

GOV #:	GOV1451-23
DATE:	MARCH 28, 2023
TO:	GOVERNMENT SECURITIES DIVISION MEMBERS
FROM:	GENERAL COUNSEL'S OFFICE
ATTENTION:	MANAGING PARTNER/OFFICER, OPERATIONS PARTNER/OFFICER, COMPLIANCE OFFICER
SUBJECT:	FICC PROPOSED RULE CHANGE – UPDATES TO THE CLEARING AGENCY SECURITIES VALUATION FRAMEWORK (SR-FICC-2023-004)

On March 28, 2023, Fixed Income Clearing Corporation (“FICC”) filed a proposed rule change (SR-FICC-2023-004) (“Rule Filing”) with the Securities and Exchange Commission pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934, as amended. The Rule Filing would update the Clearing Agency Securities Valuation Framework (“Framework”).

The Rule Filing would amend the Framework to clarify the Clearing Agencies’ practices concerning the valuation of (i) securities eligible for clearance and settlement processing by the applicable Clearing Agency and (ii) to the extent applicable, eligible securities in their respective Clearing Funds. Specifically, the proposed rule change would clarify certain aspects of the Framework concerning (i) the selection of third-party pricing vendors (“Pricing Vendors”); (ii) the monitoring and review of Pricing Vendor data; (iii) the processing and use of Pricing Vendor data; and (iv) other non-substantive aspects of the Framework.

The proposed rule change was effective upon filing but will not become operative for 30 days after the date of the filing.

The full text of the Rule Filing may be obtained by visiting the DTCC website at <https://www.dtcc.com/legal/sec-rule-filings.aspx>. Comments on the Rule Filing may be emailed to FICC at RuleFilingAdmin@dtcc.com. Please include File No. SR-FICC-2023-004 on the subject line. Your comments may be forwarded to the SEC.

Written comments on the Rule Filing may be addressed to the Secretary, Securities and Exchange Commission, 100 F Street NE, Washington DC 20549-1090. 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 rule-comments@sec.gov. Please include File Number SR-FICC-2023-004 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 or inquiries regarding the Rule Filing may be addressed to RuleFilingAdmin@dtcc.com.

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.