Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2025 - * 008
Amendment No. (req. for Amendments *)

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) *
✓	☐	☐	✓	☐	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 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 *).

Collection of Intraday Margin

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 * [redacted] Last Name * [redacted]

Title * [redacted]

E-mail * RuleFilingAdmin@dtcc.com

Telephone * [redacted] 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 04/15/2025

By [redacted]
(Name *)

(Title *)
[redacted]

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: 2025.04.15 10:29:25 -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 EFFS website.

Form 19b-4 Information * Add · Remove · View Narrative (FICC) - Intraday Margin - 2(	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 Exh 1A (FICC) - Intraday Margin - 202	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 * 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 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 Add · Remove · View	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 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 Exh 5 (FICC) - Intraday Margin - 2025-	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) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b-4 thereunder,[2] Fixed Income Clearing Corporation ("FICC") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to modify FICC's Government Securities Division ("GSD") Rulebook ("GSD Rules") and Mortgage-Backed Securities Division ("MBSD") Clearing Rules ("MBSD Rules," and collectively with the GSD Rules, the "Rules") to address recently adopted amendments to the Commission's Standards for Covered Clearing Agencies ("CCAS Rules") concerning the collection of intraday margin. The proposed modifications to the Rules are contained in Exhibit 5 of the filing.[3]

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Risk Committee of FICC's Board of Directors on April 15, 2025.

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

(a) Purpose

Executive Summary of Proposed Changes

On October 25, 2024, the Commission adopted amendments to the CCAS Rules to add new requirements related to the collection of intraday margin by a covered clearing agency ("CCA").[4] Specifically, the Commission amended Rule 17ad-22(e)(6)(ii)[5] to establish new requirements with respect to a CCA's policies and procedures regarding the collection of intraday margin to: (i) include a new requirement to monitor intraday exposures on an ongoing basis; (ii) modify the preexisting reference to making intraday calls "in defined circumstances" to making intraday calls "as frequently as circumstances warrant" and identifying examples of

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Capitalized terms not defined herein shall have the meaning assigned to such terms in the Rules, available at www.dtcc.com/legal/rules-and-procedures.

4 Securities Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (File No. S7-10-23) ("Adopting Release," and the rules adopted therein referred to herein as "CCAS Margin Rules").

5 17 CFR 240.17ad-22(e)(6)(ii).

such circumstances; and (iii) require that a CCA document when it determines not to make an intraday margin call pursuant to its written policies and procedures.[6] As described below, the proposed changes to the Rules are designed to facilitate compliance with these requirements.

Background

FICC, through GSD and MBSD, serves as a central counterparty and provider of clearance and settlement services for fixed income transactions. GSD provides central counterparty services in U.S. government securities, as well as repurchase and reverse repurchase transactions involving U.S. government securities,[7] and MBSD provides such services to the U.S. mortgage-backed securities market. As part of its market risk management strategy, FICC manages its credit exposure to members by determining the appropriate Required Fund Deposit to the GSD and MBSD Clearing Funds (collectively, the "Clearing Fund") and by monitoring their sufficiency, as provided for in the Rules.[8] The Required Fund Deposit serves as each member's margin.

The objective of a member's Required Fund Deposit is to mitigate potential losses to FICC associated with liquidating a member's portfolio in the event FICC ceases to act for that member (hereinafter referred to as a "default").[9] The aggregate amount of all members' Required Fund Deposits constitutes the Clearing Fund. FICC would access the Clearing Fund should a defaulting member's own Required Fund Deposit be insufficient to satisfy losses to FICC caused by the liquidation of that member's portfolio.

At GSD, each member is also responsible for the Clearing Fund obligations arising from the activity of the member's indirect participant customers submitted to FICC via the Sponsored Service and/or the Agent Clearing Service. FICC's Sponsored Service permits GSD members that are approved to be Sponsoring Members, to sponsor certain institutional firms, referred to as "Sponsored Members," into GSD membership.[10] FICC establishes and maintains a "Sponsoring Member Omnibus Account" on its books in which it records the transactions of the Sponsoring

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6 See Adopting Release, supra note 4 at 91000.

7 GSD also clears and settles certain transactions on securities issued or guaranteed by U.S. government agencies and government sponsored enterprises.

8 See GSD Rule 4 (Clearing Fund and Loss Allocation) and MBSD Rule 4 (Clearing Fund and Loss Allocation), supra note 3. FICC's market risk management strategy is designed to comply with Rule 17ad-22(e)(4) under the Act, where these risks are referred to as "credit risks." 17 CFR 240.17ad-22(e)(4).

9 The Rules identify when FICC may cease to act for a member and the types of actions FICC may take. For example, FICC may suspend a firm's membership with FICC or prohibit or limit a member's access to FICC's services in the event that member defaults on a financial or other obligation to FICC. See GSD Rule 21 (Restrictions on Access to Services) and MBSD Rule 14 (Restrictions on Access to Services), supra note 3.

10 See GSD Rule 3A, supra note 3.

Member's Sponsored Members ("Sponsored Member Trades").[11] Similarly, FICC's Agent Clearing Service permits GSD members that are approved to be Agent Clearing Members to submit activities of certain institutional firms, referred to as "Executing Firm Customers," into FICC for clearing and settlement. FICC establishes and maintains an "Agent Clearing Member Omnibus Account" on its books in which it records the transactions of the Agent Clearing Member's Executing Firm Customers ("Agent Clearing Transactions").[12]

Both the Sponsoring Members and the Agent Clearing Members have the option of segregating Sponsored Member Trades of a Sponsored Member and Agent Clearing Transactions of an Executing Firm Customer, as applicable, in separate accounts (i.e., Segregated Indirect Participant Accounts), each such Sponsored Member and Executing Firm Customer being referred to as a "Segregated Indirect Participant." FICC manages its credit exposure to Segregated Indirect Participants by determining the appropriate Segregated Customer Margin Requirement and monitoring its sufficiency, as provided for in the GSD Rules.[13]

Pursuant to the Rules, each member's Required Fund Deposit amount (and Segregated Customer Margin Requirement amount, to the extent applicable) consists of a number of components, each of which is calculated to address specific risks faced by FICC, as identified within the Rules.[14] At GSD, these components include the VaR Charge, Blackout Period Exposure Adjustment, Backtesting Charge, Excess Capital Premium, Holiday Charge, Intraday Supplemental Fund Deposit, Margin Liquidity Adjustment Charge, Portfolio Differential Charge, and special charge.[15] At MBSD, these components include the VaR Charge, Backtesting Charge, Excess Capital Premium, Holiday Charge, Intraday Mark-to-Market Charge, Intraday VaR Charge, Margin Liquidity Adjustment Charge, and special charge.[16]

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11 See GSD Rule 1 (definition of "Sponsored Member Trades"), supra note 3.

12 See GSD Rule 1 (definition of "Agent Clearing Transactions"), supra note 3.

13 See GSD Margin Component Schedule, supra note 3.

14 Supra note 3.

15 These margin components and the relevant defined terms are currently located in the GSD Margin Component Schedule, supra note 3. FICC recently proposed changes to the GSD Rules to adopt a Volatility Event Charge and an Intraday Mark-to-Market Charge. See Securities Exchange Release Nos. 102532 (Mar. 5, 2025), 90 FR 11760 (Mar. 11, 2025) (SR-FICC-2025-003) and 102705 (Mar. 21, 2025) 90 FR 13965 (Mar. 27, 2025) (SR-FICC-2025-005), respectively.

