

FICC GSD Segregated Customer Margin – Frequently Asked Questions

RULES RELATED TO THE SEGREGATION OF CUSTOMER MARGIN CAN BE VIEWED IN THE FICC PROPOSED RULE CHANGE FILING SR-FICC-2024-007 (“ACCOUNT SEGREGATION FILING”), AVAILABLE ON THE DTCC WEBSITE [HERE](#)

Setting Up and Designating Segregated Indirect Participants Accounts

HOW CAN CUSTOMER ACTIVITY BE DESIGNATED TO BE SEGREGATED?

Customer activity that is submitted to FICC through the Sponsored Service or the Agent Clearing Service must be recorded in a Segregated Indirect Participants Account in order to be segregated.

Therefore, a Sponsoring Member or Agent Clearing Member should designate a Sponsoring Member Omnibus Account or Agent Clearing Member Omnibus Account (respectively) as a ***Segregated Indirect Participants*** Account and then record in that Account the activity for which the margin will be funded with customer funds or securities.

Those margin deposits will then be held by FICC as described in the changes to GSD Rule 4 and in accordance with the SEC’s amendments to Note H of Rule 15c3-3a.

IS THERE ADDITIONAL COST ASSOCIATED WITH OPENING AN ADDITIONAL ACCOUNTS? ANY FEES, ADDITIONAL CONSIDERATIONS FOR CCLF CALCULATIONS, ETC.?

There is no fee to open an additional Account at GSD, but each Account at GSD is margined separately and subject to separate ongoing maintenance and other applicable fees. CCLF obligations are also calculated separately for each Account. Note that CCLF obligations for direct Netting Members include the obligations that are calculated for those members’ indirect participants’ accounts.

Netting Members that are considering opening additional accounts should reach out to their Relationship Manager or FICC Integration to discuss what Accounts may be necessary for their business needs and the timing for opening those Accounts. For example, the documentation to open an Account can be completed in advance, and the “go-live” date for an Account can be staged for a later date.

IS IT POSSIBLE FOR AN AGENT CLEARING MEMBER TO ELECT TO HAVE A PORTION OF ITS AGENT CLEARING MEMBER OMNIBUS ACCOUNT TREATED AS SEGREGATED INDIRECT PARTICIPANTS ACCOUNTS AND A PORTION NOT TREATED AS SUCH?

No. Separate Indirect Participants Accounts will need to be set up to record segregated customer activity and non-segregated customer activity.

WILL NETTING MEMBERS BE REQUIRED TO SEGREGATE MARGIN FOR THEIR INDIRECT PARTICIPANT ACCOUNTS?

No. Netting Members are not required to designate their Indirect Participants Accounts as Segregated Indirect Participants Accounts. Segregation of customer margin will be an option, not a requirement, under the GSD Rules. The GSD Rules will require that house activity be recorded in a Proprietary Account and customer activity be recorded in an Indirect Participant Account (Sponsoring Member Omnibus Account or Agent Clearing Member Omnibus Account).

IS A SPONSORING MEMBER REQUIRED TO SET UP ADDITIONAL ACCOUNTS OR MAKE CHANGES TO EXISTING ACCOUNTS IF IT DOES NOT INTEND TO COLLECT MARGIN FROM SPONSORED MEMBERS?

No. A Sponsoring Member can continue to use its existing Sponsoring Member Omnibus Account for its Sponsored Member activity that will not be segregated.

HOW CAN A NETTING MEMBER MOVE A HOUSE POSITION OUT OF AN ACCOUNT THAT WILL BE DESIGNATED AS A CUSTOMER ACCOUNT? WILL FICC HAVE ANY CONVERSION TOOLS TO HELP SEPARATE THE HOUSE POSITIONS FROM THE CUSTOMER POSITIONS ONCE THE NEW ACCOUNT HAS BEEN ACTIVATED, OR WILL NETTING MEMBERS JUST NEED TO SUBMIT TRADES TO BE RECORDED IN THE APPROPRIATE ACCOUNT?

Netting Members can complete the necessary documents to open additional Accounts at GSD – either Proprietary Accounts for house activity or customer Accounts for activity cleared through the Sponsored Service or Agent Clearing Service – and can set a “go-live” date for those Accounts. Activity can be recorded in those accounts beginning on and following the selected “go-live” date for a new Account.

