

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-MIAX-2020-08 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2020-08. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MIAX-2020-08, and should be submitted on or before May 26, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88766; File No. SR-FICC-2020-005]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the Government Securities Division Rulebook, Mortgage-Backed Securities Division Clearing Rules, and Mortgage-Backed Securities Division EPN Rules

April 29, 2020.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 27, 2020, Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(4) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of modifications to the FICC Government Securities Division ("GSD") Rulebook ("GSD Rules"), the FICC Mortgage-Backed Securities Division ("MBSD") Clearing Rules ("MBSD Rules") and the FICC MBSD EPN Rules ("EPN Rules," and together with the GSD Rules and the MBSD Rules, the "Rules") to: (i) Delete terms that are no longer used in the GSD Rules; (ii) delete references to services and service-related provisions that are no longer provided and/or active in the GSD Rules and the MBSD Rules; (iii) delete certain dates in the GSD Rules and the MBSD Rules; (iv) make certain clarifications in the Rules; (v) make certain corrections to the Rules; (vi) replace an officer title in the GSD Rules and the MBSD Rules; (vii) add a disclaimer regarding trademarks and servicemarks in the Rules and conform the usage of the registered trademark symbol in the GSD Rules; and (viii) make certain technical changes to the Rules.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).

⁵ Capitalized terms used herein and not defined shall have the meanings assigned to such terms in

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

FICC is proposing to (i) delete terms that are no longer used in the GSD Rules; (ii) delete references to services and service-related provisions that are no longer provided and/or active in the GSD Rules and the MBSD Rules; (iii) delete certain dates in the GSD Rules and the MBSD Rules; (iv) make certain clarifications in the Rules; (v) make certain corrections to the Rules; (vi) replace an officer title in the GSD Rules and the MBSD Rules; (vii) add a disclaimer regarding trademarks and servicemarks in the Rules and conform the usage of the registered trademark symbol in the GSD Rules; and (viii) make certain technical changes to the Rules.

(i) Proposal To Delete Terms That Are No Longer Used in the GSD Rules

FICC is proposing to remove the following defined terms and definitions in GSD Rule 1⁶ as these terms are defined, but not otherwise used, in the GSD Rules. Specifically, the terms proposed to be deleted are:

- "Announcement Date"
- "Collateral Management Service"
- "Money-Fill Repo Transaction"
- "Money Settlement Obligations"
- "Non-Zero"
- "Par-Fill Repo Transaction"
- "Refunding Issue Date"
- "Remaining Member"

the GSD Rules, MBSD Rules and EPN Rules, as applicable, available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

⁶ GSD Rule 1, *id*.

²⁴ 17 CFR 200.30-3(a)(12).

(ii) Proposal To Delete References to Services and Service-Related Provisions That Are No Longer Provided and/or Active in the GSD Rules and the MBSD Rules

A. GSD Rules

(1) Freddie Mac Auctions

The GSD Rules contain provisions related to Auction Purchases of Eligible Freddie Mac Securities, which is a service that was not utilized⁷ and which FICC does not expect to be utilized. As such, FICC proposes to delete all provisions associated with this service.

Specifically, FICC is proposing to make the following changes in GSD Rule 1:

- a. Delete the last two sentences in the definition of “Auction Purchase” because these sentences relate to Freddie Mac auctions.
- b. Delete the last sentence in the definition of “Average Auction Price” because this sentence relates to Freddie Mac auctions.
- c. Delete the defined term “Eligible Freddie Mac Security.”
- d. Delete the words “or Eligible Freddie Mac Securities” in the definition of “Issue Date.”
- e. Delete the last sentence in the definition of “Netting-Eligible Auction Purchase” because this sentence relates to Freddie Mac auctions.
- f. Delete the words “or an Eligible Freddie Mac Security” in the definition of “When Issued Transaction.”

Additionally, FICC is proposing to delete the following references in the GSD Rules to Freddie Mac auctions:

1. The second paragraph in Section 3 of GSD Rule 6C because this paragraph relates to Freddie Mac auctions.
2. The words “or Freddie Mac, as applicable,” from the only paragraph in Section 8 of GSD Rule 6C.
3. The third paragraph in Section 11 of GSD Rule 6C because this paragraph relates to Freddie Mac submitting data regarding a Netting Eligible Auction Purchase. FICC is also proposing to delete the words “or a Freddie Mac auction” and “or Freddie Mac, as applicable” each time these words appear in Section 11 of GSD Rule 6C.
4. The words “or Freddie Mac” from the only paragraph in Section 3 of GSD Rule 17.
5. The words “or Freddie Mac, as applicable,” each time the phrase appears in Section 4 of GSD Rule 17. In addition, FICC proposes to delete the words “or a Freddie Mac auction” and the sentence “Notwithstanding the foregoing, the Corporation must make this notification to Freddie Mac as soon as it is practicable for it to do so.” in Sections 4 of GSD Rule 17. FICC is also proposing to delete two phrases that reference Freddie Mac in Section 5 of GSD Rule 17 and delete the two references to “or Freddie Mac” in Section 6 of GSD Rule 17.

6. Section 7 of GSD Rule 17 because it relates to Freddie Mac auctions.

In connection with the foregoing proposed changes regarding Freddie Mac auctions, FICC is proposing to delete the defined term “Issuer” from GSD Rule 1 because the term only appears in Section 7 of GSD Rule 17, which FICC is proposing to delete. The defined term is not used in connection with the Treasury Department.

Finally, the GSD Rules contain a list of Designated Locked-In Trade Sources, who can submit trade data for Locked-In Trades. Currently, Freddie Mac is listed as a Designated Locked-In Trade Source. FICC is proposing to delete the reference to Freddie Mac from this list.

(2) Inter-Clearing Bank GCF Repo Service

In 2016, the Commission approved FICC’s proposed rule change to suspend the interbank service of the GCF Repo Service.⁸ The GCF Repo Service has operated on both an “interbank” and “intraday” basis.⁹ “Interbank” means that the two GCF Repo Participants, which have been matched in a GCF Repo transaction, each clear at a different clearing bank.¹⁰ “Intraday” means that the two GCF Repo Participants, which have been matched in a GCF Repo transaction, clear at the same clearing bank.¹¹

FICC does not expect to reinstitute the interbank service of the GCF Repo Service at this time and is proposing to remove all references to this service. Specifically, the following changes would be made:

- a. In GSD Rule 1, FICC is proposing to delete “or interbank collateral allocation unwinds” in the defined term “Early Unwind Intraday Charge.”
- b. In GSD Rule 1, FICC is proposing to delete the following defined terms because they relate to the interbank service.
 - “Entitlement Holder”
 - “GCF Collateral Excess Account”
 - “GCF Custodian Bank”
 - “GCF Premium Charge”
 - “GCF Repo Event”
 - “GCF Repo Event Parameter”
 - “GCF Repo Event Clearing Fund Premium”
 - “GCF Repo Event Carry Charge”
 - “Interbank Cash Amount Debit”
 - “Interbank Pledging Member”
 - “NFE-Related Account”
 - “NFE-Related Collateral”
 - “Prorated Interbank Cash Amount”
 - “Securities Account Agreement”
 - “Security Entitlement”

⁸ Securities Exchange Act Release No. 78206 (June 30, 2016), 81 FR 44388 (July 7, 2016) (SR-FICC-2016-002).

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

c. In Section 2 of GSD Rule 3, FICC would remove the fourth to last paragraph because the paragraph relates to the interbank service.

d. In Section 11 of GSD Rule 3B, FICC would remove subpart (a)(iii) because (a)(iii) relates to the interbank service. In connection with this proposed change, FICC would renumber current romanettes iv and v to account for this deletion.

e. In Section 1b(a)(iii) of GSD Rule 4, FICC would remove “the GCF Premium Charge and/or GCF Repo Event Premium and/or” because these terms relate to the interbank service.

f. In Section 3 of GSD Rule 20, FICC would remove the current third (beginning with “If an Interbank Pledging Member . . .”) and fourth (beginning with “The Corporation shall be entitled . . .”) to last paragraphs because these paragraphs relate to the interbank service.

g. FICC is proposing to delete the provisions of Section 3a of GSD Rule 20. This section describes scenarios when FICC would declare a GCF Repo Event. These instances relate to the interbank service, and therefore, FICC is proposing to delete this section. In connection with this proposed change, FICC would rename Section 3a “[RESERVED]” in order to not impact the numbering of the rest of the sections.

h. FICC is proposing to delete the entirety of Section 7 of GSD Rule 20 because this Section relates to the interbank service.

i. FICC is proposing to delete the current description of the 7:30 a.m. to 2:30 p.m. timeframe in the Schedule of GCF Repo Timeframes because this deadline relates to the interbank GCF Repo Service.

j. FICC is proposing to delete “, inclusive of inter-bank” in subsection (c) of Section IV.B.4 of the Fee Structure.

k. FICC is proposing to delete subsection (d) of Section IV.B.4 of the Fee Structure because this subsection relates to the interbank service. In connection with this proposed change, FICC would change current subsection (e) to (d).