16 These margin components and the relevant defined terms are currently located in MBSD Rules 1 (Definitions), 3 (Ongoing Membership Requirements) and 4 (Clearing Fund and Loss Allocation), supra note 3.

Overview of Intraday Monitoring and Margin Collection

Each GSD and MBSD member is required to meet its Required Fund Deposit, which is based on the member's outstanding positions as well as its intraday trading and settlement activity. Each GSD member with Segregated Indirect Participant Account(s) is also required to meet its Segregated Customer Margin Requirements, which is based on its Segregated Indirect Participants' outstanding positions as well as their intraday trading and settlement activity. FICC resizes a member's Required Fund Deposit (and Segregated Customer Margin Requirement, if applicable) at least twice a day for GSD members and once a day for MBSD members. In addition, FICC may call for additional margin on an intraday basis, as needed. Specifically, GSD's Intraday Supplemental Fund Deposit and MBSD's Intraday VaR Charge as well as Intraday Mark-to-Market Charge are each designed to mitigate intraday exposure to GSD and MBSD, respectively, that results from large fluctuations in the member's/Segregated Indirect Participant's portfolio positions and prices that are not otherwise covered by the member's recently collected Required Fund Deposit/Segregated Customer Margin Requirement.[17] Any such amount must be satisfied within the timeframe specified by GSD and MBSD.

Intraday market moves and positions are monitored by FICC on an ongoing basis. FICC generally conducts intraday monitoring every 15 minutes at GSD and hourly at MBSD,[18] unless extended by FICC to address operational or other delays. For GSD, intraday monitoring is conducted between 8:00 a.m. (New York time) and 4:30 p.m. (New York time).[19] For MBSD, intraday monitoring is conducted from 8:00 a.m. (New York time) to 4:00 p.m. (New York time).

FICC reviews intraday snapshots of each member's portfolio to determine whether the member has experienced an adverse risk exposure that warrants FICC assessing an intraday margin. Through this filing, FICC is providing additional clarity and transparency in the Rules concerning FICC's processes for the ongoing monitoring, recalculation and collection of Intraday Supplemental Fund Deposit at GSD and Intraday VaR Charge as well as Intraday Mark-to-Market Charge at MBSD, including circumstances in which FICC may determine not to collect such a charge, to facilitate compliance with the newly adopted CCAS Margin Rules.[20] The proposed changes are described in detail below.

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17 FICC recently proposed changes to the GSD Rules to adopt an Intraday Mark-to-Market Charge. See Securities Exchange Release No. 102705 (Mar. 21, 2025) 90 FR 13965 (Mar. 27, 2025) (SR-FICC-2025-005).

18 FICC currently expects to increase the frequency of its intraday monitoring at MBSD from hourly to a 15-minute increment during fourth quarter of 2025.

19 On the last Business Day of each calendar month, the intraday monitoring at GSD is extended from 4:30 p.m. (New York time) to 5:00 p.m. (New York time).

20 See supra notes 4 and 6.

Proposed Changes to the Rules

GSD Intraday Supplemental Fund Deposit and MBSD Intraday VaR Charge

Currently, FICC requires additional deposit to the Clearing Fund from a member intraday pursuant to the provisions of the GSD Margin Component Schedule[21] as well as MBSD Rules 1 and 4.[22] As provided in Section 2a of GSD Rule 4 and Section 3a of MBSD Rule 4, pursuant to procedures established by FICC, FICC recalculates intraday, each Business Day, at the times established by FICC for this purpose, the amount of the intraday VaR Charge applicable to each portfolio of a member, based upon the open positions in such portfolio at a designated time intraday, for purposes of establishing whether a member shall be required to make payment of an Intraday Supplemental Fund Deposit or an Intraday VaR Charge, as applicable. FICC has established procedures for collection of an amount calculated in respect of a member's Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, including parameters regarding threshold amounts that require payment, and the form and time by which payment is required to be made to FICC. In addition, FICC reserves the right to require a member or members generally to make additional Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, if FICC determines it to be necessary to protect itself and its members in response to factors such as market conditions or financial or operational capabilities affecting a member or members generally.

In order to comply with the CCAS Margin Rules and provide additional transparency in the Rules regarding the collection of Intraday Supplemental Fund Deposit at GSD and Intraday VaR Charge at MBSD, FICC is proposing the following clarification in the Rules.

Specifically for GSD, in Section 1 of the Margin Component Schedule,[23] FICC is proposing language that would make it clearer that the calculation of margin, i.e., Required Fund Deposit Portion and Segregated Customer Margin Requirements,[24] would be performed more

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21 The definition of Intraday Supplemental Fund Deposit and related provisions are currently located in GSD Rule 1 and the GSD Margin Component Schedule, supra note 3.

22 See the definition of Intraday VaR Charge in MBSD Rule 1 (Definitions) and related provision in MBSD Rule 4 (Clearing Fund and Loss Allocation), supra note 3.

23 Supra note 3.

24 The term "Required Fund Deposit Portion" refers to the amounts of Required Fund Deposit requirement calculated for each Type of Account, other than Segregated Indirect Participants Accounts, of a GSD member, and is defined in GSD Rule 1 to mean each of the items listed in Section 2(a)(i) - (iv) of GSD Rule 4.
The term "Segregated Customer Margin Requirement" is defined in GSD Rule 1 to mean the amount of cash or Eligible Clearing Fund Securities that an Agent Clearing Member or Sponsoring Member is required to deposit with FICC to support the obligations arising from Transactions recorded in its Segregated Indirect Participants Accounts. A Netting Member's Segregated Customer Margin Requirement shall be the sum of the items listed in Section 2(a)(v) and (vi) of GSD Rule 4. References to Segregated Customer Margin

frequently than twice daily if FICC deems it appropriate pursuant to the Margin Component Schedule and subject to the provisions of GSD Rule 4.

For the "Intraday Supplemental Fund Deposit" definition in Section 5 of the GSD Margin Component Schedule as well as Section 3a of MBSD Rule 4, FICC is proposing to add language that makes it clearer that the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, would be re-calculated intraday, each Business Day, at the times and frequencies established by FICC for this purpose, which times and frequencies shall be communicated to members on FICC's public website. In addition, FICC is proposing to make it clearer that, for purposes of establishing whether a member shall be required to make an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, FICC would consider when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility. FICC would also provide examples of elevated volatility market conditions to include, but not be limited to, the occurrence of sudden swings in U.S. Treasury yields or mortgage-backed security spreads outside of historically observed market moves and/or conditions contributing to intraday risk exposures to FICC that, in aggregate, materially exceed intraday risk exposures observed under normal market conditions. Furthermore, FICC is proposing to add language that makes it clearer that FICC has procedures for ongoing monitoring and collection of a member's Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable. The additional language would provide that FICC shall communicate to members via its public website parameters regarding threshold amounts that would require payment of Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, and the form and time by which payment is required to be made to FICC. Lastly, with respect to GSD only, FICC is proposing to add references to Segregated Indirect Participant(s) in the third paragraph of the "Intraday Supplemental Fund Deposit" definition in Section 5 of the GSD Margin Component Schedule to provide additional clarity and consistency. To the extent applicable, the proposed changes in this paragraph would also apply to MBSD's Intraday Mark-to-Market Charge, as further described below.