Netting Members that have recorded a term repo trade in one Account that will not settle before March 31, 2025 (when the GSD Rules regarding segregation of house and Indirect Participant activity are expected to be implemented) should reach out to their Relationship Manager or FICC Integration for assistance.

WHAT ACTIONS DO MEMBERS NEED TO TAKE TO EXISTING MARGIN PORTFOLIOS AND DEPOSIT IDs IN CONNECTION WITH DESIGNATING CERTAIN ACCOUNTS FOR SEGREGATION?

Members will need to establish a separate Margin Portfolio and a separate Deposit ID for Sponsoring Member Omnibus Accounts that are designated as a Segregated Indirect Participants Accounts, and a separate Margin Portfolio and a separate Deposit ID for Agent Clearing Member Omnibus Accounts that are designated as a Segregated Indirect Participants Accounts.

More specifically, each Margin Portfolio and Deposit ID must only include the same types of Accounts – *either* Dealer Accounts, Broker Accounts, non-segregated Sponsoring Member Omnibus Accounts, non-segregated Agent Clearing Member Omnibus Accounts, Sponsoring Member Omnibus Accounts that are Segregated Indirect Participants Accounts *or* Agent Clearing Member Omnibus Accounts that are Segregated Indirect Participants Accounts.

Existing Margin Portfolio and Deposit IDs may not be converted to meet this requirement. Members should reach out to their Relationship Manager about establishing the required Margin Portfolio and Deposit IDs.

Calculation of Segregated Customer Margin Requirements

HOW IS SEGREGATED CUSTOMER ACTIVITY MARGINED?

Customer activity that is recorded in a Segregated Indirect Participants Account is margined on a customer by customer, or gross, basis.

WHAT ARE THE DIFFERENCES BETWEEN THE MARGIN COMPONENTS CALCULATED FOR NON-SEGREGATED CUSTOMER ACTIVITY AND SEGREGATED CUSTOMER ACTIVITY?

In determining the Segregated Customer Margin requirements for each Segregated Indirect Participant, FICC will perform substantially the same calculation it currently performs when determining a Netting Member's Required Fund Deposit, except (i) customer activity that is recorded in a Segregated Indirect Participants Account is margined on a customer by customer, or gross, basis, and (ii) the Excess Capital Premium charge will not be applied with respect to segregated customer activity.

Segregated Customer Margin requirements will therefore be comprised of the following components, as applicable and as defined in the GSD Rules: (1) VaR Charge; (2) Blackout Period Exposure Adjustment for Segregated Indirect Participants that are GCF Counterparties; (3) Portfolio Differential Charge; (4) Backtesting Charge; (5) Holiday Charge; (6) Margin Liquidity Adjustment Charge; and (7) Intraday Supplemental Fund Deposit.

In contrast, the Required Fund Deposit for non-segregated Sponsoring Member Omnibus Accounts (also margined on a gross basis) and non-segregated Agent Clearing Member Omnibus Accounts (margined on a net basis across all Indirect Participants whose activity is recorded in that Account), is comprised of the following components, as applicable and as defined in the GSD Rules: (1) VaR Charge; (2) Blackout Period Exposure Adjustment for Margin Portfolios of GCF Counterparties; (3) Portfolio Differential Charge; (4) Backtesting Charge; (5) Holiday Charge; (6) Margin Liquidity Adjustment Charge; (7) Excess Capital Premium; (8) Intraday Supplemental Fund Deposit.

WILL THERE BE CHANGES TO THE CALCULATION OF THE EXCESS CAPITAL PREMIUM (ECP) CHARGE CALCULATION FOR NETTING MEMBERS THAT ONLY SUBMIT SEGREGATED CUSTOMER ACTIVITY AND DO NOT SUBMIT PROPRIETARY ACTIVITY?

If a Sponsoring / Agent Clearing Member only submits customer activity to GSD and not any proprietary activity, then an Excess Capital Premium ("ECP") charge will only be assessed based on its non-segregated customer activity. The ECP charge will not be applied with respect to segregated customer activity. Relationship Manager about establishing the required Margin Portfolio and Deposit IDs.

TO CONFIRM, UNDER THE AGENT CLEARING SERVICE, ALL TRADES IN THE AGENT CLEARING MEMBER OMNIBUS ACCOUNT WILL BE NETTED IF THE AGENT CLEARING MEMBER DOES NOT ELECT TO DESIGNATE THAT ACCOUNT AS A SEGREGATED INDIRECT PARTICIPANTS ACCOUNT?