(3) Proposal To Delete References to a Former FICC Clearing Bank From the GSD Rules

FICC is proposing to remove provisions related to J.P. Morgan (“JPM”) providing clearing bank services to FICC and its Members as JPM is no longer providing this service. Specifically, FICC is proposing to:

a. Delete “and J.P. Morgan Chase (“JPM”), as applicable,” in subsection (a) of Section IV.B.4 of the Fee Structure.

b. Delete “and to Dealer Accounts at JPM,” in subsection (c) of IV.B.4 of the Fee Structure.

c. Delete “For Dealer Accounts at BNY,” and capitalize the A in subsection (c)(i) of Section IV.B.4 of the Fee Structure because BNY is the sole bank providing clearing bank services to FICC.

d. Delete subsection (c)(ii) of Section IV.B.4 of the Fee Structure.

⁷ For the avoidance of doubt, the auction purchase service regarding Treasury securities is active, and remains as such.

(4) Proposal To Delete References to “Clearing Fund Funds-Only Settlement Amount”

FICC is proposing to delete references to the term “Clearing Fund Funds-Only Settlement Amount” because this is an outdated Clearing Fund component that should have been deleted when GSD moved to a VaR-based Clearing Fund methodology. As such, FICC proposes to delete this term from the definitions in GSD Rule 1. FICC would delete “and Clearing Fund Funds-Only Settlement Amounts” from the definitions of “Collected/Paid Amount” and “Opening Balance” and delete “and Clearing Fund Funds-Only Settlement Amount” from the subheading of Section 2 of GSD Rule 13. In addition, FICC proposes to delete the last paragraph of Section 2 of GSD Rule 13 because this paragraph covers the calculation of the Clearing Fund Funds-Only Settlement Amount, which is proposed to be deleted.

B. MBSD Rules

FICC is proposing to delete the terms “RTTM Compare Report” and “RTTM Purchase and Sale Report” from MBSD Rule 1 and delete references and a parenthetical associated with these terms in Section 8 of MBSD Rule 5. FICC no longer generates these reports. The information that was formerly contained in these Reports is currently contained in the Open Commitment Report and the Purchase and Sale Report.

(iii) Delete Certain Dates in the GSD Rules and MBSD Rules

FICC is proposing to remove certain historical dates contained in the GSD Rules and MBSD Rules related to specific provisions. These dates refer to either the effective date of a specific provision or when such provision was added to the GSD Rules and/or MBSD Rules. When there is an update to the GSD Rules or MBSD Rules, the effective date of the GSD Rules or MBSD Rules, as applicable, found on the top right corner of the first page of the GSD Rules and MBSD Rules is updated. This effective date covers all of the GSD Rules and MBSD Rules, as applicable, including schedules, interpretive guidance, fee structures and statements of policy. However, the dates contained in these certain schedules, interpretive guidance, fee structures and statements of policy are not updated to reflect the most recent effective date of the GSD Rules and MBSD Rules, as applicable.

FICC believes that the inclusion of these historical dates in the GSD Rules and MBSD Rules is superfluous and

confusing as the GSD Rules and MBSD Rules are effective as of the date listed on the first page. Therefore, FICC is proposing to remove these dates from the Schedule of Money Tolerances, Fee Structure, Board Statements of Policy and Interpretive Guidance with Respect to Watch List Consequences in the GSD Rules and the Interpretive Guidance with Respect to Watch List Consequences in the MBSD Rules.

(iv) Proposal To Make Certain Clarifications in the Rules

A. GSD Rules

(1) Amend Certain Defined Terms in GSD Rule 1 To Clarify Their Meaning

FICC is proposing the following changes to better clarify the meaning and usage of certain defined terms in GSD Rule 1. While these changes do not change the substance of the defined terms, FICC believes these revisions would enhance the clarity of these defined terms.

First, FICC is proposing to amend the definition of “Close of Business” to add language to include the deadline for final input of trade data by Members as noted in the Schedule of Timeframes, as the context requires. This clarification is necessary to make clear that for trade submission purposes, Close of Business is not 5 p.m. but rather the deadline noted in the Schedule of Timeframes.

Second, FICC is proposing to amend the definition of “Fannie Mae” in GSD Rule 1 by deleting a portion of the current definition and replacing it with language to define Fannie Mae as “the Federal National Mortgage Association.” FICC is proposing to define this entity solely by its entity name and not by its government status. FICC believes that the government status of these entities does not impact the usage of the defined term and is therefore unnecessary.

Third, FICC is proposing to amend the definition of “Forward-Starting Repo Transaction” in GSD Rule 1 to restate the definition in the way that is generally understood by FICC’s Members. Specifically, a forward-starting repo transaction is one which is scheduled to start one or more Business Days after the date it is submitted to FICC. FICC believes that the current way the term is defined, by reference to when the trade is compared by FICC, could cause confusion.

Fourth, FICC is proposing to amend the definition of “Forward Trade” in GSD Rule 1 to restate the definition in the way it is generally understood by FICC’s Members. Specifically, a forward trade is one that settles two or more Business Days after the date it is submitted to FICC. In addition, FICC is

proposing to amend the definition of this term to make clear that it does not include Repo Transactions to reflect the way in which the term is used in the rest of the GSD Rules.

Fifth, FICC is proposing to amend the definition of “Government Securities Division” in GSD Rule 1 to add “or GSD” to the defined term and the definition. FICC has determined that both the terms “Government Securities Division” and “GSD” are used interchangeably in the GSD Rules to refer to GSD.

Sixth, FICC is proposing an additional revision to the defined term “Government Securities Division” in GSD Rule 1. The definition currently states that GSD provides clearing and other services related to government securities. FICC is proposing to change the reference from “government securities” to “Eligible Securities” for clarification purposes. Government securities are included in the definition of the term “Eligible Securities” and FICC believes that the term Eligible Securities better reflects the services that GSD provides.

Seventh, FICC is proposing to amend the definition of “Right of Substitution” to clarify the timing as to when a Repo Party may substitute new collateral in replacement of existing collateral transferred to the Reverse Repo Party. The phrase “during the period from the start of the Repo Transaction until its close” is vague. FICC is proposing to revise this language to read “during the period immediately after the Scheduled Settlement Date for the Start Leg of the Repo Transaction until the day prior to the Scheduled Settlement Date for the End Leg of the Repo Transaction.”

(2) Amend Certain Provisions in the GSD Rules To Clarify Their Meaning

FICC is proposing the following changes to better clarify the meaning of certain provisions in the GSD Rules. While these changes do not change the substance of the provisions, FICC believes these revisions would enhance the clarity of these provisions.

First, FICC is proposing to amend Section 14(c) of GSD Rule 3A (Sponsoring Members and Sponsored Members). This Section covers a scenario where FICC ceases to act for a Sponsoring Member in its capacity as a Sponsoring Member. FICC is proposing to add a sentence that gives FICC the discretion to determine whether to close-out the affected Sponsored Member Trades and/or to permit the Sponsored Members to complete their settlement. This sentence appears in Section 16(b) of GSD Rule 3A, which describes a scenario where FICC has

determined to treat a Sponsoring Member as insolvent. Both of these Sections describe similar situations and processes and therefore, for clarification purposes and consistency, FICC is proposing to add the sentence that appears in Section 16(b) to Section 14(c).

Second, FICC is proposing to replace “minimum Clearing Fund requirement” with the defined term “Minimum Charge” in the second to last paragraph in Section 1b of GSD Rule 4. FICC believes that using the defined term here would remove any confusion that may arise as to whether the existing language differs from the defined term.

Third, FICC is proposing to amend Section 4 of GSD Rule 18 by adding an additional sentence that states, “This paragraph does not apply to GCF Repo Transactions.” Section 4 provides instructions as to how a submitted General Collateral Repo Transaction that is also a Forward-Starting Repo Transaction may be included in a Member’s Net Settlement Position of the Repo Start Date. The GSD Rules provide that the term General Collateral Repo Transactions generally do not include GCF Repo Transactions (unless the context indicates otherwise).¹² Consistent with this definition, the proposed language would explicitly state that this Section does not apply to GCF Repo Transactions.

Fourth, FICC is proposing to move certain paragraphs within Section 3 of GSD Rule 20 and between Section 3 of GSD Rule 20 and Section 4 of GSD Rule 20 in order to improve the flow of these sections and the readability and also to put paragraphs under the more appropriate subheadings. These changes are as follows:

a. Move the current fourth paragraph of Section 3 beginning “Every Collateral Allocation Entitlement and Collateral Allocation Obligation . . .” to become part of the current first paragraph of Section 3.

b. Make the first two sentences of the current first paragraph of Section 3 a separate paragraph, and move the remaining sentences of the current first paragraph of Section 3 into the following paragraph, so the second paragraph of Section 3 would begin with the sentence “If a Netting Member does not satisfy its consequent Collateral Allocation Obligation . . .”.

c. Move the current sixth paragraph of Section 3 beginning “A Netting Member that has, on a particular Business Day, . . .” to follow the newly created paragraph discussed in the previous bullet.

d. Delete the current first paragraph of Section 4 because it does not relate to the subheading of Section 4 and is substantially similar to an existing paragraph in Section 3.

e. Move the current eighth paragraph of Section 3 beginning “On any Business Day (within the timeframes established by the Corporation . . .” to Section 4.

