

<b>GOV #:</b>	GOV1034-21
<b>Date:</b>	January 20, 2021
<b>To:</b>	Government Securities Division (“GSD”) Members
<b>Category:</b>	Service Update
<b>Subject:</b>	Same-Day Settling Service and Pair-Off Service Implementation Date

As mentioned in Important Notice [GOV1033-21](#), the Fixed Income Clearing Corporation’s (“FICC”) Government Securities Division (“GSD”) will implement its Same-Day Settling Service and Pair-Off Service on **Monday, February 1, 2021**.

Effective on **Monday, February 1, 2021**, FICC will (i) include all Same-Day Settling Trades executed between Repo Netting Members (other than Repo Brokers) in the risk management, Novation, guarantee, and settlement services of GSD’s delivery-versus-payment service (“DVP Service”), (ii) attempt to settle, on a reasonable efforts basis, any Same-Day Settling Trades that are compared in the timeframe specified by FICC in notices made available to Members from time to time<sup>1</sup>, (iii) introduce an optional service that would allow GSD to systematically pair-off certain Members’ failed Securities Settlement Obligations between approximately 3:32 p.m. and 4:00 p.m., and (iv) **change the time of intraday funds-only settlement (“FOS”) processing from 3:15 p.m. to 4:30 p.m.**

As a reminder, notice will be provided to the members of the effective date(s) for the Repo Broker activity of Same-Day Settling Trades to settle versus FICC. Until such effective date(s) as announced by FICC, all Same-Day Settling Trades executed with Repo Brokers will continue to face the original counterparty for settlement purposes and will not settle versus FICC.

In connection with the implementation of the above-referenced services, please see the information listed below:

- Repo Brokers that intend to participate in the Same-Day Settling Service are required to fill out and submit to Account Administration via e-mail at [FICCAA@dtcc.com](mailto:FICCAA@dtcc.com), a GSD – Service Add Letter at least **10 business days** prior to their proposed effective date for the Same-Day Settling Service.

<sup>1</sup> The initial timeframe would be after 3:01 p.m. If the FRB announces an extension of the Fedwire Securities Service, FICC would match the duration of the extension. All times herein are ET.

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- All other Netting Members and Sponsored Members who execute transactions with Netting Members other than their Sponsoring Member that participate in GSD's Repo Netting Services are **not** required to submit a GSD – Service Add Letter for the Same-Day Settling Service as participation in the service is mandatory for such members and such members will automatically be enrolled in the service for the initial implementation date of **February 1, 2021**.
- Netting Members (other than Repo Brokers) and Sponsored Members who execute transactions with Netting Members other than their Sponsoring Member that intend to participate in GSD's Pair-Off Service are required to fill out and submit to Account Administration via e-mail at [FICCAA@dtcc.com](mailto:FICCAA@dtcc.com), a GSD – Service Add Letter at least **5 business days** prior to their proposed effective date for the Pair-Off Service.

**Note:** Members are required to complete Pair-Off testing before they can go-live with the service. For your testing needs, please contact the FICC Integration team via e-mail at [FICCIntegration@dtcc.com](mailto:FICCIntegration@dtcc.com).

- All Members are encouraged to make Production selections for the SWIFT MT548 Settlement Message(s) immediately.
- All Members that plan to participate in the Pair-Off Service are encouraged to make their Production selection for the MRO 49 (Pair Off) immediately.
- Members are reminded that all securities settlement obligations resulting from eligible and compared Same-Day Settling Trades are to be settled with the same securities settlement instruction's (SSI's) that are currently used in the settlement of all other obligations.
- Same-Day Settling Service-related client documentation can be found on the [DTCC Learning Center](#). **Note:** Users must have DTCCLearning.com login privileges to access the materials.

If you have any questions regarding this Important Notice, please contact your Relationship Manager.