Correct, if an Agent Clearing Member Omnibus Account is not designated to be segregated, the margin will be calculated on a net basis across all Indirect Participants whose activity is recorded in that Account.

Note that margin for activity in a Sponsoring Member Omnibus Account will always be calculated on a gross basis, even if the Account has not been designated for Segregated Customer Margin.

WHY IS MARGIN POSTED IN A NET AGENT CLEARING MEMBER OMNIBUS ACCOUNT NOT ELIGIBLE FOR SEGREGATION IF THE NET HAS BEEN COLLECTED FROM THE RELEVANT EXECUTING FIRM CUSTOMERS? WHY WOULD YOU ASSUME THAT IT IS FIRM FUNDED MARGIN?

In adopting amendments to Note H of Rule 15c3-3a, the SEC provided that customer margin can only be eligible for a debit in the Rule 15c3-3a formula if the Treasury CCP calculates a separate margin amount for each customer and that amount of margin is delivered to the Treasury CCP on a gross basis. The broker-dealer would need to deliver cash or securities belonging to a specific customer to meet the amount of the Treasury CCP's customer margin requirement resulting from that customer's cleared U.S. Treasury securities positions.

The discussion in the Adopting Release explained the rationale for this requirement:

"... This would allow the broker-dealer to allocate the amount of the customer position margin requirement attributable to each of its customers. In addition, the rules needed to require the broker-dealer to deliver the margin amount calculated for each customer on a gross basis. This would mean that the risk of one customer's positions could not be offset by the risk of another customer's positions in determining the amount of customer position margin the broker-dealer would need to have on deposit at the U.S. Treasury securities CCA. As a result, the broker-dealer would not be able to deliver assets belonging to one customer to meet the margin requirement of another customer (see page 183 of the [Adopting Release](#))."

WILL FICC CALCULATE MARGIN FOR EACH INDIRECT PARTICIPANT EVEN IF THE AGENT CLEARING MEMBER DOES NOT ELECT TO HAVE ITS AGENT CLEARING MEMBER OMNIBUS ACCOUNT DESIGNATED AS A SEGREGATED INDIRECT PARTICIPANTS ACCOUNT?

Yes. While the Clearing Fund requirement for activity recorded in a non-segregated Agent Clearing Omnibus Account will be a net amount across all Indirect Participants recorded in that Account, FICC will provide informational reporting that identifies the margin calculated for each Indirect Participant, just as it does today for the prime broker/correspondent clearing service.

Reporting of Segregated Customer Margin Requirements

HOW AND WHEN IS THE SEGREGATED CUSTOMER MARGIN REQUIREMENT REPORTED TO NETTING MEMBERS?

Segregated Customer Margin requirements will be reported to Netting Members through the GSD Clearing Fund Letters.

GSD Clearing Fund Letters are made available to Netting Members prior to 7:05 AM ET for the start-of-day margin cycle and prior to 2:00 PM ET for the intraday margin cycle. The start-of-day Clearing Fund Letters are typically distributed in the early morning hours, well before 7:05 AM ET.

Netting Members can also access Clearing Fund related reports through our FICC Risk Reporting Portal.

FICC is developing a Machine-Readable Output (MRO) to support component-level details for Segregated Customer Margin, which is scheduled to be available to Netting Members in Q1 2025.

HOW WILL NETTING MEMBERS RECEIVE THE UNDERLYING DETAILS OF THEIR MARGIN OBLIGATIONS ACROSS PROPRIETARY, SEGREGATED OMNIBUS ACCOUNTS, AND NON-SEGREGATED OMNIBUS ACCOUNTS?

Margin requirements per Account, including Segregated Customer Margin requirements for Segregated Indirect Participants Accounts, will be reported to Netting Members through the GSD Clearing Fund Letters. Clearing Fund Letters are made available prior to 7:05 AM ET and 2:00 PM ET for Start-of-Day and Noon formal margin cycles, respectively. Start-of-Day Clearing Fund Letters are typically distributed in the early morning hours, well before 7:05 AM ET.

Netting Members can also access Clearing Fund related reports through the FICC Risk Reporting Portal.

In addition, FICC is developing an MRO to support component-level details for Segregated Customer Margin, which is scheduled to be available to Netting Members in Q1 2025 and will complement FICC's existing suite of MROs available to Netting Members today for their house and customer activity.

WILL NETTING MEMBERS BE ABLE TO LOG INTO THE FICC PORTAL AND DOWNLOAD A PDF WITH THE UNDERLYING DETAILS?