Fifth, FICC is proposing to amend Section 4 of GSD Rule 20 by adding a new paragraph that clarifies that a Netting Member may substitute collateral for cash in addition to substituting cash for collateral as this reflects current practice.

Sixth, FICC is proposing to add the word “and intraday” before “funds-only settlement” in the second 12:00 p.m. deadline and the 2:00 p.m. deadlines in the Schedule of Timeframes. FICC believes that the word “intraday” was inadvertently omitted in these two deadlines.

Seventh, FICC is proposing to amend the explanatory note in the Schedule of Timeframes related to the third 12:00 p.m. deadline, the 12:30 p.m. deadline and the 1:00 p.m. deadline. The note currently states that FICC may extend certain deadlines by one hour on days that FICC determines are high volume days or SIFMA has announced in advance will be high volume days. From an operational practice, FICC does not define high volume days. Additionally, SIFMA, as part of its operational procedures, no longer announces high volume days in advance. FICC is proposing to amend the note to allow FICC to extend deadlines on days that operational or systems difficulties would reasonably prevent members from satisfying the applicable deadline. FICC believes that this proposed change reflects the current practice as is stated in the previous footnote in the Schedule of Timeframes.

Eighth, FICC is proposing to amend subpart 1 of the Schedule of Required and Accepted Data Submission Items for Substitution. The Schedule lists the additional data items related to a Repo Transaction that are required to be received by FICC in order for FICC to process a substitution. The first data item on the list is the “Specific Existing Securities Collateral CUSIP Number.” FICC believes that the current formulation of this data item may be unclear and cause confusion as to the data item’s intended meaning. FICC proposes to revise subpart 1 to read, “the Specific CUSIP Number for the Existing Securities Collateral;”.

Ninth, FICC is proposing to amend subpart 1 of the Schedule of Required and Accepted Data Submission Items for New Securities Collateral. The Schedule lists the additional data items related to a Repo Transaction that are required to be received by FICC in order for FICC to process a substitution. The first data item on the list is the “Specific Existing

Securities Collateral CUSIP Number.” FICC believes that the current formulation of this data item may be unclear and cause confusion as to the data item’s intended meaning. Furthermore, this schedule refers to New Securities Collateral, while the data item refers to the “Specific Existing Securities Collateral.” FICC proposes to revise subpart 1 to read, “the Specific CUSIP Number for the New Securities Collateral;”. FICC believes that the reference to “Existing Securities Collateral” was made in error.

(3) Revise the Defined Term “Close Leg” to “End Leg”

FICC is proposing to replace the defined term “Close Leg” with the term “End Leg” and move “End Leg” to its correct placement alphabetically. The terms “Close Leg” and “End Leg” refer to the concluding settlement aspects of a Repo Transaction. FICC is proposing to replace Close Leg with End Leg because in the industry, “End Leg” is more often associated with “Start Leg” (which refers to the initial aspects of the settlement of a Repo Transaction and which term exists in the GSD Rules currently). FICC believes that this revision would enhance clarity in the GSD Rules.

In connection with the change, FICC would revise all the references to “Close Leg” to “End Leg.” This includes revising the defined term “Coupon-Eligible Close Leg” to “Coupon-Eligible End Leg” to make it consistent with the newly revised term, “End Leg.”

FICC would also revise “Close Leg” to “End Leg” in the following defined terms in GSD Rule 1 and move them into alphabetical order as necessary:

- a. “Contract Value”;
- b. “Coupon Adjustment Payment”;
- c. “Coupon-Eligible Close Leg” (including from “a Close Leg” to “an End Leg,” as applicable);
- d. “Credit Coupon Adjustment Payment”;
- e. “Debit Coupon Adjustment Payment”;
- f. “Fail Net Long Position”;
- g. “Fail Net Short Position”;
- h. “Forward Net Settlement Position”;
- i. “GCF Interest Rate Mark”;
- j. “Interest Rate Mark”;
- k. “Long Transaction”;
- l. “Repo Interest Rate Differential”;
- m. “Scheduled Settlement Date” (from “a Close Leg” to “an End Leg”);
- n. “Short Transaction”;
- o. “System Repo Rate”;
- p. “Term GCF Repo Transaction”; and
- q. “Term Repo Transaction”

FICC would amend the reference to “a Close Leg” with “an End Leg” in the first sentence of the second paragraph of Section 2 of GSD Rule 11 (which begins “Except to the extent that . . .”) and would amend “Close Leg” to read as

¹² See GSD Rule 1, definition of “General Collateral Repo Transaction,” *supra* note 5.

“End Leg” in subsections (ii), (iii) and current (vi) of the same paragraph. FICC would replace “Close Leg” with “End Leg” in Section 1(j) of GSD Rule 13, Section 5 of GSD Rule 18, Section 5 of GSD Rule 19, and the Schedule of Required and Other Data Submission Items For GCF Repo Transactions. FICC would also replace “a Close Leg” with “an End Leg” in Section VIII of the Fee Structure and “Close Leg” to “End Leg” the two times it appears.

In connection with this change and for alphabetical purposes, FICC is proposing to move the definition of “End Leg” from after the defined term “Clearing Organization” to after the defined term “Eligible Treasury Security” in GSD Rule 1.

(4) Clarify Certain GSD Rules Related to Inter-Dealer Broker Netting Members and Related Provisions

FICC is proposing to amend certain definitions and provisions related to “Inter-Dealer Broker Netting Members,” “Non-IDB Repo Brokers,” “Repo Brokers,” “Inter-Dealer Brokers” and “GCF-Authorized Inter-Dealer Brokers” in order to enhance the clarity of these provisions.

a. Clarifying Changes to GSD Rule 1 and the Fee Structure

By way of background, a “Repo Broker” is a member firm that acts in a brokered capacity with respect to activity in its Segregated Repo Account; there are two types of members that can be Repo Brokers: Inter-Dealer Broker Netting Members and non-IDB Repo Brokers.

FICC is proposing to amend the definition of “Non-IDB Repo Broker” in GSD Rule 1 by clarifying the characteristics of this type of broker. Specifically, FICC is proposing to move the description from the definition of “Repo Broker” to the definition of “Non-IDB Repo Broker.” FICC is also proposing to replace the reference to “Repo Broker” in the definition of “Non-IDB Repo Broker” with “Netting Member” to clarify that a Non-IDB Repo Broker is a Netting Member.

In connection with the proposed change discussed in the previous paragraph, FICC is proposing to delete the description contained in romanette (ii) in the definition of “Repo Broker.” Since this information would now be described in the definition of “Non-IDB Repo Broker,” FICC would replace this information with “a Non-IDB Repo Broker with respect to activity in its Segregated Repo Account.” The definition of “Repo Broker” previously included a reference to an Inter-Dealer

Broker Netting Member and the full description of a Non-IDB Repo Broker.

In the definition of “Brokered Repo Transaction” in GSD Rule 1, FICC is proposing to replace “an Inter-Dealer Broker Netting Member or Non-IDB Repo Broker with respect to activity in its Segregated Repo Account” with “a Repo Broker.” The proposed amended definition of “Repo Broker” refers to both Inter-Dealer Broker Netting Members and Non-IDB Repo Brokers with respect to activity in their Segregated Repo Accounts. FICC believes that this proposed change will enhance the readability of the GSD Rules by replacing these terms with the defined term.

Additionally, in connection with the proposed change to the definition of “Repo Broker,” FICC is proposing to delete Section IV.D of the Fee Structure, which is a definition of “Repo Broker” and is no longer necessary. In connection with this proposed change, FICC is proposing to delete “(as defined in subsection IV.D below)” in subsection 1(a) of Section IV.C of the Fee Structure since “Repo Broker” would no longer be defined in Section IV.D.

b. Clarifying Changes to Other Provisions and Rules

FICC is proposing to replace the reference to “Inter-Dealer Broker” with “Inter-Dealer Broker Netting Member” in the second sentence of Section 8(e) of GSD Rule 3. This Section describes the specific continuance standards that Inter-Dealer Broker Netting Members must comply with as ongoing membership requirements. FICC believes that this reference to “Inter-Dealer Broker” was incorrect and was intended to refer to “Inter-Dealer Broker Netting Members” as the rest of the paragraph does.

