

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 26		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 001 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"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<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 checked="" type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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 *). <div>Revise the Voluntary Withdrawal Provisions of the Rules</div>					
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 * <div></div> Last Name * <div></div> Title * <div></div> E-mail * <div>RuleFilingAdmin@dtcc.com</div> Telephone * <div></div> Fax <div></div>					
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 <div>01/13/2025</div> (Title *) By <div></div> <div></div> (Name *) <div>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.</div> <div>Date: 2025.01.13 10:36:52 -05'00'</div>					

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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Narrative - FICC Dormant Accounts R

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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Exhibit 1A - FICC Dormant Account R

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

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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.

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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

Add Remove View

Exhibit 5 - FICC Dormant Account Ret

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.

1. Text of the Proposed Rule Change

(a) The proposed rule change of Fixed Income Clearing Corporation (“FICC”) is annexed hereto as Exhibit 5 and consists of modifications to FICC’s Mortgage-Backed Securities Division (“MBSD”) EPN Rules (the “EPN Rules”) and FICC’s Government Securities Division (“GSD”) Rulebook (the “GSD Rules” and together with the EPN Rules, the “Rules,”)¹ to revise the voluntary withdrawal provisions of the Rules in order to provide that a EPN User or CCIT Member may be deemed to have voluntarily withdrawn as a user or terminated its membership, if FICC is unable to contact the EPN User or CCIT Member using the last known contacts and the EPN User or CCIT Member has not used FICC’s services for at least 6 months. The proposed changes are described in greater detail below.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Deputy General Counsel of FICC on January 6, 2025, 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 proposed rule change consists of modifications to the voluntary withdrawal provisions of the Rules in order to provide that a EPN User or CCIT Member may be deemed to have voluntarily withdrawn as a user or terminated its membership, if FICC is unable to contact an authorized representative of the EPN User or CCIT Member, as designated by the EPN User or CCIT Member pursuant to the Rules or FICC’s procedures,² and there has been no activity in the account by the EPN User or CCIT Member for at least 6 months. The proposed changes are described in greater detail below.

¹ Capitalized terms not defined herein are defined in the EPN Rules or the GSD Rules, available at www.dtcc.com/legal/rules-and-procedures.

² See GSD Rule 40, supra note 1, which requires that a member appoint a representative that is duly authorized in the name of and on behalf of the member to sign all instruments, correct errors and to perform such other duties as may be required under the Rules and to transact all business requisite in connection with the operations of FICC. The EPN Rules do not contain a specific provision, but FICC’s procedures require EPN Users to designate contacts that are authorized to conduct business on behalf of the EPN Users.

(i) FICC Termination Provisions

FICC has Rules relating to the termination of a EPN User or CCIT Member's membership. Those Rules include provisions that allow FICC to terminate the membership of a EPN User or CCIT Member involuntarily (i.e., "cease to act") if the EPN User or CCIT Member violates the Rules or certain other circumstances listed therein ("Involuntary Termination Provisions")³ and provisions that provide that EPN User or CCIT Member can voluntarily withdraw or terminate their membership with FICC. Section 2 of EPN Rule 2 of Article III,⁴ and Section 6 of GSD Rule 3B,⁵ relates to the voluntary withdrawal or termination of a EPN user or CCIT Member, respectively (collectively, the "Voluntary Withdrawal Provisions"). Each of the Voluntary Withdrawal Provisions generally states that a EPN User or CCIT Member may withdraw from membership by providing FICC a voluntary withdrawal notice, and such termination will not be effective until FICC has accepted the termination notice. The Voluntary Withdrawal Provisions provides that FICC's acceptance shall be evidenced by a notice to all EPN Users or GSD Members announcing the EPN User or CCIT Member's termination and the effective date of the withdrawal or termination.

(ii) Abandoned/Dormant Accounts

Neither the Involuntary Termination Provisions nor the Voluntary Withdrawal Provisions explicitly provide for a situation where the EPN User or CCIT Member does not provide a voluntary withdrawal notice, stops using its account, and FICC is unable to establish communications with the EPN User or CCIT Member. This could occur, for instance, if the EPN User or CCIT Member has gone out of business, merged into another entity and/or liquidated without notifying FICC. Although EPN User or CCIT Members are required to notify FICC of any material organizational changes and if they no longer meet continuing membership standards,⁶ FICC may not know if a member has undergone such a change until FICC has been notified, FICC discovers the circumstances due to its ongoing monitoring of its members⁷ or the

³ See EPN Rule 3 of Article III and GSD Rules 21 and 22A, id. All references to Articles in this filing shall be referring to Articles of the EPN Rules.