Yes. Netting Members can access risk-related reporting components in the RTTM Report Center where they can download the underlying details of margin requirements across all of their Accounts in an excel format.

Netting Members can also access the FICC Risk Reporting Portal, which contains time-series based risk reports in addition to intraday reporting capabilities.

FICC's existing external reporting capabilities will be enhanced to reflect all applicable Account types.

FOR NON-SEGREGATED AGENT CLEARING MEMBER OMNIBUS ACCOUNTS, WILL THE EXISTING FYI REPORTING BE AVAILABLE THAT IS CURRENTLY AVAILABLE IN THE PRIME BROKER / CORRESPONDENT CLEARING SERVICE? IF YES, WILL THIS ALSO BE MADE AVAILABLE IN MRO OR API FORMATS?

Yes. Reporting currently provided in support of the prime broker model will be extended to support Agent Clearing Member Omnibus Accounts. The DTCC API Marketplace supports both Get and Post requests for portfolio and customer level VaR details.

WILL MROs / APIs BE AVAILABLE FOR BOTH START-OF-DAY AND INTRADAY MARGIN CALLS WHICH SHOW THE CLIENT REQUIREMENTS?

Yes. MROs and APIs will continue to be available for the start-of-day, noon and ad-hoc/intraday margin calls, including those for Segregated Customer Margin requirements.

Collection of Segregated Customer Margin

CAN SEGREGATED INDIRECT PARTICIPANTS PAY MARGIN REQUIREMENTS DIRECTLY TO FICC?

No. Indirect participants do not have direct connectivity to FICC and their margin requirements must be paid to FICC by their Sponsoring / Agent Clearing Member, as their agent.

WHAT COLLATERAL CAN BE USED TO MEET SEGREGATED CUSTOMER MARGIN REQUIREMENTS?

FICC accepts cash and Eligible Clearing Fund Securities (as defined in GSD Rule 1) to meet Clearing Fund requirements. A listing of current Eligible Clearing Fund Securities is available at <https://www.dtcc.com/-/media/Files/Downloads/legal/risk-management/GSD-Haircut-Schedule-Current.pdf>.

Please note however that the conditions adopted in Note H of Exchange Act Rule 15c3-3a require that Segregated Customer Margin be met with either cash, U.S. Treasury securities or "qualified customer securities" (as defined in Note H(c) of Rule 15c3-3a and which are generally the same as Eligible Clearing Fund Securities) to qualify for a debit in the Rule 15c3-3a formula (see pages 174-176 of the [Adopting Release](#)).

WHAT IS THE PROCESS FOR DEPOSITING CASH TO SATISFY A SEGREGATED CUSTOMER MARGIN REQUIREMENT?

Cash deposits for a Segregated Customer Margin requirement should be sent to FICC's account, either at the Federal Reserve Bank of New York or another commercial bank that is insured by the Federal Deposit Insurance Corporation and is a qualified custodian under the Investment Company Act of 1940, as amended. Such account will be specially designated for Segregated Customer Margin deposits.

FICC will provide Standard Settlement Instructions (SSIs) that include routing information and required reference information to properly credit the Segregated Indirect Participants Account on FICC's books and records.

WHAT IS THE PROCESS FOR DEPOSITING SECURITIES TO SATISFY A SEGREGATED CUSTOMER MARGIN REQUIREMENT?

Securities deposits for a Segregated Customer Margin requirement should be sent to FICC's account at the Bank of New York (BNY) that has been specially designated for segregated customer margin. FICC will provide SSIs that include routing information and required reference information to properly credit your account on FICC's books and records.

In addition, Sponsoring / Agent Clearing Members must create a deposit in the Clearing Fund Management (CFM) application for the security that is sent to FICC's account at BNY.

WHAT IS THE DEADLINE FOR DEPOSITING CASH AND SECURITIES TO MEET A DEFICIT FOR SEGREGATED CUSTOMER MARGIN?

The funding deadline for Segregated Customer Margin requirements is the same as the deadline for funding other margin requirements at FICC, as shown in the table below:

MARGIN REQUIREMENT	DEFICIT FUNDING DEADLINE
Start of Day Requirements	9:30 AM ET
Intraday Requirements	2:45 PM ET
Ad-hoc Requirements	Within 1 hour of demand

WHAT IS THE MINIMUM AMOUNT OF MARGIN THAT MUST BE KEPT ON DEPOSIT FOR A SEGREGATED INDIRECT PARTICIPANTS ACCOUNT?

