:30 a.m.** Deadline for dealer affirmation or disaffirmation of all GCF Repo Transactions that they are a party to that are executed prior to 10 a.m.
- 1:00 p.m.** For GCF Repo Transactions executed after 1:00 p.m., Netting Members must affirm or disaffirm GCF Repo Transactions within ten minutes of their receipt of data on such transactions from FICC.
- 3:00 p.m.** Cutoff for GCF Repo Transaction data submission from GCF-Authorized Inter-Dealer Brokers to FICC including dealer trade affirmation or disaffirmation – all unaffirmed trades automatically affirmed by FICC.
- 3:30 p.m.** Every Collateral Allocation Entitlement and Collateral Allocation Obligation that was established by the Corporation on the previous Business Day shall be netted with the current Business Day's Collateral Allocation Obligation and/or Collateral Allocation Entitlement; Netting Members shall have the obligation to settle such new net settlement amounts. Collateral allocations begin.
- 4:30 p.m.[‡]** Deadline for Netting Member allocation of collateral to satisfy obligations, after which a late fee will be imposed and after which FICC shall process Collateral Allocation Obligations on a good faith basis only. Deadline for Net Funds Payors to satisfy their cash obligations, after which a late fee will be imposed.

* * *

* All times may be extended as needed by the Corporation to (i) address operational or other delays that would reasonably prevent members or the Corporation from meeting the deadline or timeframe, as applicable, or (ii) allow the Corporation time to operationally exercise its existing rights under these Rules. In addition, times applicable to the Corporation are standards and not deadlines; actual processing times may vary slightly, as necessary.

[‡] ~~Or one hour after the close of the Fedwire Securities Service reversals, if later.~~