⁴ Section 2 of EPN Rule 2 of Article III, supra note 1.

⁵ Section 6 of GSD Rule 3B, supra note 1.

⁶ See Section 7 of GSD Rule 3; Section 5 of GSD Rule 3B; and Section 8 of EPN Rule 1 of Article III, supra note 1.

⁷ See Section 12 of GSD Rule 3, supra note 1, which provides that certain members will be monitored and reviewed on an ongoing and periodic basis.

member fails to deliver financial statements or other reports required to be delivered to FICC periodically.⁸

In such a situation, it is likely that the member would eventually violate a Rule, such as failing to provide a Cybersecurity Confirmation⁹ or another ongoing membership requirement, and FICC would eventually become aware that the member has effectively abandoned the account. FICC could formally cease to act for the member pursuant to the Involuntary Termination Provisions. If FICC is unable to reach the member, or if FICC knows that the member is unreachable because, for instance, it has gone out of business, FICC does not believe that going through the steps of a cease to act, such as formally notifying the member with the grounds under consideration and its right to request a hearing, would be necessary or appropriate when FICC has been unable to contact the member.¹⁰ In addition, FICC uses resources to maintain accounts such as monitoring for compliance of the Rules, conducting risk assessments of members, and updating account documentation. If a member has ceased using an account, and FICC cannot contact the member, FICC would like to avoid continuing to use resources to maintain the account.

FICC is proposing to expand the Voluntary Withdrawal of an EPN User or CCIT Member provision to provide that a member would be deemed to have voluntarily withdrawn its membership if FICC is unable to contact the member using the contacts in FICC's records, and the member has not used the account for at least 6 months. FICC believes that in such situations, the member is effectively abandoning the account, which is equivalent to affirmatively taking action to close the account.

(iii) Proposed Rule Changes

FICC is proposing to amend MBSD EPN Rule 2, Section 2 and GSD Rule 3B, Section 6 respectively, to provide that an EPN User or CCIT Member shall be deemed to have voluntarily withdrawn from its membership if FICC is unable to contact an officer or other authorized representative of the member using the contacts in FICC's records, and the member has not used its account for at least 6 months. In addition, FICC is proposing to add that any such deemed voluntary withdrawal shall be effective when FICC determines that the criteria for a deemed voluntary withdrawal have been met (i.e., FICC is unable to contact the member and the member hasn't used its account for at least 6 months) and that FICC's determination shall be evidenced

⁸ For instance, Section 2 of GSD Rule 3; Section 3 of GSD Rule 3B, and Section 8.B. of EPN Rule 1 of Article III, supra note 1, each require that a member provide a Cybersecurity Confirmation to FICC every two years. If a member has gone out of business and/or liquidated, it would eventually fail to provide its Cybersecurity Confirmation.

⁹ Id.

¹⁰ See GSD Rules 21, 22A and 37, EPN Rule 3 of Article III and EPN Rule 7 of Article V which set forth certain steps to be taken by the member and FICC in a cease to act including notification and hearing requirements, supra note 1.

by a notice to the members announcing the member's withdrawal and the effective date of withdrawal.

(b) Statutory Basis

FICC believes that the proposal is consistent with the requirements of the Securities Exchange Act of 1934 ("Act") and the rules and regulations thereunder applicable to a registered clearing agency. FICC believes that the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act¹¹ and Rules 17ad-22(e)(18) and (e)(23)(i),¹² each as promulgated under the Act, for the reasons described below.

