

GOV #:	1342-22
Date:	October 11, 2022
To:	Government Securities Division Members
Category:	Service Update
From:	DTCC Treasury
Subject:	Clearing Fund Management System Modernization Update

On March 4, 2022, the Government Securities Division (GSD) issued Important Notice [1224-22](#), informing Members of the Clearing Fund Management (CFM) web application modernization effort. The modernized CFM application will provide Members with a refreshed user interface, enhanced functionality, and additional reporting features.

Members should have completed Phase One of this effort, which includes establishing connectivity to the new CFM PSE and Production environments and working with their Super Access Coordinators (SACs) to grant entitlements to the modernized application.

Phases Two and Three of the FICC CFM Modernization Initiative

- Phase Two – FICC will release the full user interface for Members' User Acceptance Testing (UAT) into the PSE environment on **October 17, 2022**. Members will be required to conduct UAT and provide confirmation that testing is complete prior to production cutover.
- Phase Three – Beginning on November 21, 2022, and continuing through February 28, 2023, Members will be migrated to the modernized CFM production application. All Members are **required** to be migrated to the new application by **February 28, 2023**.

Next Steps

1. If not yet complete, work with your firm's SAC to establish connectivity and entitlements to the new application.
2. Contact FICCIntegration@dtcc.com to request a test script in advance of the October 17, 2022 PSE test environment launch.
3. Provide confirmation to FICCIntegration@dtcc.com once UAT is complete. FICC Integration will inform Members of their production migration date.
4. A live demonstration of the modernized application will be provided by FICC. The dates and registration for the live demonstrations will be sent the week of October 11, 2022.

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Fines for Failure to Comply with FICC-GSD Rules and Process in the Event of Non-compliance

Access to the CFM application is an essential requirement for FICC-GSD membership and upgrading network technology by the time specified by FICC-GSD is an ongoing membership requirement under the FICC-GSD Rules.

Members that have not migrated to the new application by February 28, 2023 will be in violation of GSD Rule 3, Section 2; Rule 3A, Section 2(e); and Rule 3B, Section 5(b)(i), as applicable to that Member. Such firms will be subject to a \$5000 fine pursuant to the Fine Schedule of the GSD Rules.

In addition to being assessed a fine, for Members that have not voluntarily migrated to the new application, effective start of business March 1, 2023, FICC-GSD will disable access to the legacy CFM application and activate the account(s) in the modernized CFM application. To access the modernized CFM application, Members will need to ensure that their DTCC Portal IDs have been created and entitlements have been provisioned by working with their SACs.

Effective March 1, 2023, if DTCC Portal IDs have not been created and/or entitled Members must access and manage their Clearing Fund deposit **manually**:

- Start of day and intraday requirements, deposits and margin excess/deficit can be accessed via the *GSD Clearing Fund Required Deposit and Funds on Deposit Report* available in RTTM.
 - Cash and securities deposits should be funded based on the margin deficit included in this letter.
- Excess Clearing Fund **cash and securities** can be withdrawn via manual letter signed by an authorized signatory included on Members' Certificate of Incumbency (COI) on file with FICC-GSD. Signatures must be either wet ink or processed via DocuSign.
 - Manual cash and securities withdrawal requests are processed on a best effort basis and **not guaranteed for same day settlement**.
- Clearing fund **securities** deposits will continue to be accepted via FICC-GSD's Bank of New York account, however Members must call the FICC-GSD Treasury hotline to ensure their securities deposits are processed as they will be unable to enter the deposits in CFM directly.

To avoid fines and any interruptions in access and to continue managing Clearing Fund requirements and deposits electronically, it is imperative that Members complete testing and migrate to the modernized CFM application by **February 28, 2023**.

Members should contact FICCIntegration@dtcc.com or their Relationship Manager for questions regarding connectivity, entitlements, UAT and production migration.