



GSD NETTING MEMBERSHIP FINANCIAL REQUIREMENTS

This table lays out the minimum financial requirements for firms to become Netting Members of Fixed Income Clearing Corporation’s (FICC’s) Government Securities Division (GSD). For additional explanations, see the notes and comments on the following page.

Entity Type	Standard	Minimum Requirement
Bank or Trust Co. (US)	CET1 Capital ⁱ	\$500 MM
Dealers	Net Worth ⁱⁱ	\$25 MM
	Excess Net or Excess Liquid Capital ⁱⁱⁱ	\$10 MM
Foreign Bank	CET1 Capital ⁱ	\$500 MM
Foreign Broker Dealers	Equity Capital	\$25 MM
Futures Commission Merchant (“FCM”)	Net Worth ⁱⁱ	\$25 MM
	Excess Adjusted Net Capital	\$10 MM
Insurance Company (No current Members)	Statutory Capital	\$500 MM
	Risk-based capital ratio, as applicable to Insurance Companies	200%
	External Ratings	(1) an A.M. Best (“Best”) rating of “A-” or better, (2) a rating by at least one of the other three major rating agencies (Standard & Poor’s (“S&P”), Moody’s, and Fitch Ratings (“Fitch”) of at least “A-” or “A3”, as applicable, (3) no rating by S&P, Moody’s, and Fitch of less than “A-” or “A”, as applicable
Inter-Dealer Brokers (“IDBs”)	Net Worth ⁱⁱ	\$25 MM
	Excess Net or Excess Liquid Capital ⁱⁱⁱ	\$10 MM
Government Securities Issuer	Equity Capital	\$100 MM
Registered Investment Companies (“RIC”) (Mutual Funds)	Net Assets	\$ 100 MM
Other Firms	As Applicable	To be determined by FICC

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ⁱ The term **“CET1 Capital”** means an entity's common equity tier 1 capital, calculated in accordance with such entity's regulatory and/or statutory requirements. **In addition**, an applicant must be in compliance with the capital requirements levels as required by the regulatory agency that has primary jurisdiction over it.

ⁱⁱ The term **“Net Worth”** means, as of a particular date, the amount equal to the excess of the assets of a Person over the liabilities of such Person, computed in accordance with generally accepted accounting principles, including liabilities that are subordinated to the claims of creditors pursuant to a satisfactory subordination agreement, as defined in Appendix D of 17 C.F.R. Section 240.15c3-1d for registered brokers and dealers, in 17 C.F.R. Section 1.17 (h) for a Futures Commission Merchant that is not a registered broker-dealer, and in 17 C.F.R. Section 402.2(d) for Government securities brokers and dealers.

ⁱⁱⁱ The term **“Excess Net Capital”** means, as of a particular date, the amount equal to the difference between the Net Capital of a broker or dealer and the minimum Net Capital such broker or dealer must have to comply with the requirements of SEC Rule 15c3-1(a), or any successor rule or regulation thereto.