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, to assure the safeguarding of securities and funds which are in the custody or control of FICC or for which it is responsible and to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.¹³ The proposed revisions to the Voluntary Withdrawal Provisions of an EPN User or CCIT Member are consistent with Section 17A(b)(3)(F) of the Act because they would provide a clear and consistent standard relating to how FICC would treat a member that is no longer using the account and that FICC is unable to contact. Providing a clear and consistent standard would allow members to better understand FICC's and the members' rights and obligations with respect to their membership. FICC believes that when members better understand their rights and obligations regarding FICC's clearance and settlement services, they can better act in accordance with the Rules. FICC believes that better enabling members to comply with the Rules would promote the prompt and accurate clearance and settlement of securities transactions by FICC consistent with Section 17A(b)(3)(F) of the Act.¹⁴

In addition, FICC believes that treating such a member as having voluntarily withdrawn would make the membership maintenance process more efficient by allowing FICC to avoid wasting resources on maintaining accounts that are no longer used and avoid having to cease to act in cases where attempting to provide notice to the member is pointless and unnecessary. Allowing FICC to deem such a member as having voluntarily withdrawn would increase efficiency of the account maintenance process and would free up resources at FICC which would leave more resources to ensure the prompt and accurate clearance and settlement of securities transactions. As such, FICC believes the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act.¹⁵

¹¹ 15 U.S.C. 78q-1(b)(3)(F).

¹² 17 CFR 240.17ad-22(e)(18), (e)(23)(i).

¹³ 15 U.S.C. 78q-1(b)(3)(F).

¹⁴ Id.

¹⁵ Id.

Rule 17ad-22(e)(18) under the Act requires that FICC establish, implement, maintain and enforce written policies and procedures reasonably designed to establish objective, risk based, and publicly disclosed criteria for participation, which permit fair and open access by direct and, where relevant, indirect participants and other financial market utilities, require participants to have sufficient financial resources and robust operational capacity to meet obligations arising from participation in the clearing agency, and monitor compliance with such participation requirements on an ongoing basis.¹⁶ FICC believes that the proposed rule changes have been designed to meet the applicable provisions of Rule 17ad-22(e)(18) because the proposed changes would provide publicly disclosed criteria relating to how FICC would treat a member that is no longer using the account and that FICC is unable to contact as having voluntarily withdrawn its participation. The proposed rule change would not adversely affect fair and open access because the deemed Voluntary Withdrawal Provisions would only be applied to those members that have not been using the service and that FICC has been unable to contact. Moreover, the deemed Voluntary Withdrawal Provisions would constitute publicly disclosed requirements for maintaining participation at FICC. Therefore, FICC believes that its proposal to provide for a deemed voluntary withdrawal is consistent with Rule 17ad-22(e)(18) under the Act.¹⁷

Rule 17ad-22(e)(23)(i) under the Act requires that FICC establish, implement, maintain and enforce written policies and procedures reasonably designed to publicly disclose all relevant rules and material procedures, including key aspects of its default rules and procedures.¹⁸ FICC believes that the proposed rule changes have been designed to meet the applicable provisions of Rule 17ad-22(e)(23)(i) because the proposed changes would provide publicly disclosed criteria relating to how FICC would remove a member that is no longer using the account and that FICC is unable to contact as if such member had voluntarily withdrawn its participation. Therefore, FICC believes that its proposal to provide for a deemed voluntary withdrawal is consistent with Rule 17ad-22(e)(23)(i) under the Act.¹⁹

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

FICC does not believe that the proposed changes relating to the Voluntary Withdrawal of an EPN User or CCIT Member provision would have any impact on competition. These changes would provide a clear and consistent standard for how FICC would treat all EPN members or CCIT Members that are no longer using an account and that FICC is unable to contact. The proposed changes would not be adding any obligations on members that are using FICC's services. As such, FICC believes the proposed rule changes would not have any impact on competition.

¹⁶ 17 CFR 240.17ad-22(e)(18).

¹⁷ Id.

¹⁸ 17 CFR 240.17ad-22(e)(23)(i).

¹⁹ Id.

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

FICC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Securities and Exchange Commission ("Commission") does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at www.sec.gov/regulatory-actions/how-to-submit-comments. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at tradingandmarkets@sec.gov or 202-551-5777.

FICC reserves the right to not respond to any comments received.

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) or Section 19(b)(7)(D)

(a) The proposed rule changes are to take effect immediately upon filing pursuant to paragraph A of Section 19(b)(3) of the Act²⁰ and subparagraph (f)(6) of Rule 19b-4²¹ thereunder.

