

GOV #:	GOV1270-22
Date:	June 6, 2022
To:	Government Securities Division Members
Category:	Service Update
Subject:	Executing Firm Field Validation

Effective Monday, **August 1, 2022**, the Government Securities Division (“GSD”) of the Fixed Income Clearing Corporation (“FICC”) will introduce a validation check for the Executing Firm field on all transactions submitted to the Real-Time Trade Matching (“RTTM[®]”) Web application.

The new validation will systemically validate any data that is populated in the Executing Firm field to ensure that the data matches established and documented relationships between the Submitting Member and the Executing Firm code (“Ticker”) that is included on the trade submission. If there is a documented relationship, the transaction will process normally. If the system is not able to validate the relationship between the Submitting Member and the Ticker entered in the Executing Firm field because no relationship exists in the system, the transaction will be rejected. For the transaction to process, the Submitting Member would need to remove the data in the Executing Firm field or provide the necessary documentation that establishes the relationship between itself and the client associated with the Ticker before the transaction can be validated and processed in the RTTM Web application.

Pursuant to GSD Rule 8, Section 3, a Submitting Member must provide FICC, in a form and manner satisfactory to FICC, notice of each Executing Firm that such Member intends to act on behalf of pursuant to the GSD Rules and such notice shall indicate the types of eligible transactions that will be submitted for Comparison System and/or Netting System processing. Notice must be provided so as to be received by FICC not less than 3 Business Days prior to the commencement of such Member’s initial data submission on behalf of each such Executing Firm.

Background

Over the past several months, GSD conducted a review of our Members’ trade submissions related to data submitted in the Executing Firm field. The purpose of the Executing Firm field is to allow Members to submit transactions on behalf of their clients. GSD offers three separate services that allow for this type of activity:

- Correspondent Clearing Service
- Prime Broker Clearing Service
- Sponsored Membership Service

For each of these services, Members are required to submit necessary documentation to GSD establishing relationships with their clients to submit trades on their client’s behalf. Members acting in these capacities can

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place a “Ticker” in the Executing Firm field that represents the client on whose behalf it is submitting the trade into GSD for.

Prior to GSD conducting outreach to any affected Members, GSD reviewed transaction data for the year 2021 and identified the following:

- Members are submitting “Tickers” on prime broker and correspondent clearing trades where FICC does not have required documentation from the Submitting Member.
- Members are submitting data that does not constitute a “Ticker” (e.g., a number or letter).

GSD has been in communication with **ALL** Members who have been submitting undocumented Tickers and are working with them to address the issue. If your firm has not been contacted, then your firm has not been submitting undocumented Tickers.

If you have any questions related to this notice, please contact your FICC Relationship Manager.