To make it clear in the Rules that FICC has the discretion to waive or reduce the amount of Intraday Supplemental Fund Deposit or Intraday VaR Charge, FICC is proposing to add language in the "Intraday Supplemental Fund Deposit" definition in Section 5 of the GSD Margin Component Schedule and the "Intraday VaR Charge" definition in MBSD Rule 1. Specifically, the additional language would provide that FICC may determine not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, or may decrease the amount of the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, in circumstances where FICC determines that the volatility-based intraday exposure of the member and/or the breaches of the threshold amount do not accurately reflect FICC's risk exposure to the member. The additional language would provide that examples of circumstances that FICC may consider with respect to the determination in the previous sentence may include, but shall not be limited to, (i) changes in portfolio composition result in the threshold amount not being breached

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Requirement "for" or "with respect to" a particular Segregated Indirect Participants Account or Segregated Indirect Participant (or similar language) mean the portion of a Netting Member's Segregated Customer Margin Requirement arising from such Account or Segregated Indirect Participant. Supra note 3.

on a consistent or persistent basis, (ii) trades that will be offset by trades submitted later in the day, (iii) the threshold amount was breached due to the submission of erroneous trades that are being corrected, or (iv) the threshold amount was breached due to erroneous data inputs.

In addition, FICC would adopt new rules concerning FICC's authority to waive the collection of an Intraday Supplemental Fund Deposit at GSD or Intraday VaR Charge at MBSD, as applicable, in exigent circumstances. Specifically, the proposed rule change would provide that FICC may waive the collection of an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, in exigent circumstances if FICC determines (i) that such a waiver is necessary to protect FICC, its participants, investors and the public interest or (ii) it can effectively address the risk exposure presented by the member without the collection of the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable.

Lastly, the additional language would provide that any waiver, reduction, or determination not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, shall be approved, documented and reviewed on a regular basis pursuant to FICC's procedures. Pursuant to FICC's market risk management procedures, FICC's Market Risk Management team monitors members' trading activity and exposures on a 15-minute/hourly basis and identifies accounts that exceed certain preestablished thresholds. These threshold breaches trigger research, review and escalation actions for recommendations for waiving, reducing, and/or determining not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable. If a waiver, reduction, and/or determination not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, is recommended, this is escalated to designated members of FICC Market Risk Management for approval and documentation in accordance with specified escalation procedures.

The proposed change is intended to facilitate compliance with new requirements in the CCAS Margin Rules that each CCA have policies and procedures to document when the CCA determines not to make an intraday call pursuant to its written policies and procedures.[25]

MBSD Intraday Mark-to-Market Charge

Currently, FICC requires additional deposit to the Clearing Fund from an MBSD member intraday pursuant to the provisions of MBSD Rules 1 and 4.[26] As provided in Section 3a of MBSD Rule 4, pursuant to procedures established by FICC, FICC recalculates intraday, each Business Day, at the times established by FICC for this purpose, the amount of the Intraday Mark-to-Market Charge applicable to each portfolio of an MBSD member based upon the open positions in such portfolio at a designated time intraday, for purposes of establishing whether an MBSD member shall be required to make an additional payment to its Required Fund Deposit, i.e., Intraday Mark-to-Market Charge. FICC has established procedures for collection of an amount calculated in respect of an MBSD member's Intraday Mark-to-Market Charge, including parameters regarding threshold amounts that require payment, and the form and time by which

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[25] See 17 CFR 240.17ad-22(e)(6)(ii)(D) and CCAS Margin Rules, supra note 4.

[26] See the definition of Intraday Mark-to-Market Charge in MBSD Rule 1 (Definitions) and related provision in MBSD Rule 4 (Clearing Fund and Loss Allocation), supra note 3.

payment is required to be made to FICC. In addition, FICC reserves the right to require an MBSD member or members generally to make additional Intraday Mark-to-Market Charge if FICC determines it to be necessary to protect itself and its members in response to factors such as market conditions or financial or operational capabilities affecting an MBSD member or members generally.

In order to comply with the CCAS Margin Rules and provide additional transparency in the MBSD Rules regarding the collection of Intraday Mark-to-Market Charge, FICC is proposing the following clarification in the MBSD Rules.

In Section 3a of MBSD Rule 4, FICC is proposing to add language that makes it clearer that the Intraday Mark-to-Market Charge would be re-calculated intraday, each Business Day, at the times and frequencies established by FICC for this purpose, which times and frequencies shall be communicated to MBSD members on FICC's public website. In addition, FICC is proposing to make it clearer that, for purposes of establishing whether an MBSD member shall be required to make an Intraday Mark-to-Market Charge, FICC would consider when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility. Furthermore, FICC is proposing to add language that makes it clearer that FICC has procedures for ongoing monitoring and collection of an MBSD member's Intraday Mark-to-Market Charge.

In addition, in order to enhance the transparency in the MBSD Rules regarding FICC's existing discretion to waive or change the Intraday Mark-to-Market Charge at MBSD, FICC is proposing to add language in the Intraday Mark-to-Market Charge definition in MBSD Rule 1 to provide that all waivers and/or changes of the Intraday Mark-to-Market Charge shall be approved, documented and reviewed on a regular basis pursuant to FICC's procedures. The proposed change is intended to facilitate compliance with new requirements in the CCAS Margin Rules that each CCA have policies and procedures to document when the CCA determines not to make an intraday call pursuant to its written policies and procedures.[27]

Lastly, FICC is proposing a technical correction in the first sentence of the Intraday Mark-to-Market Charge definition in MBSD Rule 1. Specifically, FICC is proposing to delete the reference to "subsection (d)" therein and replace it with "subsection (c)."

Implementation Timeframe

FICC expects to implement the proposed rule change by no later than December 15, 2025, and would announce the effective date of the proposed changes by an Important Notice posted to FICC's website.

(b) Statutory Basis

FICC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Specifically,

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[27] See 17 CFR 240.17ad-22(e)(6)(ii)(D) and CCAS Margin Rules, supra note 4.

FICC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act[28] and Rule 17ad-22(e)(6)(ii) promulgated thereunder[29] for the reasons described below.

Section 17A(b)(3)(F) of Act requires, in part, that the rules of a clearing agency 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 the clearing agency or for which it is responsible and, in general, to protect investors and the public interest.[30] FICC believes the proposed change to provide additional transparency in the Rules regarding the collection of intraday margin would provide clarity in the Rules regarding the ongoing monitoring, calculation and collection of the existing Intraday Supplemental Fund Deposit at GSD as well as the Intraday VaR Charge and Intraday Mark-to-Market Charge at MBSD. Specifically, the proposed change would enhance the Rules to more clearly describe how FICC: (i) monitors its intraday exposures on an ongoing basis; (ii) makes calls for intraday margin to include when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility; and (iii) documents when it determines to waive, reduce or not make an intraday margin call pursuant to its written policies and procedures. FICC believes that providing this additional transparency and clarity in the Rules would promote the understanding of FICC's intraday margin processes by FICC's members, market participants and the public. This, in turn, would help members understand their potential obligations to FICC, particularly with respect to intraday margin, so that they are better equipped and able to satisfy such requirements when due. FICC uses the margin it collects to mitigate potential losses to FICC (and through loss allocation, to its members) associated with liquidating a defaulting member's portfolio and to continue to effect the prompt and accurate clearance and settlement of securities transactions in the event FICC ceases to act for a member. As a result, FICC believes the proposed rule change is 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, in general, to protect investors and the public interest in accordance with the requirements of Section 17A(b)(3)(F) of Act.

The proposed change to make a technical correction to the MBSD Rules would ensure that the Rules remain accurate and clear, which in turn would enable all stakeholders to readily understand their rights and obligations in connection with FICC's clearance and settlement of securities transactions. Therefore, FICC believes that this proposed change would also promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.[31]

Rule 17ad-22(e)(6)(ii) under the Act requires FICC to establish, implement, maintain and enforce written policies and procedures reasonably designed to cover its credit exposures to its

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[28] 15 U.S.C. 78q-1(b)(3)(F).