(b) The proposed rule change (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.²² The proposed rule change would not significantly affect the protection of investors or the public interest, nor would it impose a significant burden on competition, because the proposed rule change would merely allow FICC to treat CCIT Members and EPN Users (i) that are not using FICC's services for at least 6 months and (ii) that FICC is unable to contact, as having voluntarily terminated their membership. Given that such CCIT Members and EPN Members are no longer using FICC's services, such termination would not affect the protection

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 CFR 240.19b-4(f)(6).

²² Id.

of investors or the public interest nor would it impose a burden on competition. Finally, as noted above, the proposed rule change will become effective no earlier than thirty (30) days after the date of the filing.

FICC has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.²³

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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule should be approved or disapproved.

(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

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.

²³

Id.

Exhibit 4 – Not applicable.

Exhibit 5 – Proposed changes to the Rules.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[____]; File No. SR-FICC-2025-001)

[DATE]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Revise the Voluntary Withdrawal Provisions of the Rules

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 January __, 2025, 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)(6) 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 of FICC consists of modifications to FICC’s Mortgage-Backed Securities Division (“MBSD”) EPN Rules (the “EPN Rules”) and FICC’s Government Securities Division (“GSD”) Rulebook (the “GSD Rules” and together with

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)(6).

the EPN Rules, the “Rules,”) ⁵ to revise the voluntary withdrawal provisions of the Rules in order to provide that a EPN User or CCIT Member may be deemed to have voluntarily withdrawn as a user or terminated its membership, if FICC is unable to contact the EPN User or CCIT Member using the last known contacts and the EPN User or CCIT Member has not used FICC’s services for at least 6 months.

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 proposed rule change consists of modifications to the voluntary withdrawal provisions of the Rules in order to provide that a EPN User or CCIT Member may be deemed to have voluntarily withdrawn as a user or terminated its membership, if FICC is unable to contact an authorized representative of the EPN User or CCIT Member, as designated by the EPN User or CCIT Member pursuant to the Rules or FICC’s

⁵ Capitalized terms not defined herein are defined in the EPN Rules or the GSD Rules, available at www.dtcc.com/legal/rules-and-procedures.

procedures,⁶ and there has been no activity in the account by the EPN User or CCIT Member for at least 6 months. The proposed changes are described in greater detail below.

(i) FICC Termination Provisions

FICC has Rules relating to the termination of a EPN User or CCIT Member's membership. Those Rules include provisions that allow FICC to terminate the membership of a EPN User or CCIT Member involuntarily (i.e., "cease to act") if the EPN User or CCIT Member violates the Rules or certain other circumstances listed therein ("Involuntary Termination Provisions")⁷ and provisions that provide that EPN User or CCIT Member can voluntarily withdraw or terminate their membership with FICC. Section 2 of EPN Rule 2 of Article III,⁸ and Section 6 of GSD Rule 3B,⁹ relates to the voluntary withdrawal or termination of a EPN user or CCIT Member, respectively (collectively, the "Voluntary Withdrawal Provisions"). Each of the Voluntary Withdrawal Provisions generally states that a EPN User or CCIT Member may withdraw from membership by providing FICC a voluntary withdrawal notice, and such

⁶ See GSD Rule 40, supra note 5, which requires that a member appoint a representative that is duly authorized in the name of and on behalf of the member to sign all instruments, correct errors and to perform such other duties as may be required under the Rules and to transact all business requisite in connection with the operations of FICC. The EPN Rules do not contain a specific provision, but FICC's procedures require EPN Users to designate contacts that are authorized to conduct business on behalf of the EPN Users.

⁷ See EPN Rule 3 of Article III and GSD Rules 21 and 22A, id. All references to Articles in this filing shall be referring to Articles of the EPN Rules.

⁸ Section 2 of EPN Rule 2 of Article III, supra note 5.

⁹ Section 6 of GSD Rule 3B, supra note 5.

termination will not be effective until FICC has accepted the termination notice. The Voluntary Withdrawal Provisions provides that FICC's acceptance shall be evidenced by a notice to all EPN Users or GSD Members announcing the EPN User or CCIT Member's termination and the effective date of the withdrawal or termination.