The minimum amount of margin is \$1 million (cash USD) for each Segregated Indirect Participant that has activity recorded in a Segregated Indirect Participants Account.

Sponsoring / Agent Clearing Member Prefunding of Segregated Customer Margin

CAN A SPONSORING / AGENT CLEARING MEMBER PAY A PORTION OF ITS CUSTOMERS' SEGREGATED CUSTOMER MARGIN DEPOSIT?

The SEC amended Exchange Act Rule 15c3-3a to permit broker-dealers to include margin required and on deposit at FICC as a debit item in the reserve formulas under certain conditions. Such conditions are set forth in Note H to Rule 15c3-3a and include, among other things, that the Sponsoring / Agent Clearing Member "(1) use customer assets exclusively to meet the customer position margin requirement; (2) use a particular customer's assets exclusively to meet the amount of the customer position margin requirement resulting from that customer's cleared U.S. Treasury securities positions; and (3) have delivered the customer's assets to the U.S. Treasury securities CCA" (see pages 177 of the [Adopting Release](#)).

The GSD Rules would address this condition by **requiring that Segregated Customer Margin requirements be met exclusively by the delivery of customer funds** (subject to limited prefunding as permitted by Note H and provided for in Section 3 of GSD Rule 2B).

Under Section 3 of GSD Rule 2B, Sponsoring / Agent Clearing Members will represent that Segregated Customer Margin that the deposits made for Segregated Customer Margin requirements are customer funds and securities.

IF A CUSTOMER IS UNABLE TO DELIVER MARGIN TO THEIR SPONSORING / AGENT CLEARING MEMBER IN TIME FOR THEIR SPONSORING / AGENT CLEARING MEMBER TO MEET AN FICC FUNDING DEADLINE FOR THE SEGREGATED CUSTOMER MARGIN REQUIREMENTS, CAN THE SPONSORING / AGENT CLEARING MEMBER TEMPORARILY PRE-FUND THE AMOUNT THAT IS OWED FOR ITS SEGREGATED CUSTOMER MARGIN DEPOSIT?

Yes, subject to certain conditions set forth in SEC requirements. The SEC's amendments to Note H to Rule 15c3-3a permit a Sponsoring / Agent Clearing Member to temporarily pre-fund the Segregated Customer Margin requirements of its Indirect Participants, in accordance with the conditions set forth in Section (b)(1)(iii) of Note H to Exchange Act Rule 15c3-3a. Please note that this prefunding is limited by a number of restrictions set forth in Note H.

GSD Rule 2B, Section 3 provides for this limited pre-funding of Segregated Customer Margin by a Sponsoring / Agent Clearing Member, in accordance with those restrictions.

IF THE SPONSORING / AGENT CLEARING MEMBER PRE-FUNDS ITS CUSTOMERS' SEGREGATED CUSTOMER MARGIN REQUIREMENTS, WHEN DOES IT NEED TO COLLECT THOSE FUNDS FROM ITS CUSTOMER, THE INDIRECT PARTICIPANT?

The SEC's amendments to Note H to Rule 15c3-3a permit a Sponsoring / Agent Clearing Member to deliver proprietary U.S. Treasury securities to meet a Segregated Customer Margin requirement, but require that the Sponsoring / Agent Clearing Member "call for the customer to deliver a sufficient amount of cash, U.S. Treasury securities and/or qualified customer securities to meet the margin requirement on the day the margin requirement arose and must receive a sufficient amount of cash, U.S. Treasury securities, and/or qualified customer securities to meet the margin requirement *by the close of the next business day after the margin requirement arose* (see pages 180-182 of the [Adopting Release](#)).

GSD Rule 2B, Section 3 provides for this limited pre-funding of Segregated Customer Margin by a Sponsoring / Agent Clearing Member.

Holding Segregated Customer Margin

WILL SEGREGATED CUSTOMER MARGIN BE HELD WITH ATTRIBUTION TO THE SPECIFIC ASSETS POSTED BY EACH SEGREGATED INDIRECT PARTICIPANT?

No. FICC will report out the *value* of the Segregated Customer Margin requirement for each Segregated Indirect Participant but will not attribute specific assets to the Segregated Indirect Participant. This reporting is consistent with a legally segregated, operationally commingled ("LSOC") form of segregation commonly used by derivatives clearing organizations for customer margin.