[29] 17 CFR 240.17ad-22(e)(6)(ii).

[30] 15 U.S.C. 78q-1(b)(3)(F).

[31] Id.

participants by establishing a risk-based margin system that, among other things, (i) monitors intraday exposures on an ongoing basis; (ii) includes the authority and operational capacity to make intraday margin calls, as frequently as circumstances warrant, including the following circumstances: (1) when risk thresholds specified by the covered clearing agency are breached; or (2) when the products cleared or markets served display elevated volatility; and (iii) documents when the covered clearing agency determines not to make an intraday call pursuant to its written policies and procedures.[32] FICC believes the proposed change to provide additional transparency in the Rules regarding the collection of intraday margin would provide clarity in the Rules regarding the ongoing monitoring, calculation and collection of the existing Intraday Supplemental Fund Deposit at GSD as well as the Intraday VaR Charge and Intraday Mark-to-Market Charge at MBSD. Specifically, the proposed change would enhance the Rules to more clearly describe how FICC: (i) monitors its intraday exposures on an ongoing basis; (ii) makes calls for intraday margin to include when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility; and (iii) documents when it determines to waive, reduce or not make an intraday margin call pursuant to its written policies and procedures. Collectively, the proposed change is designed to facilitate FICC's compliance with Rule 17ad-22(e)(6)(ii), and, accordingly, FICC believes that the proposed change is consistent with the requirements of Rule 17ad-22(e)(6)(ii) under the Act.[33]

For the reasons set forth above, FICC believes the proposed change is consistent with Section 17A(b)(3)(F) of the Act[34] and Rule 17ad-22(e)(6)(ii) thereunder.[35]

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

Section 17A(b)(3)(I) of Act requires that the rules of a clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.[36] FICC does not believe the proposed rule change would present any burden or have a material impact on competition. The proposed changes are designed to ensure that the Rules remain transparent, accurate and clear. In addition, the proposed rule change is intended to facilitate FICC's compliance with requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Therefore, FICC does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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32 17 CFR 240.17ad-22(e)(6)(ii).

33 Id.

34 15 U.S.C. 78q-1(b)(3)(F).

35 17 CFR 240.17ad-22(e)(6)(ii).

36 15 U.S.C. 78q-1(b)(3)(I).

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 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 not to respond to any comments received.

6. Extension of Time Period for Commission Action

FICC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act[37] for Commission action.

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

(a) Not applicable.

(b) Not applicable.

(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.

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[37] 15 U.S.C. 78s(b)(2).

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.

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-[__________]; File No. SR-FICC-2025-008)

[DATE]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change Concerning the Collection of Intraday Margin

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 April __, 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. 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 FICC's Government Securities Division ("GSD") Rulebook ("GSD Rules") and Mortgage-Backed Securities Division ("MBSD") Clearing Rules ("MBSD Rules," and collectively with the GSD Rules, the "Rules") to address recently adopted amendments to the Commission's Standards for Covered Clearing Agencies ("CCAS Rules") concerning the collection of intraday margin.[3]

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Capitalized terms not defined herein shall have the meaning assigned to such terms in the Rules, available at www.dtcc.com/legal/rules-and-procedures.

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

Executive Summary of Proposed Changes

On October 25, 2024, the Commission adopted amendments to the CCAS Rules to add new requirements related to the collection of intraday margin by a covered clearing agency ("CCA").[4] Specifically, the Commission amended Rule 17ad-22(e)(6)(ii)[5] to establish new requirements with respect to a CCA's policies and procedures regarding the collection of intraday margin to: (i) include a new requirement to monitor intraday exposures on an ongoing basis; (ii) modify the preexisting reference to making intraday calls "in defined circumstances" to making intraday calls "as frequently as circumstances warrant" and identifying examples of such circumstances; and (iii) require that a CCA document when it determines not to make an intraday margin

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4 Securities Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (File No. S7-10-23) ("Adopting Release," and the rules adopted therein referred to herein as "CCAS Margin Rules").

5 17 CFR 240.17ad-22(e)(6)(ii).

call pursuant to its written policies and procedures.[6] As described below, the proposed changes to the Rules are designed to facilitate compliance with these requirements.

Background

FICC, through GSD and MBSD, serves as a central counterparty and provider of clearance and settlement services for fixed income transactions. GSD provides central counterparty services in U.S. government securities, as well as repurchase and reverse repurchase transactions involving U.S. government securities,[7] and MBSD provides such services to the U.S. mortgage-backed securities market. As part of its market risk management strategy, FICC manages its credit exposure to members by determining the appropriate Required Fund Deposit to the GSD and MBSD Clearing Funds (collectively, the "Clearing Fund") and by monitoring their sufficiency, as provided for in the Rules.[8] The Required Fund Deposit serves as each member's margin.

The objective of a member's Required Fund Deposit is to mitigate potential losses to FICC associated with liquidating a member's portfolio in the event FICC ceases to act for that member (hereinafter referred to as a "default").[9] The aggregate amount of all

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[6] See Adopting Release, supra note 4 at 91000.

[7] GSD also clears and settles certain transactions on securities issued or guaranteed by U.S. government agencies and government sponsored enterprises.

[8] See GSD Rule 4 (Clearing Fund and Loss Allocation) and MBSD Rule 4 (Clearing Fund and Loss Allocation), supra note 3. FICC's market risk management strategy is designed to comply with Rule 17ad-22(e)(4) under the Act, where these risks are referred to as "credit risks." 17 CFR 240.17ad-22(e)(4).

[9] The Rules identify when FICC may cease to act for a member and the types of actions FICC may take. For example, FICC may suspend a firm's membership with FICC or prohibit or limit a member's access to FICC's services in the event that member defaults on a financial or other obligation to FICC. See GSD Rule

members' Required Fund Deposits constitutes the Clearing Fund. FICC would access the Clearing Fund should a defaulting member's own Required Fund Deposit be insufficient to satisfy losses to FICC caused by the liquidation of that member's portfolio.

At GSD, each member is also responsible for the Clearing Fund obligations arising from the activity of the member's indirect participant customers submitted to FICC via the Sponsored Service and/or the Agent Clearing Service. FICC's Sponsored Service permits GSD members that are approved to be Sponsoring Members, to sponsor certain institutional firms, referred to as "Sponsored Members," into GSD membership.[10] FICC establishes and maintains a "Sponsoring Member Omnibus Account" on its books in which it records the transactions of the Sponsoring Member's Sponsored Members ("Sponsored Member Trades").[11] Similarly, FICC's Agent Clearing Service permits GSD members that are approved to be Agent Clearing Members to submit activities of certain institutional firms, referred to as "Executing Firm Customers," into FICC for clearing and settlement. FICC establishes and maintains an "Agent Clearing Member Omnibus Account" on its books in which it records the transactions of the Agent Clearing Member's Executing Firm Customers ("Agent Clearing Transactions").[12]

Both the Sponsoring Members and the Agent Clearing Members have the option of segregating Sponsored Member Trades of a Sponsored Member and Agent Clearing

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21 (Restrictions on Access to Services) and MBSD Rule 14 (Restrictions on Access to Services), supra note 3.