(ii) *Abandoned/Dormant Accounts*

Neither the Involuntary Termination Provisions nor the Voluntary Withdrawal Provisions explicitly provide for a situation where the EPN User or CCIT Member does not provide a voluntary withdrawal notice, stops using its account, and FICC is unable to establish communications with the EPN User or CCIT Member. This could occur, for instance, if the EPN User or CCIT Member has gone out of business, merged into another entity and/or liquidated without notifying FICC. Although EPN User or CCIT Members are required to notify FICC of any material organizational changes and if they no longer meet continuing membership standards,¹⁰ FICC may not know if a member has undergone such a change until FICC has been notified, FICC discovers the circumstances due to its ongoing monitoring of its members¹¹ or the member fails to deliver financial statements or other reports required to be delivered to FICC periodically.¹²

In such a situation, it is likely that the member would eventually violate a Rule,

¹⁰ See Section 7 of GSD Rule 3; Section 5 of GSD Rule 3B; and Section 8 of EPN Rule 1 of Article III, supra note 5.

¹¹ See Section 12 of GSD Rule 3, supra note 5, which provides that certain members will be monitored and reviewed on an ongoing and periodic basis.

¹² For instance, Section 2 of GSD Rule 3; Section 3 of GSD Rule 3B, and Section 8.B. of EPN Rule 1 of Article III, supra note 5, each require that a member provide a Cybersecurity Confirmation to FICC every two years. If a member has gone out of business and/or liquidated, it would eventually fail to provide its Cybersecurity Confirmation.

such as failing to provide a Cybersecurity Confirmation¹³ or another ongoing membership requirement, and FICC would eventually become aware that the member has effectively abandoned the account. FICC could formally cease to act for the member pursuant to the Involuntary Termination Provisions. If FICC is unable to reach the member, or if FICC knows that the member is unreachable because, for instance, it has gone out of business, FICC does not believe that going through the steps of a cease to act, such as formally notifying the member with the grounds under consideration and its right to request a hearing, would be necessary or appropriate when FICC has been unable to contact the member.¹⁴ In addition, FICC uses resources to maintain accounts such as monitoring for compliance of the Rules, conducting risk assessments of members, and updating account documentation. If a member has ceased using an account, and FICC cannot contact the member, FICC would like to avoid continuing to use resources to maintain the account.

FICC is proposing to expand the Voluntary Withdrawal of an EPN User or CCIT Member provision to provide that a member would be deemed to have voluntarily withdrawn its membership if FICC is unable to contact the member using the contacts in FICC's records, and the member has not used the account for at least 6 months. FICC believes that in such situations, the member is effectively abandoning the account, which is equivalent to affirmatively taking action to close the account.

¹³ Id.

¹⁴ See GSD Rules 21, 22A and 37, EPN Rule 3 of Article III and EPN Rule 7 of Article V which set forth certain steps to be taken by the member and FICC in a cease to act including notification and hearing requirements, supra note 5.

(iii) Proposed Rule Changes

FICC is proposing to amend MBSD EPN Rule 2, Section 2 and GSD Rule 3B, Section 6 respectively, to provide that an EPN User or CCIT Member shall be deemed to have voluntarily withdrawn from its membership if FICC is unable to contact an officer or other authorized representative of the member using the contacts in FICC's records, and the member has not used its account for at least 6 months. In addition, FICC is proposing to add that any such deemed voluntary withdrawal shall be effective when FICC determines that the criteria for a deemed voluntary withdrawal have been met (i.e., FICC is unable to contact the member and the member hasn't used its account for at least 6 months) and that FICC's determination shall be evidenced by a notice to the members announcing the member's withdrawal and the effective date of withdrawal.

2. Statutory Basis

FICC believes that the proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. FICC believes that the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act¹⁵ and Rules 17ad-22(e)(18) and (e)(23)(i),¹⁶ each as promulgated under the Act, for the reasons described below.

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, to assure the safeguarding of securities and funds which are in the custody or control of FICC or for which it is responsible and to remove impediments to and perfect the

¹⁵ 15 U.S.C. 78q-1(b)(3)(F).

