



Important Notice
Fixed Income Clearing Corporation - GOV

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| GOV #: | GOV1860-24 |
| Date: | December 16, 2024 |
| To: | Government Securities Division ("GSD") Netting Members |
| Category: | Service Update |
| Subject: | Member Testing for New Funds-Only Settlement MRO Overflow and Separation of House and Customer Activity |

The SEC has recently approved proposed rules changes ([SR-FICC-2024-007](#)) to the Rulebook of Government Securities Division ("GSD") of the Fixed Income Clearing Corporation ("FICC"). Such changes are expected to be implemented by no later than March 31, 2025, on a date to be announced by GSD, and would require that GSD Netting Members record their proprietary transactions in accounts at GSD that are separate and apart from accounts where such Members' indirect participant activity is recorded. This requirement would permit FICC to calculate, collect and hold margin for proprietary activity separately from margin for customer activity.

In preparation for the implementation of these rule changes, GSD will formally open its PSE test environment to its existing GSD Netting Members starting on **December 23, 2024**.

In addition, GSD will support testing of additional overflow fields for GSD MRO Record Type 21 (End of Day Participant Net Summary) and MRO Record Type 50 (Intraday Participant Net Summary) at this time.

Testing Scope / Member Impact

1. Testing will be open to existing GSD Netting Members that currently record customer and proprietary activity in the same account and need to test the trade validation rules for house and customer activity separation.
2. Testing will also be open to all existing GSD Netting Members who consume GSD's MRO output and would like to test the consumption of added overflow fields for MRO Record Type 21 (End of Day Participant Net Summary) and MRO Record Type 50 (Intraday Participant Net Summary):
 - a. For MRO Record Type 21 (End of Day Participant Net Summary), overflow fields have been added for the Coupon Payment and Fails that Matured components.
 - b. For MRO Record Type 50 (Intraday Participant Net Summary), a new overflow record section has been added.
 - c. The updated MRO specifications can be found in the [GSD Message and Report Format Documentation](#) section of DTCCLearning.com.

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Next Steps

Testing will be supported by the FICC Integration team. For existing GSD Netting Members that wish to test the above, you must schedule testing and obtain the relevant test scripts, by contacting the FICC Integration team via e-mail at FICCIntegration@dtcc.com. Testing will only be supported during scheduled testing periods.

Please note: Testing is not required but highly recommended for impacted Members.

In addition to the above, entities that are in process of opening new accounts or additional accounts will be required to complete testing as part of GSD's onboarding process. Testing will include trade submission, penny testing, CFM testing, etc. The FICC Integration team will provide the necessary information and documentation needed to complete the testing of newly onboarded clients.

If you have any questions regarding this Important Notice, please contact your Relationship Manager. If you have any questions regarding testing, please contact the [FICC Integration team](#).