10 See GSD Rule 3A, supra note 3.

11 See GSD Rule 1 (definition of "Sponsored Member Trades"), supra note 3.

12 See GSD Rule 1 (definition of "Agent Clearing Transactions"), supra note 3.

Transactions of an Executing Firm Customer, as applicable, in separate accounts (i.e., Segregated Indirect Participant Accounts), each such Sponsored Member and Executing Firm Customer being referred to as a "Segregated Indirect Participant." FICC manages its credit exposure to Segregated Indirect Participants by determining the appropriate Segregated Customer Margin Requirement and monitoring its sufficiency, as provided for in the GSD Rules.[13]

Pursuant to the Rules, each member's Required Fund Deposit amount (and Segregated Customer Margin Requirement amount, to the extent applicable) consists of a number of components, each of which is calculated to address specific risks faced by FICC, as identified within the Rules.[14] At GSD, these components include the VaR Charge, Blackout Period Exposure Adjustment, Backtesting Charge, Excess Capital Premium, Holiday Charge, Intraday Supplemental Fund Deposit, Margin Liquidity Adjustment Charge, Portfolio Differential Charge, and special charge.[15] At MBSD, these components include the VaR Charge, Backtesting Charge, Excess Capital Premium,

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13 See GSD Margin Component Schedule, supra note 3.

14 Supra note 3.

15 These margin components and the relevant defined terms are currently located in the GSD Margin Component Schedule, supra note 3. FICC recently proposed changes to the GSD Rules to adopt a Volatility Event Charge and an Intraday Mark-to-Market Charge. See Securities Exchange Release Nos. 102532 (Mar. 5, 2025), 90 FR 11760 (Mar. 11, 2025) (SR-FICC-2025-003) and 102705 (Mar. 21, 2025) 90 FR 13965 (Mar. 27, 2025) (SR-FICC-2025-005), respectively.

Holiday Charge, Intraday Mark-to-Market Charge, Intraday VaR Charge, Margin Liquidity Adjustment Charge, and special charge.[16]

Overview of Intraday Monitoring and Margin Collection

Each GSD and MBSD member is required to meet its Required Fund Deposit, which is based on the member's outstanding positions as well as its intraday trading and settlement activity. Each GSD member with Segregated Indirect Participant Account(s) is also required to meet its Segregated Customer Margin Requirements, which is based on its Segregated Indirect Participants' outstanding positions as well as their intraday trading and settlement activity. FICC resizes a member's Required Fund Deposit (and Segregated Customer Margin Requirement, if applicable) at least twice a day for GSD members and once a day for MBSD members. In addition, FICC may call for additional margin on an intraday basis, as needed. Specifically, GSD's Intraday Supplemental Fund Deposit and MBSD's Intraday VaR Charge as well as Intraday Mark-to-Market Charge are each designed to mitigate intraday exposure to GSD and MBSD, respectively, that results from large fluctuations in the member's/Segregated Indirect Participant's portfolio positions and prices that are not otherwise covered by the member's recently collected Required Fund Deposit/Segregated Customer Margin Requirement.[17] Any such amount must be satisfied within the timeframe specified by GSD and MBSD.

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[16] These margin components and the relevant defined terms are currently located in MBSD Rules 1 (Definitions), 3 (Ongoing Membership Requirements) and 4 (Clearing Fund and Loss Allocation), supra note 3.

[17] FICC recently proposed changes to the GSD Rules to adopt an Intraday Mark-to-Market Charge. See Securities Exchange Release No. 102705 (Mar. 21, 2025) 90 FR 13965 (Mar. 27, 2025) (SR-FICC-2025-005).

Intraday market moves and positions are monitored by FICC on an ongoing basis. FICC generally conducts intraday monitoring every 15 minutes at GSD and hourly at MBSD,[18] unless extended by FICC to address operational or other delays. For GSD, intraday monitoring is conducted between 8:00 a.m. (New York time) and 4:30 p.m. (New York time).[19] For MBSD, intraday monitoring is conducted from 8:00 a.m. (New York time) to 4:00 p.m. (New York time).

FICC reviews intraday snapshots of each member's portfolio to determine whether the member has experienced an adverse risk exposure that warrants FICC assessing an intraday margin. Through this filing, FICC is providing additional clarity and transparency in the Rules concerning FICC's processes for the ongoing monitoring, recalculation and collection of Intraday Supplemental Fund Deposit at GSD and Intraday VaR Charge as well as Intraday Mark-to-Market Charge at MBSD, including circumstances in which FICC may determine not to collect such a charge, to facilitate compliance with the newly adopted CCAS Margin Rules.[20] The proposed changes are described in detail below.

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18 FICC currently expects to increase the frequency of its intraday monitoring at MBSD from hourly to a 15-minute increment during fourth quarter of 2025.

19 On the last Business Day of each calendar month, the intraday monitoring at GSD is extended from 4:30 p.m. (New York time) to 5:00 p.m. (New York time).

20 See supra notes 4 and 6.

Proposed Changes to the Rules

GSD Intraday Supplemental Fund Deposit and MBSD Intraday VaR Charge

Currently, FICC requires additional deposit to the Clearing Fund from a member intraday pursuant to the provisions of the GSD Margin Component Schedule[21] as well as MBSD Rules 1 and 4.[22] As provided in Section 2a of GSD Rule 4 and Section 3a of MBSD Rule 4, pursuant to procedures established by FICC, FICC recalculates intraday, each Business Day, at the times established by FICC for this purpose, the amount of the intraday VaR Charge applicable to each portfolio of a member, based upon the open positions in such portfolio at a designated time intraday, for purposes of establishing whether a member shall be required to make payment of an Intraday Supplemental Fund Deposit or an Intraday VaR Charge, as applicable. FICC has established procedures for collection of an amount calculated in respect of a member's Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, including parameters regarding threshold amounts that require payment, and the form and time by which payment is required to be made to FICC. In addition, FICC reserves the right to require a member or members generally to make additional Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, if FICC determines it to be necessary to protect itself and its members in response to factors such as market conditions or financial or operational capabilities affecting a member or members generally.

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[21] The definition of Intraday Supplemental Fund Deposit and related provisions are currently located in GSD Rule 1 and the GSD Margin Component Schedule, supra note 3.

[22] See the definition of Intraday VaR Charge in MBSD Rule 1 (Definitions) and related provision in MBSD Rule 4 (Clearing Fund and Loss Allocation), supra note 3.

In order to comply with the CCAS Margin Rules and provide additional transparency in the Rules regarding the collection of Intraday Supplemental Fund Deposit at GSD and Intraday VaR Charge at MBSD, FICC is proposing the following clarification in the Rules.

Specifically for GSD, in Section 1 of the Margin Component Schedule,[23] FICC is proposing language that would make it clearer that the calculation of margin, i.e., Required Fund Deposit Portion and Segregated Customer Margin Requirements,[24] would be performed more frequently than twice daily if FICC deems it appropriate pursuant to the Margin Component Schedule and subject to the provisions of GSD Rule 4.

For the "Intraday Supplemental Fund Deposit" definition in Section 5 of the GSD Margin Component Schedule as well as Section 3a of MBSD Rule 4, FICC is proposing to add language that makes it clearer that the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, would be re-calculated intraday, each Business Day,

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23 Supra note 3.