¹⁶ 17 CFR 240.17ad-22(e)(18), (e)(23)(i).

mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.¹⁷ The proposed revisions to the Voluntary Withdrawal Provisions of an EPN User or CCIT Member are consistent with Section 17A(b)(3)(F) of the Act because they would provide a clear and consistent standard relating to how FICC would treat a member that is no longer using the account and that FICC is unable to contact. Providing a clear and consistent standard would allow members to better understand FICC's and the members' rights and obligations with respect to their membership. FICC believes that when members better understand their rights and obligations regarding FICC's clearance and settlement services, they can better act in accordance with the Rules. FICC believes that better enabling members to comply with the Rules would promote the prompt and accurate clearance and settlement of securities transactions by FICC consistent with Section 17A(b)(3)(F) of the Act.¹⁸

In addition, FICC believes that treating such a member as having voluntarily withdrawn would make the membership maintenance process more efficient by allowing FICC to avoid wasting resources on maintaining accounts that are no longer used and avoid having to cease to act in cases where attempting to provide notice to the member is pointless and unnecessary. Allowing FICC to deem such a member as having voluntarily withdrawn would increase efficiency of the account maintenance process and would free up resources at FICC which would leave more resources to ensure the prompt and

¹⁷ 15 U.S.C. 78q-1(b)(3)(F).

¹⁸ Id.

accurate clearance and settlement of securities transactions. As such, FICC believes the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act.¹⁹

Rule 17ad-22(e)(18) under the Act requires that FICC establish, implement, maintain and enforce written policies and procedures reasonably designed to establish objective, risk based, and publicly disclosed criteria for participation, which permit fair and open access by direct and, where relevant, indirect participants and other financial market utilities, require participants to have sufficient financial resources and robust operational capacity to meet obligations arising from participation in the clearing agency, and monitor compliance with such participation requirements on an ongoing basis.²⁰

FICC believes that the proposed rule changes have been designed to meet the applicable provisions of Rule 17ad-22(e)(18) because the proposed changes would provide publicly disclosed criteria relating to how FICC would treat a member that is no longer using the account and that FICC is unable to contact as having voluntarily withdrawn its participation. The proposed rule change would not adversely affect fair and open access because the deemed Voluntary Withdrawal Provisions would only be applied to those members that have not been using the service and that FICC has been unable to contact. Moreover, the deemed Voluntary Withdrawal Provisions would constitute publicly disclosed requirements for maintaining participation at FICC. Therefore, FICC believes that its proposal to provide for a deemed voluntary withdrawal is consistent with Rule 17ad-22(e)(18) under the Act.²¹

¹⁹ Id.

²⁰ 17 CFR 240.17ad-22(e)(18).

²¹ Id.

Rule 17ad-22(e)(23)(i) under the Act requires that FICC establish, implement, maintain and enforce written policies and procedures reasonably designed to publicly disclose all relevant rules and material procedures, including key aspects of its default rules and procedures.²² FICC believes that the proposed rule changes have been designed to meet the applicable provisions of Rule 17ad-22(e)(23)(i) because the proposed changes would provide publicly disclosed criteria relating to how FICC would remove a member that is no longer using the account and that FICC is unable to contact as if such member had voluntarily withdrawn its participation. Therefore, FICC believes that its proposal to provide for a deemed voluntary withdrawal is consistent with Rule 17ad-22(e)(23)(i) under the Act.²³

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

FICC does not believe that the proposed changes relating to the Voluntary Withdrawal of an EPN User or CCIT Member provision would have any impact on competition. These changes would provide a clear and consistent standard for how FICC would treat all EPN members or CCIT Members that are no longer using an account and that FICC is unable to contact. The proposed changes would not be adding any obligations on members that are using FICC's services. As such, FICC believes the proposed rule changes would not have any impact on competition.

²² 17 CFR 240.17ad-22(e)(23)(i).

²³ Id.

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

FICC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at www.sec.gov/regulatory-actions/how-to-submit-comments. General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at tradingandmarkets@sec.gov or 202-551-5777.

FICC reserves the right to not respond to any comments received.

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

Because the foregoing proposed rule change does not:

- (i) significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²⁴ and Rule 19b-4(f)(6) thereunder.²⁵

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 (www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FICC-2025-001 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-FICC-2025-001. This file number should be included on the subject line if e-mail is used. To help the Commission process

²⁴ 15 U.S.C 78s(b)(3)(A).

