

MEMORANDUM

To: SR-FICC-2024-801

From: Office of Clearance and Settlement, Division of Trading and Markets

Re: Response to the Commission's Request for Additional Information

Date: May 13, 2024

On February 27, 2024, Fixed Income Clearing Corporation ("FICC") filed advance notice SR-FICC-2024-801 ("Advance Notice") with the U.S. Securities and Exchange Commission ("Commission") pursuant to Section 806(e)(1) of the Act¹ and Rule 19b-4(n)(1)(i) of the Securities Exchange Act of 1934.² The Advance Notice concerns proposed amendments to FICC's Government Securities Division ("GSD") Rulebook to incorporate a Minimum Margin Amount into the GSD margin methodology. The Commission published notice of the Advance Notice in the *Federal Register* on March 15, 2024,³ to solicit public comment and to extend the review period of the Advance Notice.⁴ The Commission has received comments regarding the substance of the changes proposed in the Advance Notice.⁵

On March 22, 2024, the Commission requested additional information from FICC pursuant to Section 806(e)(1)(D) of the Clearing Supervision Act.⁶ Pursuant to Section 806(e)(1) of the Clearing Supervision Act,⁷ the Commission's period of review of the Advance Notice was

¹ 12 U.S.C. 5465(e)(1).

² 17 CFR 240.19b-4(n)(1)(i).

³ Securities Exchange Act Release No. 99712 (March 11, 2024), 89 FR 18981 (March 15, 2024) (File No. SR-FICC-2024-801) ("Notice of Filing").

⁴ FICC also filed a related proposed rule change with the Commission pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 and Rule 19b-4 thereunder. 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4, respectively. FICC seeks approval of the proposed changes to its rules necessary to implement the Advance Notice (the "Proposed Rule Change"). The Proposed Rule Change was published in the *Federal Register* on March 15, 2024. Securities Exchange Act Release No. 99710 (March 11, 2024), 89 FR 18991 (March 15, 2024) (SR-FICC-2024-003). On March 25, 2024, the Commission published a notice designating a longer period of time for Commission action on the Proposed Rule Change. Securities Exchange Act Release No. 99769 (March 19, 2024) 89 FR 20716 (March 25, 2024) (SR-FICC-2024-003).

⁵ Comments on the Advance Notice are available at <https://www.sec.gov/comments/sr-ficc-2024-801/srficc2024801.htm>. Comments on the Proposed Rule Change are available at <https://www.sec.gov/comments/sr-ficc-2024-003/srficc2024003.htm>. Because the proposals contained in the Advance Notice and the Proposed Rule Change are the same, the Commission considers all comments received on the proposal, regardless of whether the comments are submitted with respect to the Advance Notice or the Proposed Rule Change.

⁶ See 12 U.S.C. 5465(e)(1)(D).

⁷ See 12 U.S.C. 5465(e)(1)(E) and (G).

tolled and shall be 120 days from the date the information requested is received by the Commission absent an additional information request.⁸

On April 26, 2024, the Commission received FICC's response to the Commission's request for additional information. Accordingly, August 23, 2024, is the date by which the Commission shall notify FICC of an objection regarding the Advance Notice, unless the Commission requests further information for consideration of the Advance Notice.

⁸ *See* 12 U.S.C. 5465(e)(1)(H) (indicating that the Commission may, during the 60-day review period, extend the review period for an additional 60 days for proposed changes that raise novel or complex issues).