FICC is proposing to amend Section 2 of GSD Rule 6C to replace the reference to “Inter-Dealer Broker Netting Member” with “GCF Authorized Inter-Dealer Broker.” The term “GCF Authorized Inter-Dealer Broker” is more accurate in this respect because that is the term that is used regarding the GCF Repo Service. Similarly, FICC is proposing to amend the Schedule of GCF Repo Timeframes by removing the defined term “brokers” as set forth in the 7:00 a.m. timeframe and replacing the references to “Brokers” and “brokers” in the 7:00 a.m. and 3:00 p.m. timeframes, respectively, with “GCF-Authorized Inter-Dealer Brokers,” the more accurate defined term in this respect.

c. Proposed Changes Replacing References to “Inter-Dealer Broker Netting Member” and “Non-IDB Repo Broker”

Given the proposed rule changes discussed above in connection with the definition of “Repo Broker,” FICC proposes to delete references to “Inter-Dealer Broker Netting Members” and “Non-IDB Repo Brokers” when the context refers to both of these entity types and replace them with the term “Repo Broker.” In addition, there are instances where FICC proposes to replace “Inter-Dealer Broker Netting Member” with “Repo Broker” in order to reflect current practice. Specifically, FICC proposes the following:

i. Amend the definition of “GCF-Authorized Inter-Dealer Broker” in GSD Rule 1 to replace the two current references to “an Inter-Dealer Broker Netting Member” with “a Repo Broker.”

ii. Amend the definition of “Submitting Member” in GSD Rule 1 to replace the current reference to “an Inter-Dealer Broker” with “a Repo Broker.”

iii. Amend the second to the last paragraph of Section 1b of GSD Rule 4 by removing “an Inter-Dealer Broker Netting Member or a Netting Member that maintains one or more Broker Accounts” and replacing it with “a Repo Broker.”

iv. Replace the reference to “an Inter-Dealer Broker Netting Member” with “a Repo Broker” in Section 2(c) of GSD Rule 4.

v. Amend the subheading of Section 2 of GSD Rule 15 by replacing the reference to “Inter-Dealer Broker Netting Members” with “Repo Brokers.” In connection with this proposed change, FICC is proposing to replace the references to “Inter-Dealer Broker Netting Member” with “Repo Broker,” “an Inter-Dealer Broker Netting Member” with “a Repo Broker” and “Inter-Dealer Brokers” with “Repo Brokers” in the three paragraphs of this Section. Further, FICC would delete “Inter-Dealer Broker with the Non-Member” and replace it with “Repo Broker” in the third paragraph of Section 2 of GSD Rule 15.

vi. Amend the subheading of Section 2 of GSD Rule 19 by deleting “Inter-Dealer Broker Netting Members and non-IDB” so that only the reference to “Repo Brokers” remains.

vii. Amend the first paragraph of Section 2 of GSD Rule 19 by replacing “an Inter-Dealer Broker Netting Member or non-IDB Repo Broker” with “a Repo Broker.”

viii. Amend the second paragraph of Section 2 of GSD Rule 19 by replacing “An Inter-Dealer Broker Netting Member or a Non-IDB Repo Broker” with “A Repo Broker.” In both subsections (a) and (b) of this paragraph, FICC would delete “Inter-Dealer Broker Netting Member’s or Non-IDB” so that only “Repo Broker’s” remains.

ix. Amend the third paragraph of Section 2 of GSD Rule 19 by replacing “An Inter-Dealer Broker Netting Member or a Non-IDB Repo Broker” with “A Repo Broker.”

x. Amend the second sentence of Section 3 of GSD Rule 19 to replace “its counterparty Inter-Dealer Broker Netting Member or Non-

IDB Repo Broker with respect to activity in its Segregated Repo Account,” with “the Repo Broker’s counterparty.”

xi. Amend subpart 1 of the Schedule of Required Data Submission Items by replacing the reference to “an Inter-Dealer Broker Member” with “a Repo Broker.”

xii. Replace the references to “Inter-Dealer Broker Netting Members” in Sections IV.A.1 and IV.B.1 of the Fee Structure with “Repo Brokers.”

xiii. Replace the reference to “Inter-Dealer Broker Netting Member” in the footnote to Section IV.A of the Fee Structure with “Repo Broker.”

d. Proposed Changes Related to “non-Inter-Dealer Broker Netting Members” and “non GCF Authorized Inter-Dealer Brokers”

FICC is proposing to amend the definition of “GCF Counterparty” in GSD Rule 1 to delete “non-Inter-Dealer Broker” and add “, other than a Repo Broker,”. The term “non-Inter-Dealer Broker Netting Member” is not a defined term in the GSD Rules and FICC believes that this term is confusing. FICC believes that this term was intended to refer to Netting Members, other than Repo Brokers. FICC proposes the following:

i. Amend the second half of the third paragraph of Section 2 of GSD Rule 19 by replacing the reference to “non-Inter-Dealer Broker Netting Members” with “Netting Member counterparties.”

ii. Amend the subheading of Section 3 of GSD Rule 19 by replacing the reference to “a Non-Inter-Dealer Broker Netting Member” with “Netting Members With Respect to Their Brokered Repo Transactions,” as this change would reflect the purpose of this section. FICC is also proposing to replace the reference to “non-Inter-Dealer Broker Netting Member” in the first sentence of this Section with “Netting Member whose counterparty is a Repo Broker.” Furthermore, FICC is proposing to replace the reference to “a Non-Inter-Dealer Broker Netting Member” in the second sentence of this Section with “the Netting Member.”

iii. Amend Section 4 of GSD Rule 19 by deleting “Non-Inter-Dealer Broker” and adding “of the Repo Broker.”

FICC is proposing to replace the reference to “non Inter-Dealer Broker Member” with “GCF Counterparty to the GCF Authorized Inter-Dealer Broker” in the second paragraph of Section I.G of the Fee Structure.

Finally, the last sentence of the second paragraph of Section I.G of the Fee Structure refers to the Inter-Dealer Broker Member. FICC believes that the more precise term for this provision would be “GCF-Authorized Inter-Dealer Broker” and proposes the changes to effectuate this replacement.

(5) Delete Certain Times in the Schedule of Timeframes

FICC is proposing to delete the 8:30 a.m. time and the 3:00 p.m. deadlines in the GSD Schedule of Timeframes because these are external deadlines that FICC and its Members cannot control.

B. MBSD Rules

(1) Amend Certain Defined Terms To Clarify Their Meaning

FICC is proposing the following changes to clarify the meaning and usage of certain defined terms in MBSD Rule 1. While these revisions do not change the substance of the defined terms, FICC believes these revisions would enhance the clarity of these defined terms.

First, FICC is proposing to amend the defined term “Clearing Members” to “Clearing Member.” The defined terms in MBSD Rule are generally defined in their singular form. For example, the term “Dealer” is defined as “Dealer” and not “Dealers.” FICC uses the plural version of a defined term should the context necessitate. Furthermore, in the definition of “Clearing Members” FICC references the term “Clearing Member.”

Second, FICC is proposing to amend the definition of “Mortgage-Backed Securities Division” in MBSD Rule 1 to add “or MBSD” to the defined term and the definition. FICC has determined that both the terms “Mortgage-Backed Securities Division” and “MBSD” are used interchangeably in the MBSD Rules to refer to MBSD.

(2) Add Defined Terms to MBSD Rule 1

FICC is proposing to add two defined terms to MBSD Rule 1 in an effort to enhance the clarity of the MBSD Rules.

First, FICC is proposing to add the defined term “EPN Rules.” FICC is proposing this rule change because the term “EPN Rules” is used in the definition of “EPN Service.” FICC would define “EPN Rules” as “the rules of the Corporation relating to the EPN Service, as amended from time to time.”

Second, FICC is proposing to add the defined term “EPN User.” FICC is proposing this rule change because the term “EPN User” is used in the definition of “EPN Service.” FICC proposes to define “EPN User” the way in which the term is defined in the EPN Rules.

(3) Amend Certain Provisions To Clarify Their Meaning

FICC is proposing the following changes to clarify the meaning of certain provisions in the MBSD Rules. While these revisions do not change the

substance of the provisions, FICC believes these revisions would enhance the clarity of these provisions.

First, in Section 8(ii) of MBSD Rule 3, FICC is proposing to change the reference “EPN Only Members” to “EPN Users that are not Clearing Members.” “EPN Only Members” is not a defined term in the MBSD Rules and refers to EPN Users that are not Clearing Members. FICC believes that this change would enhance the clarity of the MBSD Rules by replacing an undefined term with a more useful descriptive phrase.

Second, in Section 6 of MBSD Rule 5, FICC is proposing to change the format of the first two paragraphs of this Section by deleting “a)” at the start of the second paragraph. There is no subsection b in this Section and therefore “a)” is superfluous and confusing. In connection with this proposed change, FICC is proposing to delete “The following Net Position Match Mode shall govern the comparison of” from the first paragraph. Since the section does not contain a list or additional subparts, FICC believes that this phrase can be confusing as it implies a list will be forthcoming. FICC proposes to start the section with “Each” and add “shall be governed by the” to the end of the current first paragraph. This addition would be used as the connecting phrase, and the next paragraph would be combined with the current first paragraph.

Third, additionally in Section 6 of MBSD Rule 5, FICC is proposing to capitalize the word “number” after CUSIP in order to reference the defined term “CUSIP Number.” FICC believes that the word “number” was inadvertently written with lowercase letters and that the current reference to CUSIP number was intended to refer to the defined term.

Fourth, FICC is proposing to amend the seventh paragraph of subsection (c) of MBSD Rule 17A by deleting the phrase “under a netting” from the phrase “netting under a netting.” FICC believes that this phrase is superfluous and creates confusion when reading this paragraph. The phrase “under a netting” does not provide any additional information and seems misplaced.

C. EPN Rules

(1) Amend Certain Defined Terms To Clarify Their Meaning

FICC is proposing the following changes to clarify the meaning and usage of certain defined terms in Rule 1 of Article I of the EPN Rules. While these revisions do not change the substance of the defined terms, FICC

believes these revisions would enhance the clarity of these defined terms.

