

August 13, 2020

By Electronic Mail (rule-comments@sec.gov)

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Amendments No. 1 to File Nos. SR-FICC-2020-009 and SR-FICC-2020-802

Dear Ms. Countryman:

Fixed Income Clearing Corporation filed partial amendments to File Nos. SR-FICC-2020-009 and SR-FICC-2020-802 on August 13, 2020, copies of which are enclosed.

Very truly yours,

/s/ Jacqueline Chezar
Executive Director and
Associate General Counsel

Required fields are shown with yellow backgrounds and asterisks.

Filing by Fixed Income Clearing Corporation
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Jacqueline Last Name * Chezar

Title * Executive Director and Associate General Counsel

E-mail * [REDACTED]

Telephone * [REDACTED] fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 08/13/2020 Managing Director and Deputy General Counsel

By Nikki Poulos [REDACTED]

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

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WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Amendment No. 1 to SR-FICC-2020-009

Fixed Income Clearing Corporation is filing this partial amendment to SR-FICC-2020-009 (“Proposed Rule Change”), which was filed with the Securities and Exchange Commission (“Commission”) on July 30, 2020.

Please replace the text on pages 7-8 of the Proposed Rule Change with the following text (**bold, underlined text** represents additional language to the original proposed text):

FICC would then compare the calculated market impact cost to a portion of the VaR Charge that is allocated to net unsettled positions in those asset groups.¹³ If the ratio of the calculated market impact cost to the 1-day VaR Charge is greater than a threshold, an MLA charge would be applied to that asset group.¹⁴ If the ratio of these two amounts is equal to or less than this threshold, an MLA charge would not be applied to that asset group. The threshold would be based on an estimate of the market impact cost that is incorporated into the calculation of the 1-day VaR charge, such that an MLA charge would apply only when the calculated market impact cost exceeds this threshold.

When applicable, an MLA charge for each asset group would be calculated as a proportion of the product of (1) the amount by which the ratio of the calculated market impact cost to the applicable 1-day VaR charge exceeds the threshold, and (2) the 1-day VaR charge allocated to that asset group.

For each Member portfolio, FICC would add the MLA charges for net unsettled positions in each asset group to determine a total MLA charge for a Member.

Please replace the text on pages 29-30 of the Proposed Rule Change with the following text (**bold, underlined text** represents additional language to the original proposed text):

FICC would then compare the calculated market impact cost to a portion of the VaR Charge that is allocated to net unsettled positions in those asset groups.¹⁶ If the ratio of the calculated market impact cost to the 1-day VaR Charge is greater than a threshold, an MLA charge would be applied to that asset group.¹⁷ If the ratio of these two amounts is equal to or less than this threshold, an MLA charge would not be applied to that asset group. The threshold would be based on an estimate of the market impact cost that is incorporated into the calculation of the 1-day VaR charge, such that an MLA charge would apply only when the calculated market impact cost exceeds this threshold.

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For each Member portfolio, FICC would add the MLA charges for net unsettled positions in each asset group to determine a total MLA charge for a Member.

Please replace the text on page 301 of the Proposed Rule Change with the following text (**bold, underlined, yellow highlighted text** represents additional language to the original proposed text):

The calculated market impact cost for each Net Unsettled Position in an asset group shall be compared to a portion of the VaR Charge that is allocated to that Net Unsettled Position. If the ratio of the calculated market impact cost to a portion of the VaR Charge is greater than a threshold, to be determined by the Corporation from time to time, an MLA Charge will be applied to that asset group. If the ratio of these two amounts is equal to or less than this threshold, the MLA charge will not be applied to that asset group.

When applicable, an MLA Charge for each asset group would be calculated as a proportion of the product of (1) the amount by which the ratio of the calculated market impact cost to a portion of the VaR Charge allocated to that Net Unsettled Position exceeds the threshold, and (2) a portion of the VaR Charge allocated to that asset group.

Each applicable MLA Charge for each asset group shall be added together to result in one total MLA charge.

