



Important Notice

Fixed Income Clearing Corporation - GOV

GOV #:	GOV1096-21
Date:	May 12, 2021
To:	Government Securities Division Members
Category:	Service Updates
Subject:	Submission of Rule Filing SR-FICC-2021-003 and Advance Notice Filing SR-FICC-2021-801 – Sponsored GC Service

On May 12, 2021, Fixed Income Clearing Corporation (“FICC”) filed a proposed rule change (SR-FICC-2021-003) (“Rule Filing”) with the Securities and Exchange Commission (“SEC”) pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934, as amended, and an advance notice filing (SR-FICC-2021-801) (“Advance Notice”, together with the Rule Filing, the “Filings”) with the SEC and the Board of Governors of the Federal Reserve System pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010.

The Filings would amend the FICC Government Securities Division (“GSD”) Rulebook (“Rules”) in order to (i) add a new service offering, which would allow a Sponsoring Member to submit for clearing Repo Transactions with its Sponsored Members on securities that are represented by Generic CUSIP Numbers and held under a triparty custodial arrangement (the “Sponsored GC Service”), (ii) add language to Rule 3A to allow FICC to recognize, for Capped Contingency Liquidity Facility® (“CCLF”) calculation purposes, any offsetting settlement obligations as between a Sponsoring Member’s netting account and its Sponsoring Member Omnibus Account to ensure that a Sponsoring Member’s CCLF obligation is calculated in a manner that more closely aligns with the liquidity risk associated with Sponsored Member Trades, (iii) remove the requirement from Section 2 of Rule 3A that a Sponsoring Member provide a quarterly representation to FICC that each of its Sponsored Members is a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (“Rule 144A”), or is a legal entity that, although not organized as an entity specifically listed in paragraph (a)(1)(i) of Rule 144A, satisfies the financial requirements necessary to be a “qualified institutional buyer” as specified in that paragraph, and (iv) make a clarification, certain corrections and certain technical changes.

The full text of the Filings may be obtained by visiting the DTCC website at www.dtcc.com/legal/sec-rule-filings.aspx. Written comments on the Filings may be addressed to Fixed Income Clearing Corporation, c/o General Counsel’s Office, 55 Water Street, New York, New York 10041, Attention: Kristen Lam, Director and Assistant General Counsel, and your comments will be forwarded to the SEC.

You may also address your written comments to the Secretary, Securities and Exchange Commission, 100 F Street NE, Washington DC 20549. Electronic comments may be submitted by using the SEC’s Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or by sending an email to

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rule-comments@sec.gov. Please include File Numbers SR-FICC-2021-003 and SR-FICC-2021-801 on the subject line. We request that you provide FICC with a copy of your comments.

Questions regarding this Important Notice may be addressed to your Relationship Manager. Questions regarding the Filings may be addressed to Kristen Lam, Director and Assistant General Counsel, at (212) 855-5258.