24 The term "Required Fund Deposit Portion" refers to the amounts of Required Fund Deposit requirement calculated for each Type of Account, other than Segregated Indirect Participants Accounts, of a GSD member, and is defined in GSD Rule 1 to mean each of the items listed in Section 2(a)(i) - (iv) of GSD Rule 4.
The term "Segregated Customer Margin Requirement" is defined in GSD Rule 1 to mean the amount of cash or Eligible Clearing Fund Securities that an Agent Clearing Member or Sponsoring Member is required to deposit with FICC to support the obligations arising from Transactions recorded in its Segregated Indirect Participants Accounts. A Netting Member's Segregated Customer Margin Requirement shall be the sum of the items listed in Section 2(a)(v) and (vi) of GSD Rule 4. References to Segregated Customer Margin Requirement "for" or "with respect to" a particular Segregated Indirect Participants Account or Segregated Indirect Participant (or similar language) mean the portion of a Netting Member's Segregated Customer Margin Requirement arising from such Account or Segregated Indirect Participant. Supra note 3.

at the times and frequencies established by FICC for this purpose, which times and frequencies shall be communicated to members on FICC's public website. In addition, FICC is proposing to make it clearer that, for purposes of establishing whether a member shall be required to make an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, FICC would consider when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility. FICC would also provide examples of elevated volatility market conditions to include, but not be limited to, the occurrence of sudden swings in U.S. Treasury yields or mortgage-backed security spreads outside of historically observed market moves and/or conditions contributing to intraday risk exposures to FICC that, in aggregate, materially exceed intraday risk exposures observed under normal market conditions. Furthermore, FICC is proposing to add language that makes it clearer that FICC has procedures for ongoing monitoring and collection of a member's Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable. The additional language would provide that FICC shall communicate to members via its public website parameters regarding threshold amounts that would require payment of Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, and the form and time by which payment is required to be made to FICC. Lastly, with respect to GSD only, FICC is proposing to add references to Segregated Indirect Participant(s) in the third paragraph of the "Intraday Supplemental Fund Deposit" definition in Section 5 of the GSD Margin Component Schedule to provide additional clarity and consistency. To the extent applicable, the proposed changes in this paragraph would also apply to MBSD's Intraday Mark-to-Market Charge, as further described below.

To make it clear in the Rules that FICC has the discretion to waive or reduce the amount of Intraday Supplemental Fund Deposit or Intraday VaR Charge, FICC is proposing to add language in the "Intraday Supplemental Fund Deposit" definition in Section 5 of the GSD Margin Component Schedule and the "Intraday VaR Charge" definition in MBSD Rule 1. Specifically, the additional language would provide that FICC may determine not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, or may decrease the amount of the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, in circumstances where FICC determines that the volatility-based intraday exposure of the member and/or the breaches of the threshold amount do not accurately reflect FICC's risk exposure to the member. The additional language would provide that examples of circumstances that FICC may consider with respect to the determination in the previous sentence may include, but shall not be limited to, (i) changes in portfolio composition result in the threshold amount not being breached on a consistent or persistent basis, (ii) trades that will be offset by trades submitted later in the day, (iii) the threshold amount was breached due to the submission of erroneous trades that are being corrected, or (iv) the threshold amount was breached due to erroneous data inputs.

In addition, FICC would adopt new rules concerning FICC's authority to waive the collection of an Intraday Supplemental Fund Deposit at GSD or Intraday VaR Charge at MBSD, as applicable, in exigent circumstances. Specifically, the proposed rule change would provide that FICC may waive the collection of an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, in exigent circumstances if FICC determines (i) that such a waiver is necessary to protect FICC, its participants, investors and the public interest or (ii) it can effectively address the risk exposure presented by the member without the collection of the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable.

Lastly, the additional language would provide that any waiver, reduction, or determination not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, shall be approved, documented and reviewed on a regular basis pursuant to FICC's procedures. Pursuant to FICC's market risk management procedures, FICC's Market Risk Management team monitors members' trading activity and exposures on a 15-minute/hourly basis and identifies accounts that exceed certain preestablished thresholds. These threshold breaches trigger research, review and escalation actions for recommendations for waiving, reducing, and/or determining not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable. If a waiver, reduction, and/or determination not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, is recommended, this is escalated to designated members of FICC Market Risk Management for approval and documentation in accordance with specified escalation procedures.

The proposed change is intended to facilitate compliance with new requirements in the CCAS Margin Rules that each CCA have policies and procedures to document when the CCA determines not to make an intraday call pursuant to its written policies and procedures.[25]

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[25] See 17 CFR 240.17ad-22(e)(6)(ii)(D) and CCAS Margin Rules, supra note 4.

MBSD Intraday Mark-to-Market Charge

Currently, FICC requires additional deposit to the Clearing Fund from an MBSD member intraday pursuant to the provisions of MBSD Rules 1 and 4.[26] As provided in Section 3a of MBSD Rule 4, pursuant to procedures established by FICC, FICC recalculates intraday, each Business Day, at the times established by FICC for this purpose, the amount of the Intraday Mark-to-Market Charge applicable to each portfolio of an MBSD member based upon the open positions in such portfolio at a designated time intraday, for purposes of establishing whether an MBSD member shall be required to make an additional payment to its Required Fund Deposit, i.e., Intraday Mark-to-Market Charge. FICC has established procedures for collection of an amount calculated in respect of an MBSD member's Intraday Mark-to-Market Charge, including parameters regarding threshold amounts that require payment, and the form and time by which payment is required to be made to FICC. In addition, FICC reserves the right to require an MBSD member or members generally to make additional Intraday Mark-to-Market Charge if FICC determines it to be necessary to protect itself and its members in response to factors such as market conditions or financial or operational capabilities affecting an MBSD member or members generally.

In order to comply with the CCAS Margin Rules and provide additional transparency in the MBSD Rules regarding the collection of Intraday Mark-to-Market Charge, FICC is proposing the following clarification in the MBSD Rules.

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[26] See the definition of Intraday Mark-to-Market Charge in MBSD Rule 1 (Definitions) and related provision in MBSD Rule 4 (Clearing Fund and Loss Allocation), supra note 3.

In Section 3a of MBSD Rule 4, FICC is proposing to add language that makes it clearer that the Intraday Mark-to-Market Charge would be re-calculated intraday, each Business Day, at the times and frequencies established by FICC for this purpose, which times and frequencies shall be communicated to MBSD members on FICC's public website. In addition, FICC is proposing to make it clearer that, for purposes of establishing whether an MBSD member shall be required to make an Intraday Mark-to-Market Charge, FICC would consider when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility. Furthermore, FICC is proposing to add language that makes it clearer that FICC has procedures for ongoing monitoring and collection of an MBSD member's Intraday Mark-to-Market Charge.

In addition, in order to enhance the transparency in the MBSD Rules regarding FICC's existing discretion to waive or change the Intraday Mark-to-Market Charge at MBSD, FICC is proposing to add language in the Intraday Mark-to-Market Charge definition in MBSD Rule 1 to provide that all waivers and/or changes of the Intraday Mark-to-Market Charge shall be approved, documented and reviewed on a regular basis pursuant to FICC's procedures. The proposed change is intended to facilitate compliance with new requirements in the CCAS Margin Rules that each CCA have policies and procedures to document when the CCA determines not to make an intraday call pursuant to its written policies and procedures.[27]

Lastly, FICC is proposing a technical correction in the first sentence of the Intraday Mark-to-Market Charge definition in MBSD Rule 1. Specifically, FICC is

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[27] See 17 CFR 240.17ad-22(e)(6)(ii)(D) and CCAS Margin Rules, supra note 4.

proposing to delete the reference to "subsection (d)" therein and replace it with "subsection (c)."

Implementation Timeframe

FICC expects to implement the proposed rule change by no later than December 15, 2025, and would announce the effective date of the proposed changes by an Important Notice posted to FICC's website.

2. Statutory Basis

FICC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, FICC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act[28] and Rule 17ad-22(e)(6)(ii) promulgated thereunder[29] for the reasons described below.