First, FICC is proposing to make the following changes to the defined term “FNMA.” FNMA refers to the Federal National Mortgage Association. FICC is proposing to change the defined term “FNMA” to “Fannie Mae.” “Fannie Mae” is the defined term that is used in both the GSD Rules and the MBSD Rules.

FICC is also proposing to define Fannie Mae as the Federal National Mortgage Association. Fannie Mae is more commonly used when referring to the entity and FICC believes that this change would enhance clarity across the EPN Rules.

Second, FICC is proposing to make the following changes to the defined term “FHLMC.” FHLMC refers to the Federal Home Loan Mortgage Corporation. FICC is proposing to change the defined term “FHLMC” to “Freddie Mac.” “Freddie Mac” is the defined term that is used in both the GSD Rules and the MBSD Rules. Freddie Mac is more commonly used when referring to the entity and FICC believes that this change would enhance clarity across the EPN Rules.

FICC is also proposing to define “Freddie Mac” as the Federal Home Loan Mortgage Corporation. Currently, the FHLMC definition also refers to the fact that FHLMC is a corporate instrumentality of the United States of America. FICC is proposing to remove this reference in the revised definition of Freddie Mac. FICC believes that the government status of Freddie Mac does not affect the usage of the defined term and is therefore unnecessary. FICC is also proposing these changes to enhance consistency across the Rules as the GSD Rules and the MBSD Rules do not reference Freddie Mac’s government status.

Third, FICC is proposing to make the following changes to the defined term “GNMA.” GNMA refers to the Government National Mortgage Association. FICC is proposing to change the defined term “GNMA” to “Ginnie Mae.” “Ginnie Mae” is the defined term that is used in both the GSD Rules and the MBSD Rules. Ginnie Mae is more commonly used when referring to the entity and FICC believes that this change would enhance clarity across the EPN Rules.

FICC is also proposing to define “Ginnie Mae” as the Government National Mortgage Association. Currently, the GNMA definition also refers to the fact that GNMA is a corporate instrumentality of the U.S. Department of Housing and Urban Development. FICC is proposing to remove this reference in the revised definition

of Ginnie Mae. FICC believes that the government status of Ginnie Mae does not affect the usage of the defined term and is therefore unnecessary. FICC is also proposing these changes to enhance consistency across the Rules as the GSD Rules and MBSD Rules do not reference Ginnie Mae’s government status.

In connection with these proposed changes, FICC is proposing to revise the order in which the revised terms “Fannie Mae” and “Freddie Mac” appear in Rule 1 of Article I of the EPN Rules. While the current placement of “FHLMC” and “FNMA” are in correct alphabetical order, the revised term “Fannie Mae” should appear before “Freddie Mac.”

Finally, in connection with these proposed changes, FICC is proposing to amend the definition of “Mortgage-Backed Securities.” The defined terms “GNMA,” “FHLMC” and “FNMA” are used in this definition. FICC would change the references from “GNMA” to “Ginnie Mae,” “FHLMC” to “Freddie Mac” and “FNMA” to “Fannie Mae” to conform to the proposed changes described above.

(2) Amend the Governing Law Provision for Clarity

FICC is proposing to amend Section 1 of Rule 9, Article V of the EPN Rules to change the governing law provision so that it is consistent with similar provisions in the GSD Rules and MBSD Rules, and therefore provide clarity to Members. This proposed change would also conform the EPN provision to similar provisions in the GSD Rules and MBSD Rules, and therefore, provide clarity to members who use two or more of these services.

(v) Make Certain Corrections to the Rules

A. GSD Rules

(1) Capitalize Terms To Refer to the Defined Term as Set Forth in GSD Rule 1

Capitalized terms used throughout the GSD Rules have the meaning set forth in GSD Rule 1. FICC has determined that certain defined terms were subsequently not capitalized when later used in the GSD Rules. FICC believes that this was done inadvertently and proposes to amend these instances as follows:

a. Amend the definition of “Early Unwind Intraday Charge” in GSD Rule 1 by capitalizing the word “service” in the phrase “GCF Repo service” to reflect the defined term, “GCF Repo Service” as set forth in GSD Rule 1.

b. Capitalize the two current references to “broker” in Section 8(e) of GSD Rule 3 in order to reflect to the defined term “Broker” as set forth in GSD Rule 1.

c. Capitalize “federal funds rate” both times it appears in the second paragraph of Section 14 of GSD Rule 11 in order to reflect to the defined term “Federal Funds Rate” as set forth in GSD Rule 1.

d. Capitalize “brokered transaction” in the Schedule of Required Data Submission Items in order to reflect the defined term, “Brokered Transaction” as set forth in GSD Rule 1.

e. Capitalize “Transaction” in subpart (6) of the Schedule of Required and Accepted Data Submission Items for a Substitution and in subpart (6) of the Schedule of Required and Accepted Data Submission Items for New Securities Collateral to reflect the defined term “Transaction” as set forth in GSD Rule 1.

f. Amend Section I.G of the Fee Structure to amend a reference to “Locked-in Trade Source” and “locked-in trade data” by capitalizing the “i” in “Locked-in Trade Source” and the “l,” “i” and “t” in “locked-in trade data.”

g. Capitalize the “i” in the reference to “Locked-in-Trades” in Section 6 of GSD Rule 17.

(2) Revise Terms To Reflect the Defined Terms

FICC is proposing to amend the GSD Rules in order to amend various terms that do not match the defined term used in GSD Rule 1 but were otherwise intended to do so. These proposed changes include instances where a defined term was used in the GSD Rules but was not capitalized.

First, FICC is proposing to amend the definition of “Account” in GSD Rule 1 to replace the references to “Segregated Broker Account” and “Non-IDB Broker” with “Segregated Repo Account” and “Non-IDB Repo Broker,” respectively. The proposed changes would reflect the defined terms as set forth in GSD Rule 1. FICC believes that these terms were used in error since “Segregated Broker Account” and “Non-IDB Broker” are not defined terms in the GSD Rules. FICC believes that these terms were intended to refer to their respective defined terms.

Second, FICC is proposing to correct certain references to the defined term “GCF Repo Service” where the word “Service” was inadvertently omitted. FICC believes that these terms refer to the defined term “GCF Repo Service” and is proposing this change to enhance the clarity of the GSD Rules. Specifically, the following changes would be made:

a. Revise the current references to “GCF Repo Deliver Obligation” and “GCF Repo Deliver Obligations” to add “Service” so that they read “GCF Repo Service Deliver Obligation” and “GCF Repo Service Deliver Obligations,” respectively, in subsection (c) of Section IV.B.4 of the Fee Structure.

b. Revise the current reference “GCF Repo Receive Obligation” to “GCF Repo Service

Receive Obligation” in subsection (c)(i) of Section IV.B.4 of the Fee Structure.

Third, FICC is proposing to amend the definition of “VaR Charge” in GSD Rule 1 by replacing “Clearing” with “Netting” so that the term reads “Netting Member’s.” FICC is proposing this change so that this term reflects the defined term “Netting Member” as set forth in GSD Rule 1. Clearing Member is not a defined term in the GSD Rules and FICC believes that this reference was intended to be to “Netting Member.”

Fourth, FICC is proposing to amend the first sentence of the second paragraph in Section 9(ii) of GSD Rule 3 by replacing the reference to “GSD Comparison Only Members” with “Comparison-Only Members.” FICC is proposing this change so that this term reflects the defined term “Comparison-Only Members” as set forth in GSD Rule 1.

Fifth, FICC is proposing to amend the first sentence of the first paragraph in Section 2 of GSD Rule 19 by replacing “Repo Brokered” with “Brokered Repo.” FICC is proposing this change so that this term reflects the defined term “Brokered Repo Transaction” as set forth in GSD Rule 1. Repo Brokered Transaction is not a defined term and FICC believes that this reference was intended to refer to the defined term “Brokered Repo Transaction.”

Sixth, FICC is proposing to replace “Start date for Repo” with “Scheduled Settlement Date for the Start Leg of the Transaction” in subpart (4) of the Schedule of Required and Accepted Data Submission Items for a Substitution and subpart (4) of the Schedule of Required and Accepted Data Submission Items for New Securities Collateral in order to use the applicable defined terms.

(3) Amend Certain References to Third Party Names and Services

Throughout the GSD Rules, FICC references certain third party names as well as certain third party services. FICC has determined that some of these references were incorrectly written.

FICC is proposing to amend the defined term “FedWire” in GSD Rule 1 to replace the defined term with “Fedwire.” It appears that throughout the GSD Rules, FICC has written the term “Fedwire” as both “FedWire” and “Fedwire.” For consistency, FICC has decided to conform all references of the term and believes, based on a review of Federal Reserve materials, that the correct term should be “Fedwire.”

Specifically, FICC is proposing to replace “FedWire” with “Fedwire” in the definition of “Close of Business” in

GSD Rule 1, Section 3b of GSD Rule 4, Section 14 of GSD Rule 11, Sections 2, 6 and 10 of GSD Rule 12, Section 7 of GSD Rule 13 and Section 2 of GSD Rule 19.

Second, FICC is proposing to correct the definition of “The Securities Industry and Financial Market Association” (“SIFMA”) to remove “The” from the defined term. In reviewing SIFMA’s materials, FICC has determined that the correct name of the organization is “Securities and Financial Market Association.” FICC is proposing to update the defined term to reflect SIFMA’s correct name.

