



Important Notice

Fixed Income Clearing Corporation - GOV

GOV #:	GOV1102-21
Date:	May 21, 2021
To:	Government Securities Division (“GSD”) Members
Category:	Service Update
Subject:	Same-Day Settling Trade Submissions - UPDATE

The Fixed Income Clearing Corporation’s (“FICC”) Government Securities Division (“GSD”) issued Important Notice [GOV1094-21](#) on May 10, 2021. The notice informed Members that FICC reviewed the transactions being submitted by Repo Brokers in connection with the Same-Day Settling (“SDS”) initiative. The SDS Trades that have different configurations or “shapes” (e.g., two Reverse Repo transactions with a par value of \$25 million each versus one Repo Transaction with a par value of \$50 million) can create an end of day clearing bank position for FICC if all sides do not settle. This results in FICC having to finance securities at end of day. FICC stated in the notice that effective June 1, 2021, FICC would require all SDS Trades submitted by a Repo Broker to be in equal and identical size and shapes between Netting Members.

Due to feedback from the membership, specifically to complete the necessary technology changes and to avoid customer disruption, FICC will extend the effective date of this requirement. Please note that this will be the **only** extension.

Effective, on **July 6, 2021**, FICC will require all SDS Trades submitted by a Repo Broker to be in equal and identical size and shapes between Netting Members. Trades that do not follow these requirements will be cancelled by FICC and the Repo Broker will need to resubmit the SDS Trades following the appropriate form as described above.¹

If you have any questions on the requirements described above, please contact your Relationship Manager.

¹ See GSD Rule 5, Section 5, GSD Rule 6B, Section 7 and GSD Rule 12, Section 11.

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