Please replace the text on pages 305-306 of the Proposed Rule Change with the following text (**bold, underlined yellow highlighted text** represents additional language to the original proposed text; ~~bold strikethrough~~ text indicates deletions):

The calculated market impact cost for each net unsettled position shall be compared to a portion of the VaR Charge that is allocated to that net unsettled position. If the ratio of the calculated market impact cost to a portion of the VaR Charge is greater than a threshold, to be determined by the Corporation from time to time, an MLA Charge will be applied to the net unsettled position.

If the ratio of these two amounts is equal to or less than this threshold, the MLA Charge will not be applied to the net unsettled position.

When applicable, an MLA Charge would be calculated as a proportion of the product of (1) the amount by which the ratio of the calculated market impact cost to a portion of the VaR Charge allocated to that net unsettled position exceeds the threshold, and (2) a portion of the VaR Charge allocated to that asset group.

The Corporation may apply a downward adjusting scaling factor based on the ratio of the calculated market impact cost to a portion of the VaR Charge to result in a final MLA Charge, where a higher ratio would trigger a larger downward adjustment of the MLA Charge and a lower ratio would trigger no downward adjustment of the MLA Charge.

On pages 50-58 of the Proposed Rule Change, please replace the text of Exhibit 3a (Impact Study Data) of the Proposed Rule Change in its entirety with the following text (The following pages are redacted and filed separately with the Commission. Confidential treatment of such is being requested pursuant to 17 CFR 240.24b-2.):

PAGE REDACTED IN ITS ENTIRETY

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First Name * Jacqueline Last Name * Chezar
 Title * Executive Director and Associate General Counsel
 E-mail * [REDACTED]
 Telephone * [REDACTED] Fax

Signature

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Date 08/13/2020 Managing Director and Deputy General Counsel
 By Nikki Poulos [REDACTED]
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Amendment No. 1 to SR-FICC-2020-802

Fixed Income Clearing Corporation is filing this partial amendment to SR-FICC-2020-802 (“Advance Notice”), which was filed with the Securities and Exchange Commission (“Commission”) on July 30, 2020.

Please replace the text on page 9 of the Advance Notice with the following text (**bold, underlined text** represents additional language to the original proposed text):

FICC would then compare the calculated market impact cost to a portion of the VaR Charge that is allocated to net unsettled positions in those asset groups.¹³ If the ratio of the calculated market impact cost to the 1-day VaR Charge is greater than a threshold, an MLA charge would be applied to that asset group.¹⁴ If the ratio of these two amounts is equal to or less than this threshold, an MLA charge would not be applied to that asset group. The threshold would be based on an estimate of the market impact cost that is incorporated into the calculation of the 1-day VaR charge, such that an MLA charge would apply only when the calculated market impact cost exceeds this threshold.

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For each Member portfolio, FICC would add the MLA charges for net unsettled positions in each asset group to determine a total MLA charge for a Member.

Please replace the text on pages 30-31 of the Advance Notice with the following text (**bold, underlined text** represents additional language to the original proposed text):

FICC would then compare the calculated market impact cost to a portion of the VaR Charge that is allocated to net unsettled positions in those asset groups.¹⁶ If the ratio of the calculated market impact cost to the 1-day VaR Charge is greater than a threshold, an MLA charge would be applied to that asset group.¹⁷ If the ratio of these two amounts is equal to or less than this threshold, an MLA charge would not be applied to that asset group. The threshold would be based on an estimate of the market impact cost that is incorporated into the calculation of the 1-day VaR charge, such that an MLA charge would apply only when the calculated market impact cost exceeds this threshold.

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Please replace the text on page 301 of the Advance Notice with the following text (**bold, underlined, yellow highlighted text** represents additional language to the original proposed text):

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On pages 50-58 of the Advance Notice, please replace the text of Exhibit 3a (Impact Study Data) of the Advance Notice in its entirety with the following text (The following pages are redacted and filed separately with the Commission. Confidential treatment of such is being requested pursuant to 17 CFR 240.24b-2.):

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