In connection with this proposed change, FICC is proposing to lowercase the word “The” in each reference to SIFMA. Specifically this proposed change would occur in the definition of “The Securities Industry and Financial Markets Association” in GSD Rule 1, Section 11 of GSD Rule 6C, and paragraph (f) of GSD Rule 29. Also in paragraph (f) of GSD Rule 29, the term “The Bond Market Association” would be deleted and replaced with “the Securities Industry and Financial Market Association,” correcting the outdated reference to this association’s name.

Furthermore, in connection with this change, FICC is proposing to move the updated definition of “Securities Industry and Financial Market Association” from its current placement in GSD Rule 1, after the definition of “Termination Date,” to after the definition of “SEC.” FICC is proposing this change in an effort to keep the defined terms listed in GSD Rule 1 in alphabetical order.

(4) Other Corrections

FICC is proposing to revise the definitions of “Clearance Difference Amount,” “Credit Clearance Difference Amount” and “Debit Clearance Difference Amount” in GSD Rule 1 to remove references to money differences derived from pairoffs. FICC is proposing this change because the Clearance Difference does not include money differences derived from pairoffs as FICC does not currently engage in pairoffs.

FICC is proposing to revise the definitions of “Fail Net Long Position” and “Fail Net Short Position” in GSD Rule 1 to state that the position is open “one Business Day after its original Scheduled Settlement Date.” This is because GSD re-nets fails and as such the language regarding one or more Business Days is no longer applicable. The word “original” is proposed to be added for clarity.

FICC is proposing to revise the definition of “Netting-Eligible Auction Purchase” to delete subsection (2) in its entirety because it references an outdated practice and is not currently applicable. FICC would also delete “: (1)” as it would no longer be needed.

FICC is proposing to revise the definition of “Right of Substitution” to delete the last sentence. The process referenced in the last sentence is outdated. FICC currently facilitates rights of substitution by passing through requests from one member to the member on the other side of the transaction. Consistent with this change, FICC also proposes to delete the last sentence of Section 3(a) of GSD Rule 18. In addition, FICC proposes to correct the reference to the two Netting Members in Section 3(a) of GSD Rule 18 to reflect that it is the one Netting Member that is the Repo Party that would send in the notification for a request for substitution.

FICC is proposing to delete the subheading and contents of Section 3 of GSD Rule 13 and designate this section as “Reserved.” The subject of Section 3 of GSD Rule 13 is intraday funds-only settlement collections, which is already covered by the third and fourth paragraphs of Section 2 of GSD Rule 13. In connection with this change, FICC also proposes to amend the reference to “Section 3” in Section 6 of GSD Rule 13 to read “Section 2.”

FICC is proposing to amend the seventh paragraph of GSD Rule 22C by deleting the phrase “under a netting” from the phrase “netting under a netting.” FICC believes that the phrase proposed to be deleted was added in error.

B. MBSD Rules

(1) Amend References to Certain Third Party Names and Services

Throughout the MBSD Rules, FICC references certain third party names as well as certain third party services. FICC has determined that some of these references were incorrectly written.

FICC is proposing to amend the defined term “FedWire” to replace the defined term with “Fedwire.” It appears that throughout the MBSD Rules, FICC has written the term “Fedwire” as both “FedWire” and “Fedwire.” For consistency, FICC has decided to conform all references of the term and believes, based on a review of Federal Reserve materials, that the correct term should be “Fedwire.” Specifically, in connection with this change, FICC is proposing to replace “FedWire” with “Fedwire” in the definition of “Close of Business” in MBSD Rule 1, Section 3b

of MBSD Rule 4, Sections 2 and 9 of MBSD Rule 9, Section 7(h) of MBSD Rule 11 and MBSD Rule 12.

Second, FICC is proposing to correct the definition of “Securities Industry and Financial Market Association” to remove “The” from the defined term. As stated above, in reviewing SIFMA’s materials, FICC has determined that the correct name of the organization is “Securities and Financial Market Association.” FICC is proposing to update the defined term to reflect SIFMA’s correct name. FICC believes that when the defined term was added to the MBSD Rules the word “The” was incorrectly included in the definition. In connection with this correction, FICC is proposing to lowercase (or delete, as the context requires) the word “The” in each reference to SIFMA. Specifically, this proposed change would occur in the definition of “The Securities Industry and Financial Markets Association” in MBSD Rule 1, the definition of “SIFMA Guidelines” in MBSD Rule 1 and MBSD Rule 22.

(2) Other Correction

FICC is proposing to amend the defined term “EPN Service” in MBSD Rule 1 by deleting “and EPN procedures” at the end of the definition. FICC is proposing this change because FICC does not maintain EPN Procedures. In 2018, the Commission approved FICC’s proposed rule change proposing to, in part, delete references to the term “EPN Procedures” in the EPN Rules.¹³ FICC believes that this reference to EPN procedures was left in the MBSD Rules in error. FICC believes that this change would enhance the clarity of the rules and conform the MBSD Rules to the EPN Rules.

C. EPN Rules

(1) Revise Terms To Match the Defined Term in Rule 1 of Article I

FICC is proposing to correct certain references to the defined term “EPN Service” where the word “Service” was inadvertently omitted. Specifically, the following changes would be made:

a. In Section 3 of Rule 1 of Article III of the EPN Rules, “in the event of an EPN system disruption” would be revised to “in the event of an EPN Service system disruption.”

b. In Section 3 of Rule 1 of Article III of the EPN Rules, “the next Business Day after the EPN system has been recovered” would be revised to “the next Business Day after the EPN Service system has been recovered.”

c. The title of “FIXED INCOME CLEARING CORPORATION MORTGAGE-BACKED

SECURITIES DIVISION (“MBSD”) EPN SCHEDULE OF CHARGES” would be revised to “FIXED INCOME CLEARING CORPORATION MORTGAGE-BACKED SECURITIES DIVISION (“MBSD”) EPN SERVICE SCHEDULE OF CHARGES.”

(2) Add Defined Term in Rule 1 of Article I

FICC is proposing to add the defined term “Officer of the Corporation” to Rule 1 of Article I of the EPN Rules. FICC is proposing this rule change because the term “Officer of the Corporation” is used in Rule 12 of Article V of the EPN Rules.

In connection with this change, FICC is proposing to capitalize the word “officer” in the phrase “officer of the Corporation” in Section 2 of Rule 7 of Article V of the EPN Rules.

(3) Other Corrections

On August 9, 2018, FICC filed a proposed rule change with the Commission proposing to, in part, delete references to the term “EPN Procedures” in the EPN Rules.¹⁴ FICC decided to conform the EPN Rules to its practices by deleting EPN Procedures from the EPN Rules. The Commission approved this rule filing on September 25, 2018.¹⁵ After the Commission approved this rule filing all references to EPN Procedures were removed from the EPN Rules.

On January 2, 2018, FICC filed a proposed rule change with the Commission proposing to adopt the Recovery & Wind-down Plan of FICC and related rules¹⁶ (the “R&W Proposed Rule Change”). On July 13, 2018, FICC filed Amendment No. 1 to the proposed rule change to amend and replace in its entirety the proposed rule change¹⁷ (along with the R&W Proposed Rule Change, the “R&W Filing”). The Commission approved the proposed rule change on August 28, 2018.¹⁸ When the proposed rule change and subsequent amendment were filed, there were proposed changes to the EPN Rules that added references to EPN Procedures. Specifically, these proposed changes were in Sections 5 and 6 of Rule 1 of Article III of the EPN Rules.

The R&W Filing was approved after FICC submitted SR-FICC-2018-007,

and therefore, these new references to EPN Procedures were not included in SR-FICC-2018-007 to be removed. Due to this oversight, there are now references to EPN Procedures in Sections 5 and 6 of Rule 1 of Article III of the EPN Rules, which FICC is proposing to delete. FICC is proposing this change because FICC has removed all references to “EPN Procedures” in the EPN Rules.

Specifically, in Section 5 of Rule 1 of Article III of the EPN Rules, FICC is proposing to amend the clause that references EPN Procedures and that begins “as if references” to read as follows: as if references to “Members” therein were reference to “EPN Users” and references to “Rules” and “Procedures” therein were references to “EPN Rules”. FICC is proposing this change so that the references to “Rules” and “Procedures” in MBSD Rule 17B and MBSD Rule 40 will only reference EPN Rules since all references to “EPN Procedures” have been removed from the EPN Rules.

Additionally, the R&W Filing added roman numerals before specific provisions in Section 5 of Rule 1 of Article III of the EPN Rules. Since SR-FICC-2018-007 removed references to EPN Procedures, there is currently a stray romanette (ii). FICC is proposing to delete romanette (iii) in the first sentence in Section 5 of Rule 1 of Article III of the EPN Rules, renumber current romanette (iv) to (iii) and revise the subsequent references from items (iii) and (iv) to items (ii) and (iii), respectively.

Finally, FICC is proposing to delete “or EPN Procedures” from the last sentence of Section 6 of Rule 1 of Article III of the EPN Rules. The R&W Filing added this sentence to the EPN Rules and included the reference to EPN Procedures. FICC is proposing this change because FICC has removed all references to “EPN Procedures” in the EPN Rules.