HOW WILL FICC PAY INTEREST ON SEGREGATED CUSTOMER MARGIN CASH DEPOSITS?

Interest will be paid to the Sponsoring / Agent Clearing Member on the aggregate amount of Segregated Customer Margin cash deposited by that Member via credit on their monthly invoice. The Sponsoring / Agent Clearing Member will hold that interest for the benefit of, and as agent for, its customers and thus will be responsible for allocating interest payments to its customers.

HOW WILL GSD CREDIT COUPON AND REDEMPTION PAYMENTS FOR SECURITIES HELD IN A SEGREGATED CUSTOMER MARGIN ACCOUNT?

Coupon and redemption cash payments will be paid to GSD's account(s) at BNY and corresponding cash credits will be applied to each impacted Deposit ID in CFM. Sponsoring / Agent Clearing Members can then submit a request for the return of these funds via CFM (assuming there is sufficient margin excess to support that withdrawal).

Return of Excess Clearing Fund for Segregated Customer Margin

WHAT IS THE PROCESS FOR WITHDRAWING EXCESS CLEARING FUND CASH AND SECURITIES THAT IS SEGREGATED CUSTOMER MARGIN (“EXCESS SEGREGATED CUSTOMER MARGIN”)?

.Sponsoring / Agent Clearing Members are required to submit request(s) for the return of excess cash and securities margin in the CFM application by the applicable deadline. Once submitted, the request will be reviewed and approved by FICC and the cash/securities will be returned to Sponsoring / Agent Clearing Members’ SSIs on file with FICC.

The SEC’s rules were designed to incentivize broker-dealer Netting Members to obtain the prompt return of excess margin collateral held by FICC that is no longer needed to satisfy a margin requirement.

WHAT IS THE DEADLINE FOR SUBMITTING REQUESTS FOR THE WITHDRAWAL OF EXCESS SEGREGATED CUSTOMER MARGIN?

The deadline to request the return of Excess Segregated Customer Margin is the same as the deadline for requesting any Excess Clearing Fund at FICC, as shown in the table below:

MARGIN REQUIREMENT	EXCESS WITHDRAWAL DEADLINE
Start of Day Requirements	12:00 PM ET
Intraday Requirements	2:15 PM ET
Ad-hoc Requirements	N/A

IF EXCESS SEGREGATED CUSTOMER MARGIN ARE REPORTED AT THE ACCOUNT LEVEL AND ONE CUSTOMER HAS A DEFICIT AND ANOTHER HAS PREVIOUSLY POSTED EXCESS THAT WILL COVER THAT DEFICIT, WILL THERE BE A CALL AT THE ACCOUNT LEVEL? IF NO, ISN'T THAT A COMINGLING OF CUSTOMER ASSETS?

No. Sponsoring / Agent Clearing Members are responsible for calling each customer to satisfy applicable deficits and make sure they fund the margin necessary to cover the Segregated Customer Margin requirement. The accounting of which customers have excess and deficits will be the responsibility of the Sponsoring / Agent Clearing Member.

WILL EXCESS SEGREGATED CUSTOMER MARGIN BE HELD AT THE CLIENT OR INTERMEDIARY LEVEL?

While Segregated Customer Margin requirements will be reported at the client (ticker) level (as described above), Excess Segregated Customer Margin deposits will be reported at the Account level on an aggregate basis.

In the event that FICC retains some or all Excess Segregated Customer Margin pursuant to Section 10(b) of Rule 4, it would work with the intermediary to identify the deposits that should be attributed to each Segregated Indirect Participant.

Additional Questions

PLEASE CONFIRM THAT SEGREGATION OF HOUSE AND CUSTOMER MARGIN REFERS TO SEGREGATION OF CLEARING FUNDS REQUIREMENTS, AND NOT SEGREGATION OF VARIATION MARGIN (THE MOVE OF THE COLLATERAL PRICE) PAID OR COLLECTED FROM THE CLIENTS (FOR TERM ACTIVITY FOR INSTANCE)?

Correct. The requirement to segregate margin will apply to Clearing Fund requirements (described in GSD Rule 4 and GSD's equivalent to initial margin) and will not apply to GSD's funds-only settlement (described in GSD Rule 13, including a number of components in addition to a mark-to-market calculation, and GSD's equivalent to variation margin).

WILL CLIENT MARGIN BE ACCEPTABLE IN TRI-PARTY?

While this is not currently available, FICC is considering developing this functionality in the future.