



*Important Notice*

**Fixed Income Clearing Corporation - GOV**

<b>GOV #:</b>	GOV980-20
<b>Date:</b>	October 12, 2020
<b>To:</b>	Government Securities Division Netting Members
<b>Category:</b>	Service Update
<b>Subject:</b>	Introduce the Margin Liquidity Adjustment Charge and Include a Bid-Ask Risk Charge in the VaR Charge

GSD has proposed to introduce a new component to its Clearing Fund methodology, the Margin Liquidity Adjustment Charge (MLA), and to enhance the calculation of the VaR Charge by including a bid-ask spread risk charge. These proposed changes are described in proposed rule change SR-FICC-2020-008 and advance notice SR-FICC-2020-802 (“Filings”).

Subject to the SEC’s approval of the Filings, GSD plans to implement this enhancement effective **October 19, 2020**. GSD is providing this notice to its Members of the expected implementation timing, and will provide an updated notice of the effective date of these changes prior to October 19.

The full text of the Rule Filing may be obtained by visiting the DTCC website at [www.dtcc.com/legal/sec-rule-filings.aspx](http://www.dtcc.com/legal/sec-rule-filings.aspx).

Questions regarding this Important Notice should be directed to your Relationship Manager.

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