

Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2024 - * 005

Amendment No. (req. for Amendments *) 1

Filing by Fixed Income Clearing Corporation

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

| | | | | | |
|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|
| Initial * | Amendment * | Withdrawal | Section 19(b)(2) * | Section 19(b)(3)(A) * | Section 19(b)(3)(B) * |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | | |
|--------------------------|--|----------------------|--------------------------------------|--------------------------------------|--|
| Pilot | Extension of Time Period for Commission Action * | Date Expires * | Rule | | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> | <input type="checkbox"/> 19b-4(f)(1) | <input 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
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the
Securities Exchange Act of 1934
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 *).

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 * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

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

Date

(Title *)

By

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Date: 2024.03.19
10:33:45 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS 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 Advanced 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 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

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 Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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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 Sent As Paper Document

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.

Partial Amd No. 1 - GSD Access Mode

Amendment No. 1 to SR-FICC-2024-005

Fixed Income Clearing Corporation (“FICC”) is filing this partial amendment (“Amendment No. 1”) to SR-FICC-2024-005 (“Proposed Rule Change”), which was filed with the Securities and Exchange Commission (“Commission”) on March 11, 2024.

The Proposed Rule Change consists of modifications to FICC’s Government Securities Division (“GSD”) Rulebook (“GSD Rules”) to (1) re-name GSD’s correspondent clearing / prime broker services as the Agent Clearing Service and adopt provisions that are common in agent clearing models; (2) update the qualifications for certain membership categories and rules governing the operation of GSD’s access models; and (3) improve the transparency and clarity of the Rules in describing the types of memberships available to legal entities that want to access GSD’s central clearing services and the different ways both Members and, indirectly, legal entities that are not Members can access those services, as described therein.

In describing the proposed amendment to the Proposed Rule Change below, FICC has marked **bold, underlined, green highlighted text** to represent additional language proposed to be added to the Proposed Rule Change by this Amendment No. 1 and **bold, strike through, green highlighted text** to represent language proposed to be deleted from the Proposed Rule Change by this Amendment No. 1.

Please replace the text on pages 24 and 78 of the Proposed Rule Change, with the following:

To implement this proposed change, FICC would amend Section **2(a)3(a)** of Rule 3A to remove the requirement that a Sponsored Member be either a “qualified institutional buyer” as defined by Rule 144A under the Securities Act of 1933 as amended, or otherwise satisfy the financial requirements of that definition.

Please replace the text on pages 32-33 and 94 of the Proposed Rule Change, with the following:

Finally, the proposed rule changes would amend **the definition of “Sponsoring Member” in Rule 1**, the first sentence of Section 4 of Rule 2A and Section 2 of Rule 3A to replace reference to the Board as being responsible for approving membership applications **and related membership matters** with reference to the Corporation, consistent with Rule 44. These changes would conform to the proposed changes being made to Rule 2, described above, to permit the Board to either retain the authority to approve these applications or authorize management to do so, consistent with Rule 44 and the FICC By-laws.

Please replace the text on page 116 of the Proposed Rule Change, with the following:

Sponsoring Member

The term “Sponsoring Member” means a Netting Member whose application to become a ~~Category 1 Sponsoring Member or a Category 2 Sponsoring Member~~ has been approved by the **Board Corporation** pursuant to Rule 3A.

Please replace the text on page 117 of the Proposed Rule Change, with the following:

(a) — Section 1 – General

The Corporation shall make its services, or certain of its services, available to Persons which (i) apply for membership to the Corporation for the use of its services, (ii) meet the **applicable** eligibility, qualifications and standards specified in these Rules, (iii) are approved by the Corporation **or the Board, as applicable**, and (iv) if required, have contributed to the Clearing Fund as provided in Rule 4.

Please replace the text on page 125 of the Proposed Rule Change, with the following:

Section 4 – Membership Qualifications and Standards for Netting Members

Subject to the limitations set forth in ~~this the~~ Rules, the **Board Corporation** shall approve an application to become a Netting Member by a Person that is eligible to apply to become a Netting Member pursuant to ~~this the~~ Rules upon a determination that such applicant meets the following requirements:

Please replace the text on page 130 of the Proposed Rule Change, with the following:

(b) (i) Each Netting Member applicant to become a Sponsoring Member shall complete and deliver to the Corporation an application in such form as may be prescribed by the Corporation from time to time and any other information requested by the Corporation. ~~An application to become a Sponsoring Member shall first be reviewed by the Corporation.~~ The Corporation shall **review an application to become a Sponsoring Member and approve such application if the Corporation determines that**

~~the applicant has met the applicable eligibility, qualifications and standards as specified in, or as applied pursuant to, this Rule recommend approve or deny or disapproval of the application to the Board.~~

(ii) The Corporation may impose financial requirements on a Netting Member applying to become a ~~Category 2~~-Sponsoring Member that are greater than financial requirements applicable to the applicant in its capacity as a Netting Member under Section 4(b) of Rule 2A, based upon the level of the anticipated positions and obligations of such applicant, the anticipated risk associated with the volume and types of transactions such applicant proposes to process through the Corporation as a ~~Category 2~~-Sponsoring Member, and the overall financial condition of such applicant. ~~The Board shall approve any increased financial requirements imposed by the Corporation in connection with the approval of an application of a Netting Member to become a Category 2 Sponsoring Member, and the~~ Corporation shall ~~thereafter~~ regularly review ~~such~~ ~~Category 2~~-Sponsoring Members regarding ~~its their~~ compliance with such increased financial requirements.

(iii) If the ~~Board Corporation~~ denies the application of a Netting Member to become a Sponsoring Member, such denial shall be handled in the same way as set forth in Section 6 of Rule 2A with respect to membership applications.

(iv) Each Sponsoring Member, or any Netting Member applicant to become such, shall also furnish to the Corporation such adequate assurances of its financial responsibility and operational capability within the meaning of Section 7 of Rule 3 as the Corporation may at any time or from time to time deem necessary or advisable in order to protect the Corporation and its members, to safeguard securities and funds in the custody or control of the Corporation and for which the Corporation is responsible, or to promote the prompt and accurate clearance and settlement of securities transactions. ~~The Board shall approve any adequate assurances imposed by the Corporation in connection with the approval of an application of a Netting Member to become a Sponsoring Member, and the~~ Corporation shall ~~thereafter~~ regularly review ~~such~~ Sponsoring Members regarding ~~its their~~ compliance with such adequate assurances, as appropriate. Any adequate assurances imposed on a Sponsoring Member by the Corporation after its approval shall be communicated in writing to the Sponsoring Member, and the Corporation shall thereafter regularly review such Sponsoring Member regarding its compliance with such adequate assurances, as appropriate.