²⁵ 17 CFR 240.19b-4(f)(6).

and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (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 (www.dtcc.com/legal/sec-rule-filings). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-FICC-2025-001 and should be submitted on or before [insert date 21 days after publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Secretary

²⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Bold and underlined text indicates proposed added language

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

**FIXED INCOME CLEARING CORPORATION
GOVERNMENT SECURITIES DIVISION RULEBOOK**

RULE 3B – CENTRALLY CLEARED INSTITUTIONAL TRIPARTY SERVICE

Section 6 – Voluntary Termination

A CCIT Member may voluntarily elect to terminate its membership in the Corporation by providing the Corporation with a written notice of such termination (hereinafter, the “CCIT Member Voluntary Termination Notice”). The CCIT Member shall specify in the CCIT Member Voluntary Termination Notice a desired date for the termination, which date shall not be prior to the scheduled final settlement date of any remaining obligation owed by the CCIT Member to the Corporation as of the time such CCIT Member Voluntary Termination Notice is submitted to the Corporation, unless otherwise approved by the Corporation.

Such termination will not be effective until accepted by the Corporation, which shall be no later than 10 Business Days after the receipt of the CCIT Member Voluntary Termination Notice from such CCIT Member **or in the case of a deemed voluntary termination described below, when the Corporation determines that the criteria for a deemed voluntary termination has been met.** The Corporation’s acceptance shall be evidenced by an Important Notice to Members (including CCIT Members) announcing the CCIT Member’s termination and the effective date of the termination of the CCIT Member (hereinafter the “CCIT Member Termination Date”). As of the CCIT Member Termination Date, a CCIT Member that terminates its membership in the Corporation shall no longer be eligible or required to submit to the Corporation data on trades and shall no longer be eligible to have its trade data submitted by a Joint Account Submitter, unless the Board determines otherwise in order to ensure an orderly liquidation of the CCIT Member’s positions. If any trade is submitted to the Corporation either by such CCIT Member or a Joint Account Submitter that is scheduled to settle on or after the CCIT Member Termination Date, such CCIT Member’s CCIT Member Voluntary Termination Notice will be deemed void, and the CCIT Member will remain subject to this Rule as if it had not given such CCIT Member Voluntary Termination Notice. **Notwithstanding the foregoing, a CCIT Member may be deemed to have voluntarily terminated its membership if the Corporation is unable to contact an authorized representative of the CCIT Member and there has been no activity in the account by the CCIT Member for at least 6 months.**

A CCIT Member’s voluntary termination of membership shall not affect its obligations to the Corporation, or the rights of the Corporation, with respect to transactions submitted to the Corporation before the CCIT Member Termination Date.

FIXED INCOME CLEARING CORPORATION
MORTGAGE-BACKED SECURITIES DIVISION
EPN RULES

ARTICLE III EPN USERS

Rule 2. Ceasing to Maintain an Account Voluntary Withdrawal of an EPN User

Sec. 2. Voluntary Withdrawal of an EPN User

An EPN User may withdraw as an EPN User by providing the Corporation with 10 days written notice of such withdrawal; however, the Corporation, in its discretion, may accept such withdrawal within a shorter notice period. Such withdrawal will not be effective until accepted by the Corporation **or in the case of a deemed voluntary termination described below, when the Corporation determines that the criteria for a deemed voluntary termination has been met.** The Corporation's acceptance shall be evidenced by a notice to all EPN Users announcing the EPN User's withdrawal and the effective date of the withdrawal of the EPN User; provided, however, that no withdrawal of an EPN User shall be effective until the EPN User has made arrangements satisfactory to the Corporation for the payment of all of its unpaid obligations, and no withdrawal of an EPN User shall be effective until the EPN User has made arrangements satisfactory to the Corporation for the handling of Messages for all unprocessed transactions in Eligible Securities at the time of such withdrawal. **Notwithstanding the foregoing, an EPN User may be deemed to have voluntarily terminated its membership if the Corporation is unable to contact an authorized representative of the EPN User, and there has been no activity in the account by the EPN User for at least 6 months.**
