



Important Notice
Fixed Income Clearing Corporation - GOV

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| GOV #: | GOV1665-24 |
| Date: | March 14, 2024 |
| To: | Government Securities Division Members |
| Category: | Service Updates |
| Subject: | Submission of Rule Filing SR-FICC-2024-007 and Advance Notice Filing SR-FICC-2024-802 – Modify the GSD Rules (i) Regarding the Separate Calculation, Collection and Holding of Margin for Proprietary Transactions and That for Indirect Participant Transactions, and (ii) to Address the Conditions of Note H to Rule 15c3-3a |

On March 14, 2024, Fixed Income Clearing Corporation (“FICC”) filed a proposed rule change (SR-FICC-2024-007) (“Rule Filing”) with the Securities and Exchange Commission (“SEC”) pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934, as amended (the “Act”), and an advance notice filing (SR-FICC-2024-802) (“Advance Notice”, together with the Rule Filing, the “Filings”) with the SEC and the Board of Governors of the Federal Reserve System pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010.

The Filings are proposing to amend the FICC’s Government Securities Division (“GSD”) Rulebook to, among other things (1) provide for FICC to calculate, collect, and hold margin for the proprietary transactions of a Netting Member separately and independently from the margin for transactions that the Netting Member submits to FICC on behalf of indirect participants; and (2) allow Netting Members to elect for margin for indirect participant transactions to be calculated on a gross basis (*i.e.*, an indirect participant-by-indirect participant basis) and legally segregated from the margin for the Netting Member’s proprietary transactions (as well as those of other indirect participants). These proposed changes are primarily designed to ensure that FICC has appropriate rules regarding the separate and independent calculation, collection, and holding of margin for proprietary transactions and that for indirect participant transactions in accordance with the requirements of Rule 17Ad-22(e)(6)(i) under the Act, and that FICC has appropriate rules to satisfy the conditions of Note H to Rule 15c3-3a under the Act for a broker-dealer to record a debit in the customer and broker-dealer proprietary account reserve formulas.

The full text of the Filings may be obtained at dtcc.com/legal/sec-rule-filings. Comments on the Filings may be emailed to FICC at RuleFilingAdmin@dtcc.com. Please include File Nos. SR-FICC-2024-007 and SR-FICC-2024-802 on the subject line. Your comments may be forwarded to the SEC.

You may also address your written comments to the Secretary of the Commission, Securities and Exchange Commission, 100 F Street NE, Washington DC 20549. Electronic comments may be submitted 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 Nos. SR-FICC-2024-007 and SR-FICC-2024-802 on the subject line. We request that you provide FICC with a copy of your comments.

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Questions regarding this Important Notice may be addressed to your Relationship Manager. Questions regarding the Filings may be addressed to RuleFilingAdmin@dtcc.com.