

GOV #:	GOV1595-23
Date:	December 05, 2023
To:	FICC Government Securities Division (“GSD”) Members
Category:	Service Updates
Subject:	CME/FICC Cross Margining Enhancements Implementation Notice

On September 8, 2023, the Securities and Exchange Commission (“SEC”) approved proposed rule changes SR-FICC-2023-011, filed by Fixed Income Clearing Corporation (“FICC”).

FICC’s Government Securities Division (“GSD”) is pleased to announce that the enhanced CME/FICC cross-margining arrangement will be implemented effective **Monday, January 22, 2024** (the “Implementation Date”). Please be advised that beginning on the Implementation Date the enhanced cross-margining arrangement will be the only one available and FICC’s current cross-margining program will be terminated.

Under the enhanced cross-margining arrangement, as is the case for the current arrangement, eligible participants include (i) entities that are clearing members of both CME and GSD and (ii) pairs of clearing members where one is a clearing member of CME and an affiliate is a clearing member of GSD (or vice versa).

Firms participating in the current cross-margining can participate in the enhanced arrangement without interruption by entering into the new updated cross-margining participant agreement (the “New Agreement”) with FICC and CME prior to the Implementation Date. The New Agreement will become effective on the Implementation Date and your firm’s existing cross-margining agreement will be terminated at that time.

To ensure firms currently participating in cross-margining can continue without interruption of the enhanced arrangement on January 22, 2024, please follow the steps below:

- Execute the New Agreement via DocuSign (must be signed by a GSD authorized signer) and complete and return the Secretary’s Certificate via email to the CME at cmecrossmargin@cmegroup.com
- FICC and CME will countersign the New Agreement via DocuSign and fill in the effective date (which will be the Implementation Date).
- A copy of the fully signed New Agreement will be sent to your firm via DocuSign.

Effective on the Implementation Date, your existing agreement will be terminated, and the New Agreement will govern your firm’s cross-margining participation going forward.

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

- Based on certain operational aspects of the enhanced arrangement, there are changes at CME that will require testing. Please contact CME to support your firm's CME testing/training prior to the Implementation Date. There are no changes at FICC that require testing.

For those firms not currently participating in cross-margining that are interested in participating in the enhanced program, please reach out to your FICC Relationship Manager.

If you have any questions about this Important Notice, please reach out to your FICC Relationship Manager or to the CME at ccs@cmegroup.com.