(vi) Proposal To Replace an Officer Title in the GSD Rules and MBSD Rules

In 2018, the Commission approved FICC’s proposed rule change to amend FICC’s By-Laws.¹⁹ FICC, as part of the rule filing, proposed changing the title of “Vice President” to “Executive Director” and updating the related powers and duties.

FICC is proposing to change the references to the title “Vice President” to “Executive Director” in the GSD Rules and MBSD Rules. FICC is

¹³ Securities Exchange Act Release No. 84278 (September 25, 2018), 83 FR 49445 (October 1, 2018) (SR-FICC-2018-007).

¹⁴ Securities Exchange Act Release No. 83808 (August 9, 2018), 83 FR 40611 (August 15, 2018) (SR-FICC-2018-007).

¹⁵ *Supra* note 13.

¹⁶ Securities Exchange Act Release No. 82431 (January 2, 2018), 83 FR 871 (January 8, 2018) (SR-FICC-2017-021).

¹⁷ Securities Exchange Act Release No. 83630 (July 13, 2018), 83 FR 34213 (July 19, 2018) (SR-FICC-2017-021).

¹⁸ Securities Exchange Act Release No. 83973 (August 28, 2018), 83 FR 44942 (September 4, 2018) (SR-FICC-2017-021).

¹⁹ Securities Exchange Act Release No. 82917 (March 20, 2018), 83 FR 12982 (March 26, 2018) (SR-FICC-2018-002).

proposing to change the references to “Vice President” to “Executive Director” in the definition of “Officer of the Corporation” in GSD Rule 1 and MBSD Rule 1 and the reference in GSD Rule 44 and MBSD Rule 34.

(vii) Proposal To Add a Disclaimer Regarding Trademarks and Servicemarks in the Rules and Conform the Usage of the Registered Trademark Symbol in the GSD Rules

FICC is proposing to add a disclaimer at the bottom of the first page of each of the Rules regarding trademarks and servicemarks that appear or may appear in the future in the Rules. FICC has adapted the disclaimer that appears in the Terms of Use page on The Depository Trust & Clearing Corporation’s (“DTCC”) website for this purpose. The disclaimer would state that (i) all products and services provided by FICC referenced in the Rules are either registered trademarks or servicemarks of, or trademarks or servicemarks of, DTCC or its affiliates, and (ii) other names of companies, products or services appearing in the Rules are the trademarks or servicemarks of their respective owners.

While certain terms that are registered trademarks are denoted with a TM or a ® in the GSD Rules, FICC believes that the addition of this disclaimer provides additional protection to the marks of DTCC and/or its affiliates as well as the marks of third parties.

In connection with the addition of this disclaimer, FICC is proposing to standardize its usage of “TM” and “®” throughout the GSD Rules. Currently, terms that are registered trademarks are written inconsistently with the “®” and without the “®” after the term is used. FICC is proposing, for all marks of DTCC and/or its affiliates, that are currently denoted with a “TM” or a “®,” to include the “TM” or “®” in the first instance that the term is used the GSD Rules. FICC further proposes to remove the “®” on all third party marks as these marks are not registered by DTCC and/or its affiliates and would be covered by the proposed disclaimer. Specifically, FICC proposes to remove the registered trademark symbol as described below.

- In the definition of “CCLF” in GSD Rule 1, the ® after “CCLF” would be deleted.
- In Section 1 of GSD Rule 20, the ® after “GCF Repo” would be deleted.
- In the second paragraph of Section I.G of the Fee Structure, the ® after “GCF Repo” would be deleted.
- In subsection (b) of Section IV.B.4 of the Fee Structure, the ® after “Fedwire” would be deleted.

(viii) Technical Changes

FICC has identified the following technical changes that it proposes to make to the Rules to enhance the clarity and readability of the Rules.

A. GSD Rules

(1) Correct the Spelling of Certain Words

First, FICC is proposing to make a technical change regarding references to “intra-day” in the GSD Rules. Currently, references to the word intraday are written as both “intraday” and “intra-day” in the GSD Rules. FICC is proposing to revise “intra-day” to “intraday” to reflect the correct spelling of the word.

Specifically, FICC proposes the following changes:

- a. In Section 2a of GSD Rule 4, the current reference to “Intra-day” in the heading would be revised to “Intraday.”
- b. In Sections 2 and 6(b) of GSD Rule 13, the current references to “intra-day” would be revised to “intraday.”
- c. In the 3:15 p.m. deadline in the Schedule of Timeframes, the current reference to “Intra-day” would be revised to “Intraday.”

Second, FICC is proposing to make a technical change regarding references to “over drafts” in the GSD Rules. FICC is proposing to revise “over drafts” to “overdrafts” to reflect the correct spelling of the word. The current reference to “over drafts” in the revised subsection (d) of IV.B.4 of the Fee Structure would be replaced with “overdrafts.”

(2) Lowercase References to Words That Are Not Defined Terms

FICC would amend references to the word “trade” throughout the GSD Rules by making the “t” in the word “Trade” lowercase in instances where the “T” in “trade” is capitalized. Currently, the word trade is written as “Trade” and “trade” in the GSD rules. The word trade is not a defined term and should therefore not be capitalized. Specifically, FICC proposes to make the following changes:

- a. In the definition of “Non-Conversion-Participating Member” in GSD Rule 1, the proposed change would lowercase the “t” in “Trades.”
- b. In the first paragraph of Section 4 of GSD Rule 6B, the proposed change would lowercase the “t” in “Trades.”
- c. In the second paragraph of Section 2 of GSD Rule 6C, the proposed change would lowercase the “t” in “Trades.”
- d. In the first and third paragraphs of Section 2 of GSD Rule 9, the proposed change would lowercase the “t” in “Trades.”
- e. In the 4:00 p.m. deadline in the Schedule of Timeframes, the proposed change would lowercase the “t” in “Trades.”

(3) Remove Abbreviations of Defined Terms That Are Not Used

First, FICC is proposing to make a technical change to the defined term “Derivatives Clearing Organization or “DCO”” in GSD Rule 1. FICC proposes to delete “or “DCO”” from the defined term. FICC believes that “or “DCO”” was included in the defined term to provide FICC with flexibility when it referenced this term. However, “DCO” is not used in the GSD Rules to reference Derivatives Clearing Organization. Therefore, FICC is proposing to delete “or “DCO”” for clarity purposes.

Second, FICC is proposing to make a technical change in the first paragraph of GSD Rule 22C by deleting “(“FDICIA”).” “FDICIA” has not been used in GSD Rule 22C nor has it been used in the GSD Rules and FICC is proposing to delete “(“FDICIA”).”

(4) Add Quotation Marks Around Defined Terms in GSD Rule 1

FICC is proposing to add quotation marks to certain defined terms that are currently missing these quotation marks. Each reference to a defined term in its definition, as set forth in GSD Rule 1, contains open and closed quotation marks around the term. FICC believes that due to an oversight certain terms are missing an open quotation mark or are missing both quotation marks.

Specifically, FICC is proposing to add open and closed quotation marks around “Fannie Mae” in the definition of “Fannie Mae” and an open quotation mark to “Forward-Starting Repo Transaction” in the definition of “Forward-Starting Repo Transaction.”

(5) Grammar Related Technical Changes

FICC is proposing to make the following grammar related technical changes in the GSD Rules.

In Section 4(b)(ii)(A)(5) and (6) of GSD Rule 2A and in Section 8(d) and (e) of GSD Rule 3 certain references to Inter-Dealer Broker Netting Member are preceded by the word “a.” FICC believes that in these instances “a” was inadvertently used instead of “an.” FICC is proposing to amend “a” to “an” in these cases.

(6) Other Technical Changes

FICC proposes to make the additional technical changes described below.

- a. The defined term “CPU” in GSD Rule 1 would be moved from after “Cleared Institutional Triparty Service or CCIT Service” to after “Covered Affiliate.” FICC is proposing this change to keep the defined terms listed in GSD Rule 1 in alphabetical order.

b. FICC is proposing to make the following technical change in the definition of “Federal Funds Rate” in GSD Rule 1. The definition refers to the rate set forth opposite the caption “Federal Funds (Effective).” In confirming the citation, FICC has determined that the caption as set forth on the Federal Reserve Board’s website²⁰ is written as “Federal funds (effective).” FICC is proposing to lowercase the words “Funds” and “Effective” to match the caption on the Federal Reserve Board’s website.

c. The defined term “Funds-Only Settling Bank Member” in GSD Rule 1 would be moved from after “FRB” to after “Funds-Only Settlement Payments Procedures Agreement.” FICC is proposing this change to keep the defined terms listed in GSD Rule 1 in alphabetical order.

d. In the defined term “Overnight Investment Rate” in GSD Rule 1 the letter “s” in “its Clearing Fund” is italicized and has a double underline. FICC is proposed to remove the double underlining and the italics font from the letter “s.”

e. In the subheading for Section 2a of GSD Rule 4, the stray dash after the word “Amounts” would be removed.

f. Current subsections (vi) and (vii) of Section 2 of GSD Rule 11 would be renumbered to reflect that subsection (v) had been skipped. Current subsection (vi) would become (v) and current subsection (vii) would become (vi).

