



Important Notice

Fixed Income Clearing Corporation - GOV

GOV #:	GOV1930-25
Date:	March 14, 2025
To:	Government Securities Division Members
Category:	Service Updates
Subject:	Submission of Rule Filing SR-FICC-2025-006 – Relating to a Participant System Disruption

On March 14, 2025, Fixed Income Clearing Corporation (“FICC”) filed proposed rule change SR-FICC-2025-006 (“Rule Filing”) with the Securities and Exchange Commission (“SEC”) pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934.

The purpose of the proposed rule change is to amend Rule 50A of the FICC Government Securities Division (“FICC-GSD”) Rulebook and Rule 40A of the FICC Mortgage-Backed Securities Division (“FICC-MBSD”) Clearing Rules (Systems Disconnect: Threat of Significant Impact to the Corporation’s Systems). FICC’s two affiliate clearing agencies, National Securities Clearing Corporation (“NSCC”) and The Depository Trust Company (“DTC,” and together with NSCC and FICC, the “Clearing Agencies,” or “Clearing Agency” when referring to one of any of the three Clearing Agencies) will each file with the SEC substantively similar proposals to amend their corresponding rules: Rule 60A of the NSCC Rules & Procedures and Rule 38(A) of the Rules, By-Laws and Organization Certificate of DTC (collectively with FICC-GSD Rule 50A and FICC-MBSD Rule 40A, the “Disruption Rules”). Accordingly, each respective filing is written from the perspective of the Clearing Agencies, collectively, instead of DTC, FICC, or NSCC individually, but application of the proposed rule changes would only apply to the DTCC Systems Participant (as defined in the Rule Filing) of the corresponding Clearing Agency or Clearing Agencies. In addition, FICC proposes to make an administrative change to Article III, Rule 1, Section 5 of the FICC-MBSD EPN Rules (“EPN Rules”) to reflect the proposed new name of FICC-MBSD Rule 40A, as described in the Rule Filing.

The current Disruption Rules contain provisions identifying the events or circumstances that would be considered a Major Event or Systems Disruption. During the pendency of a Major Event, the Disruption Rules authorize the Clearing Agencies to take certain actions, within a prescribed governance framework, to mitigate the effect of the Major Event on the Clearing Agencies, their respective members or participants as defined in the respective rules of the applicable Clearing Agency, their Affiliates, and the industry more broadly.

The proposed rule changes would (i) update and add definitions used throughout the Disruption Rules; (ii) update the provisions and governance for declaring a Major Event (which would be redefined as a Major System Event); (iii) clarify and enhance the requirements of the DTCC Systems Participant to notify the Clearing Agencies of a Systems Disruption (which would be redefined as a Participant System Disruption); (iv) add provisions incorporating the reporting, testing, and approval requirements, process, legal obligations, and governance necessary for “reconnection” (as defined in the Rule Filing) of a DTCC Systems Participant that was “disconnected” from DTCC Systems pursuant to a Disruption Rule; and

(v) make technical, ministerial, and other conforming and clarifying changes, including updating the name of the Disruption Rules, each of which is described in greater detail in the Rule Filing. Finally, the proposal also includes an administrative change to Article III, Rule 1, Section 5 of the EPN Rules to reflect the proposed change to the name of the Disruption Rules, as described in the Rule Filing. The full text of the Rule Filing may be obtained at www.dtcc.com/legal/sec-rule-filings.

Any comments on the Rule Filing should be submitted electronically to the SEC by using the SEC's internet comment form (www.sec.gov/rules/sro.shtml), or by email to rule-comments@sec.gov, or in writing to the Secretary of the Commission, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549. We request that you provide FICC with a copy of your comments. Comments also may be sent to FICC at RuleFilingAdmin@dtcc.com. Comments sent to FICC may be forwarded to the SEC. Please include File No. SR-FICC-2025-006 on the subject line of any comment to the Rule Filing.

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