

## MEMORANDUM

To: SR-FICC-2024-802

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

Re: Commission's Request for Additional Information

Date: April 24, 2024

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On March 14, 2024, Fixed Income Clearing Corporation (“FICC”) filed advance notice SR-FICC-2024-802 (“Advance Notice”) with the U.S. Securities and Exchange Commission (“Commission”) pursuant to Section 806(e)(1) of the Act<sup>1</sup> and Rule 19b-4(n)(1)(i) of the Securities Exchange Act of 1934.<sup>2</sup> The Advance Notice concerns FICC’s proposal to modify its Government Securities Division (“GSD”) Rulebook to calculate, collect, and hold margin for proprietary transactions of a Netting Member separately from margin that the Netting Member submits to FICC on behalf of indirect participants and to address conditions of Note H to Rule 15c3-3a under the Act.<sup>3</sup> The Commission published notice of the Advance Notice in the *Federal Register* on March 28, 2024, to solicit public comment and to extend the review period of the Advance Notice.<sup>4</sup> The Commission has received comments regarding the substance of the changes proposed in the Advance Notice.<sup>5</sup>

On April 24, 2024, the Commission requested additional information from FICC pursuant to Section 806(e)(1)(D) of the Clearing Supervision Act.<sup>6</sup>

Pursuant to Section 806(e)(1) of the Clearing Supervision Act,<sup>7</sup> the Commission’s period of review of the Advance Notice is tolled and shall be 120 days from the date the information requested is received by the Commission absent an additional information request.<sup>8</sup>

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<sup>1</sup> 12 U.S.C. 5465(e)(1).

<sup>2</sup> 17 CFR 240.19b-4(n)(1)(i).

<sup>3</sup> See Securities Exchange Act Release No. 99149 (Dec. 13, 2023), 89 FR 2714 (Jan. 16, 2024) (S7-23-22). See also 17 CFR 240.15c3-3a.

<sup>4</sup> Securities Exchange Act Release No. 99845 (Mar. 22, 2024), 89 FR 21586 (Mar. 28, 2024) (File No. SR-FICC-2024-802).

<sup>5</sup> Comments on the Advance Notice are available at <https://www.sec.gov/comments/sr-ficc-2024-802/srficc2024802.htm>.

<sup>6</sup> See 12 U.S.C. 5465(e)(1)(D).

<sup>7</sup> See 12 U.S.C. 5465(e)(1)(E) and (G).

<sup>8</sup> 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).