

# GSD MEMBERSHIP TYPES ELIGIBLE FOR CLEARING

## NETTING MEMBERSHIP

A full GSD membership type for registered dealers; registered government securities dealers; banks or trust companies chartered under the laws of the U.S. or a State thereof, or a bank or trust company established or chartered under the laws of a non-U.S. jurisdiction and participates in GSD through its U.S. branch or agency; inter-dealer brokers (IDB); futures commission merchants; government securities issuers; registered clearing agencies; and registered investment companies. A Foreign Person may apply to be a Netting Member in one of the existing categories if FICC has determined that the entity has a home country regulator that has entered into a memorandum of understanding with the SEC regarding the sharing or exchange of information and maintains a presence in the U.S., either directly or through a suitable agent.

### MEMBERSHIP ELIGIBILITY REQUIREMENTS

- ▶ **Financial Responsibility** – Applicant must have sufficient financial ability to make anticipated required deposits to the Clearing Fund and Funds-Only Settlement Amounts and to meet all of its other obligations to the Corporation in a timely manner and satisfy certain minimum financial requirements.
- ▶ **Operational Capability** – Applicant must, among other things, successfully complete network and connectivity testing at the current FICC standards and fulfill, within the timeframes established by the Corporation, any operational testing requirements and related reporting requirements that may be imposed by the Corporation to ensure the operational capability of the applicant.

### CAPITAL REQUIREMENTS

- U.S. Bank or Trust Company applicant must have CET1 Capital of at least \$500 million and be Well Capitalized.
- Non-U.S. Bank or Trust Company applicant must have CET1 Capital of at least \$500 million, comply with the minimum capital requirements and capital ratios required by its home country regulator, or, if greater, with such minimum capital requirements or capital ratios standards promulgated by the Basel Committee on Banking Supervision and provide an attestation for itself, its parent bank and its parent bank holding company detailing the minimum capital requirements and capital ratios required by their home country regulator.
- Dealer, Futures Commission Merchant, or Inter-Dealer Broker applicant must have Net Worth of at least \$25 million and an Excess Net Capital or an equivalent of at least \$10 million.
- Foreign Person applicant must satisfy its home country regulator's minimum financial requirements and if the applicant is 1) a broker or dealer, it must have a total equity capital of at least \$25 million or 2) a non-U.S. bank or trust company, it must meet the requirements of (b) above.
- Government Securities Issuer applicant must have equity capital of at least \$100 million.
- Registered Investment Company applicant must have a minimum Net Assets of \$100 million.

### MARGIN REQUIREMENTS

Applicants must post an initial Clearing Fund Deposit based on the anticipated volume and nature of the Member's activity, prior to going live. Post go-live, a Netting Member must meet a required Clearing Fund amount based on the Netting Member's unsettled positions and the market risk associated with those positions; this amount is calculated twice daily.

## CCIT MEMBERSHIP

CCIT Membership is a limited GSD membership type for tri-party cash lenders.

### MEMBERSHIP ELIGIBILITY REQUIREMENTS

- ▶ **Financial Responsibility** – Applicant has sufficient financial ability to meet all of its obligations to the Corporation in a timely manner.
- ▶ **Operational Capability** – Applicant or its Joint Account Submitter, as applicable, must be able to satisfactorily communicate with the Corporation, fulfill anticipated commitments to and meet the operational requirements of the Corporation with necessary promptness and accuracy, and conform to any operational condition and requirement that the Corporation reasonably deems necessary for its protection or that of its members.

### CAPITAL REQUIREMENTS

- Applicant must have minimum Net Assets of \$100 million.

### MARGIN REQUIREMENTS

CCIT Members are not required to post a Clearing Fund Deposit. CCIT Members grant FICC a security interest in and to the securities and other property delivered to it by the Corporation pursuant to the CCIT Transaction credited to an account maintained by the CCIT Member or Joint Account Submitter on its behalf as security for the prompt and complete payment and performance when due of all obligations of the CCIT Member to the Corporation under each CCIT Transaction.

## SPONSORING MEMBERSHIP

Sponsoring Membership is a full GSD membership type where FICC permits the establishment of a sponsored membership relationship between a Netting Member that is approved to be a Sponsoring Member and one or more entities that are accepted by FICC as Sponsored Members of such Sponsoring Member.

### MEMBERSHIP ELIGIBILITY REQUIREMENTS

- ▶ Must be a Netting Member that is a Tier One Netting Member (with certain exceptions) to be a Sponsoring Member.
- ▶ **Financial Responsibility** – Applicant must have sufficient financial ability to make anticipated required deposits to the Clearing Fund and Funds-Only Settlement Amounts.
- ▶ **Operational Capability** – Applicant must successfully complete network and connectivity testing at the current FICC standards.

### CAPITAL REQUIREMENTS

- The Corporation may impose financial requirements on a Netting Member applying to become a Sponsoring Member that are greater than the financial requirements applicable to it in its capacity as a Netting Member based upon the level of anticipated positions and obligations, the anticipated risk associated with the volume and types of transactions, and the overall financial condition of such applicant.

### MARGIN REQUIREMENTS

Applicants must post an initial Clearing Fund deposit based on the anticipated volume of the Sponsoring Member's Omnibus Account activity, prior to going live. Post go-live, a Sponsoring Member must meet a required Clearing Fund amount based on the Sponsoring Member's Omnibus Account's unsettled positions and the market risk associated with those positions; this amount is calculated twice daily. Note: For purposes of satisfying the Sponsoring Member's Clearing Fund requirements, a Sponsoring Member's activity in its proprietary Netting Member account will be treated separately from the activity in its Omnibus Account.

## SPONSORED MEMBERSHIP

Sponsored Membership is a limited GSD membership type for legal entities that satisfy certain requirements.

### MEMBERSHIP ELIGIBILITY REQUIREMENTS

- ▶ Must be sponsored into membership by a Sponsoring Member.

### CAPITAL REQUIREMENTS

- Sponsored Members do not have financial requirements.

### MARGIN REQUIREMENTS

Sponsored Members are not required to post a Clearing Fund deposit.