



April 1, 2024

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

**Re: File No. SR-FICC-2024-003; Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change to Adopt a Minimum Margin Amount at GSD**

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> and the Asset Management Group of SIFMA<sup>2</sup> appreciate the opportunity to respond to the above referenced rule proposal (“Minimum Margin Proposal”) from the Fixed Income Clearing Corporation (“FICC”). We write to request an extension of the comment period on this rule for the reasons set forth below. We request that the comment period be extended at least an additional 21 days to give interested parties a full opportunity to review and provide comments.

SIFMA believes that appropriate levels of margin are critical to the robustness of any central counterparty and are important for ensuring financial market stability. As the sole central clearing counterparty for transactions in U.S. Treasury securities and for repurchase and reverse repurchase transactions involving U.S. Treasury securities, FICC plays an important role in this market and care must be taken to ensure that material changes to the margin calculation models do not negatively impact the Treasury securities market. Indeed, with the implementation of the

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<sup>1</sup> SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

<sup>2</sup> SIFMA AMG brings the asset management community together to provide views on U.S. and global policy and to create industry best practices. SIFMA AMG's members represent U.S. and global asset management firms whose combined assets under management exceed \$45 trillion. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private funds such as hedge funds and private equity funds.

SEC's rule requiring significant increases in Treasury central clearing, FICC's role in the market only increases.<sup>3</sup> The Treasury securities market is the deepest and most liquid securities market, and the liquidity of Treasury securities supports the many functions this market performs within the overall financial system, so it is extremely important that significant changes to the overall risk management of FICC be reviewed comprehensively.

The Minimum Margin Proposal contains potential changes to FICC rules that are significant and given the other recently published FICC rule change proposals that would implement the SEC's Treasury clearing requirements,<sup>4</sup> we believe it would be appropriate to extend the comment period to allow market participants sufficient time to analyze and prepare comments if appropriate.

We do not believe that the allotted time is sufficient for the necessary review. A 21-day comment period is too short as firms need to consult with a number of different functional areas within their firms to assess the impact of these changes. As noted above, this proposal has also been published for comment at the same time as the Market Access Proposal and the Margin Seg Proposal (with comments due for the Market Access Proposal on April 17 and the Margin Seg Proposal on April 18) and at the same time as firms are organizing and ramping up efforts to fully implement the SEC's Treasury clearing rule.

While we acknowledge that it is important that FICC ensure that its risk management requirements are robust, it is also important that requirements be properly calibrated and not unduly burden the market and impair the ability of some firms to participate in the FICC clearing process. This, if not calibrated correctly, could impair liquidity in the Treasury and Treasury repo markets.

We, as noted above, respectfully request an extension of the comment period to, at a minimum, add 21 days to the comment period due to the significance of the rule change, the difficulty for market participants to appropriately analyze the proposal in the allotted time and the importance to the financial system of the Treasury market. We note, as well, that the SEC has designated a longer period than the minimum time required for the SEC to act on the Minimum Margin Proposal.<sup>5</sup>

The additional time would allow SIFMA and its member firms to analyze more completely the proposed rule and its impacts, and share any suggestions or comments if necessary. This will ultimately aid the SEC in making its determination on this proposal.

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<sup>3</sup> See final SEC Treasury clearing rule at 89 FR 2714 (2024).

<sup>4</sup> See File Number SR-FICC-2024-005, Notice of Filing of Proposed Rule Change, as Modified by Partial Amendment No. 1, to Modify the GSD Rules to Facilitate Access to clearance and Settlement Services of All Eligible Secondary Market Transaction in U.S. Treasury Securities (Margin Access Proposal); File Number SR-FICC-2024-007, Notice of Proposed Rule Change to Modify the GSD Rule (i) Regarding the Separate Calculation, Collection and Holding of Margin for Proprietary Transactions and That for Indirect Participant Transactions, and (ii) to Address the Conditions of Note H to Rule 15c3-3a (Margin Seg Proposal).

<sup>5</sup> File SR-FICC-2024-003.

Please feel free to contact either of us with any questions ([rtoomey@sifma.org](mailto:rtoomey@sifma.org) or 212.313.1124 or [bthum@sifma.org](mailto:bthum@sifma.org) or 202.962.7381) or for more information, and we thank you for your consideration of this request.

Sincerely,



Robert Toomey  
Head of Capital Markets  
Managing Director/Associate General Counsel



William C. Thum  
Managing Director and Assistant General Counsel