Section 17A(b)(3)(F) of Act requires, in part, that the rules of a clearing agency 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 the clearing agency or for which it is responsible and, in general, to protect investors and the public interest.[30] FICC believes the proposed change to provide additional transparency in the Rules regarding the collection of intraday margin would provide clarity in the Rules regarding the ongoing monitoring, calculation and collection of the existing Intraday Supplemental Fund Deposit at GSD as well as the Intraday VaR

28 15 U.S.C. 78q-1(b)(3)(F).

29 17 CFR 240.17ad-22(e)(6)(ii).

30 15 U.S.C. 78q-1(b)(3)(F).

Charge and Intraday Mark-to-Market Charge at MBSD. Specifically, the proposed change would enhance the Rules to more clearly describe how FICC: (i) monitors its intraday exposures on an ongoing basis; (ii) makes calls for intraday margin to include when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility; and (iii) documents when it determines to waive, reduce or not make an intraday margin call pursuant to its written policies and procedures. FICC believes that providing this additional transparency and clarity in the Rules would promote the understanding of FICC's intraday margin processes by FICC's members, market participants and the public. This, in turn, would help members understand their potential obligations to FICC, particularly with respect to intraday margin, so that they are better equipped and able to satisfy such requirements when due. FICC uses the margin it collects to mitigate potential losses to FICC (and through loss allocation, to its members) associated with liquidating a defaulting member's portfolio and to continue to effect the prompt and accurate clearance and settlement of securities transactions in the event FICC ceases to act for a member. As a result, FICC believes the proposed rule change is 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, in general, to protect investors and the public interest in accordance with the requirements of Section 17A(b)(3)(F) of Act.

The proposed change to make a technical correction to the MBSD Rules would ensure that the Rules remain accurate and clear, which in turn would enable all stakeholders to readily understand their rights and obligations in connection with FICC's clearance and settlement of securities transactions. Therefore, FICC believes that this proposed change would also promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.[31]

Rule 17ad-22(e)(6)(ii) under the Act requires FICC to establish, implement, maintain and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, among other things, (i) monitors intraday exposures on an ongoing basis; (ii) includes the authority and operational capacity to make intraday margin calls, as frequently as circumstances warrant, including the following circumstances: (1) when risk thresholds specified by the covered clearing agency are breached; or (2) when the products cleared or markets served display elevated volatility; and (iii) documents when the covered clearing agency determines not to make an intraday call pursuant to its written policies and procedures.[32] FICC believes the proposed change to provide additional transparency in the Rules regarding the collection of intraday margin would provide clarity in the Rules regarding the ongoing monitoring, calculation and collection of the existing Intraday Supplemental Fund Deposit at GSD as well as the Intraday VaR Charge and Intraday Mark-to-Market Charge at MBSD. Specifically, the proposed change would enhance the Rules to more clearly describe how FICC: (i) monitors its intraday exposures on an ongoing basis; (ii) makes calls for intraday margin to include when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility; and (iii) documents when it determines to waive, reduce or not

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31 Id.

32 17 CFR 240.17ad-22(e)(6)(ii).

make an intraday margin call pursuant to its written policies and procedures. Collectively, the proposed change is designed to facilitate FICC's compliance with Rule 17ad-22(e)(6)(ii), and, accordingly, FICC believes that the proposed change is consistent with the requirements of Rule 17ad-22(e)(6)(ii) under the Act.[33]

For the reasons set forth above, FICC believes the proposed change is consistent with Section 17A(b)(3)(F) of the Act[34] and Rule 17ad-22(e)(6)(ii) thereunder.[35]

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

Section 17A(b)(3)(I) of Act requires that the rules of a clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.[36] FICC does not believe the proposed rule change would present any burden or have a material impact on competition. The proposed changes are designed to ensure that the Rules remain transparent, accurate and clear. In addition, the proposed rule change is intended to facilitate FICC's compliance with requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Therefore, FICC does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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33 Id.

34 15 U.S.C. 78q-1(b)(3)(F).

35 17 CFR 240.17ad-22(e)(6)(ii).

36 15 U.S.C. 78q-1(b)(3)(I).

(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 not to respond to any comments received.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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-2025-008 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-2025-008. 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 (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-2025-008 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.[37]

Secretary

[37] 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

MARGIN COMPONENT SCHEDULE

[Changes to this Schedule, as amended by File No. SR-FICC-2025-008, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. By no later than December 15, 2025, these changes will be implemented, and this legend will be automatically removed from this Schedule.]

Section 1 – Overview

Each Business Day, each Netting Member shall be required to deposit with the Corporation an amount equal to the sum of all applicable Required Fund Deposit Portions, calculated twice daily **or on a more frequent basis if the Corporation deems it appropriate** pursuant to this Schedule and subject to the provisions of Rule 4.

Each Business Day, each Netting Member for which the Corporation maintains a Segregated Indirect Participants Account shall be required to deposit with the Corporation Segregated Customer Margin equal to the sum of all Segregated Customer Margin Requirements for all such Accounts. Each Segregated Customer Margin Requirement shall equal the sum of the amounts calculated pursuant to Section 3 below for each Segregated Indirect Participant whose Transactions are recorded in the relevant Segregated Indirect Participants Account. Each such calculation shall be performed twice daily **or on a more frequent basis if the Corporation deems it appropriate** pursuant to this Schedule and subject to the provisions of Rule 4.

* * *

Section 5 – Definitions and Calculations of Clearing Fund Components

* * *

Intraday Supplemental Fund Deposit

The term “Intraday Supplemental Fund Deposit” means an additional charge that may be included in each Member’s Required Fund Deposit or Segregated Customer Margin Requirement intraday. The Corporation shall re-calculate intraday, each Business Day, at the times **and frequencies** established by the Corporation for this purpose, **which times and frequencies shall be communicated to Members and Segregated Indirect Participants on the Corporation’s public website,** the amount of the intraday VaR Charge applicable to each Margin Portfolio of a Member and to each Segregated Indirect Participant, based upon the open positions of the Margin Portfolio or Segregated Indirect Participant at a designated time intraday, for purposes of establishing whether a Member shall be required to make an Intraday Supplemental Fund Deposit**, including when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility**.

Examples of elevated volatility market conditions may include, but shall not be limited to, the occurrence of sudden swings in U.S. Treasury yields or mortgage-backed security spreads outside of historically observed market moves and/or conditions contributing to intraday risk exposures to the Corporation that, in

aggregate, materially exceed intraday risk exposures observed under normal market conditions.

The Corporation shall establish procedures for **ongoing monitoring and** collection of an amount calculated in respect of a Member's **or a Segregated Indirect Participant's** Intraday Supplemental Fund Deposit, including parameters regarding threshold amounts that require payment, and the form and time by which payment is required to be made to the Corporation**, which parameters as well as payment form and time shall be communicated to Members and Segregated Indirect Participants on the Corporation's public website**. The Corporation reserves the right to require a Member**/Segregated Indirect Participant** or Members**/Segregated Indirect Participants** generally to make additional Intraday Supplemental Fund Deposits if the Corporation determines it to be necessary to protect itself and its Members in response to factors such as market conditions or financial or operational capabilities affecting a Member**/Segregated Indirect Participant** or Members**/Segregated Indirect Participants** generally.

The Corporation may determine not to collect an Intraday Supplemental Fund Deposit, or may decrease the amount of the Intraday Supplemental Fund Deposit, in circumstances where the Corporation determines that the volatility-based intraday exposure of the Member or Segregated Indirect Participant and/or the breaches of the threshold amount do not accurately reflect the Corporation's risk exposure to the Member or Segregate Indirect Participant. Examples of circumstances that the Corporation may consider with respect to the determination in the previous sentence may include, but shall not be limited to, (i) changes in portfolio composition result in the threshold amount not being breached on a consistent or persistent basis, (ii) trades that will be offset by trades submitted later in the day, (iii) the threshold amount was breached due to the submission of erroneous trades that are being corrected, or (iv) the threshold amount was breached due to erroneous data inputs.