g. In Section 5 of GSD Rule 19, the references to Section 2(k) of GSD Rule 11 would be changed to refer to Section 2(v) of GSD Rule 11. FICC is proposed to change the reference to Section 2(v) because there is no Section 2(k) of GSD Rule 11, which FICC believes is an error.

h. FICC is proposing to rename Section 5 of GSD Rule 20, from “Netting” to “Novation.” Currently, both Sections 2 and Section 5 of GSD Rule 20 are named “Netting.”

i. In GSD Rule 22B, a period would be added to the last sentence of the rule.

j. In the first sentence of GSD Rule 35, “As soon as practicable” would be replaced with “As soon as practicable” to correct a typographical error.

k. In the definition of “Shareholders Agreement” in Section 1 of GSD Rule 49, “heretofor” would be replaced with “heretofore” to correct a typographical error.

l. In the Schedule of Required and Accepted Data Submission Items for a Substitution, the colon at the end of subsection 1 would be replaced with a semicolon for consistency purposes.

m. In the Schedule of Required and Accepted Data Submission Items for a Substitution, the first words in subsections 5 and 6 will be made lowercase. These are not defined terms and should therefore not be capitalized.

n. In the Schedule of Required and Accepted Data Submission Items for New Securities Collateral, the first words in subsections 5 and 6 will be made lowercase.

These are not defined terms and should therefore not be capitalized.

o. In the Schedule of Required and Other Data Submission Items for GCF Repo Transactions, the reference to “GSCC TID” will be revised to “GSD TID.” GSCC refers to the Government Securities Clearing Corporation, GSD’s predecessor, before GSCC and the MBS Clearing Corporation merged to form FICC on January 1, 2003.

p. In subsection 2 of Section IV.C of the Fee Structure, the “(a)” in subsection 2 would be deleted. There is no subsection 2(b) and therefore 2(a) is superfluous.

q. FICC is proposing to replace “Settlemnt” with “Settlement” to correct a typographical error in the heading entitled “Interpretive Guidance With Respect to Settlemnt Finality.”

r. FICC is proposing to delete the hyphen between “in” and “Trades” in the reference to “Locked-in-Trades” in Section 6 of GSD Rule 17 to correct a typographical error.

B. MBSD Rules

(1) Add Quotation Marks Around Defined Terms in MBSD Rule 1

FICC is proposing to add quotation marks around the term Ginnie Mae in the definition of the term in MBSD Rule 1. Each reference to a defined term in its definition, as set forth in MBSD Rule 1, contains open and closed quotation marks around the term.

(2) Remove Abbreviations of Defined Terms That Are Not Used

FICC is proposing to make a technical change in the second paragraph of subsection (c) of MBSD Rule 17A (Corporation Default) by deleting “(FDICIA).” “FDICIA” has not been used in MBSD Rule 17A nor has it been used in the MBSD Rules to reference Federal Deposit Insurance Corporation Act of 1991.

(3) Lowercase References to Words That Are Not Defined Terms

FICC would amend references to the word “trade” throughout the MBSD Rules by making the “t” in the word “Trade” lowercase in instances where the “T” in “trade” is capitalized. Currently, the word trade is written as “Trade” and “trade” in the MBSD Rules. The word “trade” is not a defined term and should therefore not be capitalized. Specifically, FICC proposes to amend Section 13(a) of MBSD Rule 5 to reflect that “trade” is not a defined term.

(4) Other Technical Changes

In addition to the changes proposed above, FICC proposes to make the additional technical changes described below.

a. In subsection (a) of MBSD Rule 3A, there is a reference to Section 4 of MBSD Rule 11

regarding the Cash Settlement process. FICC has determined that the correct reference is to Section 9 of MBSD Rule 11 and proposes to correct this.

b. At the end of Section 5(b)(ii) of MBSD Rule 5 there are parentheses around the “s” in “acting.” FICC believes that “(s)” was added in error since the verb acting is a present participle and would not need to change based on the noun.

c. FICC is proposing to replace the period with a dash after “Section 2a” in the subheading of Section 2a of MBSD Rule 17 to conform with the format of the rest of the MBSD Rules.

d. FICC is proposing to delete the stray “_” marks after the words “these” and “Corporation,” in MBSD Rule 34.

e. In the definition of “Shareholders Agreement” in Section 1 of MBSD Rule 39, “heretofor” would be replaced with “heretofore” to correct a typographical error.

f. FICC is proposing to replace “Settlemnt” with “Settlement” to correct a typographical error in the heading entitled “Interpretive Guidance With Respect to Settlemnt Finality.”

C. EPN Rules

FICC is proposing to delete the stray comma that appears in the first sentence of Section 6 of Rule 1 of Article III of the EPN Rules. FICC believes that this stray comma was inadvertently included in the EPN Rules. FICC is also proposing to delete the comma after “These EPN Rules.” Based on the sentence, FICC does not believe a comma is necessary after this phrase.

FICC is proposing to add the word “EPN” in Section 2 of Rule 9 of Article V of the EPN Rules in order to use the defined term “EPN Rules.”

2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires, in part, that the Rules be designed to promote the prompt and accurate clearance and settlement of securities transactions.²¹

The proposed changes to (i) delete terms that are no longer used in the GSD Rules; (ii) Delete references to services and service-related provisions that are no longer provided and/or active in the GSD Rules and the MBSD Rules; (iii) delete certain dates in the GSD Rules and the MBSD Rules; (iv) make certain clarifications in the Rules; (v) make certain corrections to the Rules; (vi) replace an officer title in the GSD Rules and the MBSD Rules; (vii) add a disclaimer regarding trademarks and servicemarks in the Rules, and conform the usage of the registered trademark symbol in the GSD Rules; and (viii) make certain technical changes to the Rules would help to ensure that the Rules are accurate and clear to

²⁰ *Selected Interest Rates (Daily)*—H.15, Board of Governors of the Federal Reserve System, <https://www.federalreserve.gov/releases/h15/> (last visited October 8, 2019).

²¹ 15 U.S.C. 78q–1(b)(3)(F).

participants. When participants better understand their rights and obligations regarding the Rules, such participants are more likely to act in accordance with the Rules, which FICC believes would promote the prompt and accurate clearance and settlement of securities transactions. As such, FICC believes that the proposed changes would be consistent with Section 17A(b)(3)(F) of the Act.²²

(B) Clearing Agency's Statement on Burden on Competition

FICC does not believe the proposed rule changes to (i) delete terms that are no longer used in the GSD Rules; (ii) delete references to services and service-related provisions that are no longer provided and/or active in the GSD Rules and the MBSD Rules; (iii) delete certain dates in the GSD Rules and the MBSD Rules; (iv) make certain clarifications in the Rules; (v) make certain corrections to the Rules; (vi) replace an officer title in the GSD Rules and the MBSD Rules; (vii) add a disclaimer regarding trademarks and servicemarks in the Rules and conform the usage of the registered trademark symbol in the GSD Rules; and (viii) make certain technical changes to the Rules would impact competition. The proposed rule changes would help to ensure that the Rules remain clear and accurate. In addition, the changes would facilitate participants' understanding of the Rules and their obligations thereunder. These changes would not affect FICC's operations or the rights and obligations of the membership. As such, FICC believes the proposed rule changes would not have any impact on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments relating to the proposed rule change have not been solicited or received. FICC will notify the Commission of any written comments received by FICC.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) ²³ of the Act and paragraph (f) ²⁴ of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend

such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-FICC-2020-005 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR-FICC-2020-005. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of FICC and on DTCC's website (<http://dtcc.com/legal/sec-rule-filings.aspx>). All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FICC-

2020-005 and should be submitted on or before May 26, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

J. Matthew DeLesDernier,
Assistant Secretary.

[FR Doc. 2020-09518 Filed 5-4-20; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88769; File No. SR-CBOE-2020-004]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend Chapter 7, Section B of the Rules, Which Contains the Exchange's Compliance Rule ("Compliance Rule") Regarding the National Market System Plan Governing the Consolidated Audit Trail (the "CAT NMS Plan" or "Plan"), To Be Consistent With Certain Proposed Amendments to and Exemptions From the CAT NMS Plan as Well as To Facilitate the Retirement of Certain Existing Regulatory Systems

April 29, 2020.

I. Introduction

On January 17, 2020, Cboe Exchange, Inc. ("Cboe Options" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") ¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the Exchange's compliance rules regarding the National Market System Plan Governing the Consolidated Audit Trail ("CAT NMS Plan").³ The proposed rule change was published for comment in the **Federal Register** on February 5, 2020.⁴ On March 20, 2020, the Commission extended the time period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change, to May 5, 2020.⁵

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The CAT NMS Plan was approved by the Commission, as modified, on November 15, 2016. See Securities Exchange Act Release No. 79318 (November 15, 2016), 81 FR 84696 (November 23, 2016).

⁴ See Securities Exchange Act Release No. 88105 (January 30, 2020), 85 FR 6600 ("Notice").

⁵ See Securities Exchange Act Release No. 88437, 85 FR 17129 (March 26, 2020).

²² *Id.*

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 CFR 240.19b-4(f).