The Corporation may waive the collection of an Intraday Supplemental Fund Deposit in exigent circumstances if the Corporation determines (i) that such a waiver is necessary to protect the Corporation, its participants, investors and the public interest or (ii) it can effectively address the risk exposure presented by the Member or Segregated Indirect Participant without the collection of the Intraday Supplemental Fund Deposit.

Any waiver, reduction or determination not to collect an Intraday Supplemental Fund Deposit shall be approved, documented and reviewed on a regular basis pursuant to the Corporation's procedures.

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FIXED INCOME CLEARING CORPORATION

MORTGAGE-BACKED SECURITIES DIVISION

CLEARING RULES

RULE 1 – DEFINTIONS

[Changes to this Rule, as amended by File No. SR-FICC-2025-008, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. By no later than December 15, 2025, these changes will be implemented, and this legend will be automatically removed from this Rule.]

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Intraday Mark-to-Market Charge

The term "Intraday Mark-to-Market Charge" means an additional charge that is collected from a Clearing Member (unless waived or altered by the Corporation per subsection (**c**~~d~~) below) to mitigate the Corporation's exposures that may arise due to intraday changes in the size, composition and constituent security prices of such Member's portfolio. The Intraday Mark-to-Market Charge equals the difference between Mark-to-Market amounts already included in the Clearing Member's Cash Settlement amounts and such Clearing Member's current portfolio marked to the most recently observed System Price for such positions. The following apply with respect to the Intraday Mark-to-Market Charge:

(a) The Intraday Mark-to-Market Charge applies to Clearing Members that experience an adverse intraday Mark-to-Market change that equals or exceeds (x) a certain threshold dollar amount (but not less than $1,000,000) as determined by the Corporation from time to time as compared to the Clearing Member's start-of-day Mark-to-Market requirement including, if applicable, any subsequently collected Mark-to-Market amount, and (y) a certain threshold percentage (but not less than 10 percent) as determined by the Corporation from time to time as compared to the daily VaR Charge (each of (x) and (y), a "Parameter" for purposes of this definition).

(b) If certain market conditions occur, the Corporation may reduce the threshold dollar amount in Parameter (x) above (but not to less than $250,000) and the threshold percentage in Parameter (y) above (but not to less than 5 percent) in applying the Intraday Mark-to-Market Charge to Clearing Members whose portfolios may present relatively greater risks to the Corporation on an overnight basis due to such market conditions. Examples of market conditions that the Corporation may consider with respect to applying this subsection (b) may include, but shall not be limited to, the occurrence of sudden large swings in an equity index in either direction and moves in U.S. Treasury yields and mortgage-backed security spreads outside of historically observed market moves.

(c) The Corporation may waive the imposition of the Intraday Mark-to-Market Charge, or may decrease or increase the amount of the Intraday Mark-to-Market Charge, in circumstances where the Corporation determines that the adverse change to the Clearing Member's Mark-to-Market and/or the breaches of the Parameters referred to in subsection (a) or as adjusted pursuant to subsection (b) or (c) do not accurately reflect the Corporation's risk exposure to the Clearing Member's intraday Mark-to

Market fluctuation. Examples of circumstances that the Corporation may consider with respect to the determination in the previous sentence, may include, but shall not be limited to, large Mark-to-Market fluctuations arising out of trade errors. Any decrease to such Intraday Mark-to-Market Charge shall not reduce the Clearing Member's Required Fund Deposit below the amount reported to the Clearing Member at the start of day. Any increase to the Intraday Mark-to-Market Charge shall not cause the Intraday Mark-to-Market Charge to be greater than two times its calculated amount. **All waivers and/or changes of the Intraday Mark-to-Market Charge shall be approved, documented and reviewed on a regular basis pursuant to the Corporation's procedures.**

Intraday VaR Charge

The term "Intraday VaR Charge" means an additional charge that is collected from a Clearing Member if the difference of (i) a Clearing Member's VaR Charge collected pursuant to Rule 4 and (ii) such Clearing Member's intraday VaR calculations exceeds a certain percentage threshold and dollar amount determined by FICC from time to time based on its regular review of margining methodologies.

The Corporation may determine not to collect an Intraday VaR Charge, or may decrease the amount of the Intraday VaR Charge, in circumstances where the Corporation determines that the volatility-based intraday exposure of the Clearing Member and/or the breaches of the threshold amount do not accurately reflect the Corporation's risk exposure to the Clearing Member. Examples of circumstances that the Corporation may consider with respect to the determination in the previous sentence may include, but shall not be limited to, (i) changes in portfolio composition result in the threshold amount not being breached on a consistent or persistent basis, (ii) trades that will be offset by trades submitted later in the day, (iii) the threshold amount was breached due to the submission of erroneous trades that are being corrected, or (iv) the threshold amount was breached due to erroneous data inputs.

The Corporation may waive the collection of an Intraday VaR Charge in exigent circumstances if the Corporation determines (i) that such a waiver is necessary to protect the Corporation, its participants, investors and the public interest or (ii) it can effectively address the risk exposure presented by the Clearing Member without the collection of the Intraday VaR Charge.

Any waiver, reduction or determination not to collect an Intraday VaR Charge shall be approved, documented and reviewed on a regular basis pursuant to the Corporation's procedures.

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RULE 4 – CLEARING FUND AND LOSS ALLOCATION

[Changes to this Rule, as amended by File No. SR-FICC-2025-008, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. By no later than December 15, 2025, these changes will be implemented, and this legend will be automatically removed from this Rule.]

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Section 3a – Calculation of Intraday VaR Charge and Intraday Mark-to-Market Charge

Pursuant to procedures established by the Corporation, the Corporation shall re-calculate intraday, each Business Day, at the times **and frequencies** established by the Corporation for this purpose, **which times and frequencies shall be communicated to Clearing Members on the Corporation's public website,** the amount of the Intraday VaR Charge and the Intraday Mark-to-Market Charge, as applicable, to each Clearing Member's margin portfolio based upon the open positions in such margin portfolio at a designated time intraday, for purposes of establishing whether a Clearing Member shall be required to make payment of an additional amount to its Required Fund Deposit**, including when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility**. Such additional amounts shall be deemed part of the Member's Required Fund Deposit for all purposes under these Rules.

Examples of elevated volatility market conditions may include, but shall not be limited to, the occurrence of sudden swings in U.S. Treasury yields or mortgage-backed security spreads outside of historically observed market moves and/or conditions contributing to intraday risk exposures to the Corporation that, in aggregate, materially exceed intraday risk exposures observed under normal market conditions.

The Corporation shall establish procedures for **ongoing monitoring and** collection of an amount calculated in respect of a Clearing Member's Intraday VaR Charge and Intraday Mark-to-Market Charge, including parameters regarding threshold amounts that require payment, and the form and time by which payment is required to be made to the Corporation**, which parameters as well as payment form and time shall be communicated to Clearing Members on the Corporation's public website**. The Corporation reserves the right to require a Clearing Member or Clearing Members generally to make additional Intraday VaR Charges or Intraday Mark-to-Market Charges if the Corporation determines it to be necessary to protect itself and its Clearing Members in response to factors such as market conditions or financial or operational capabilities affecting a Clearing Member or Clearing Members generally.

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