

Act, that on the whole the manipulation concerns previously articulated by the Commission are sufficiently mitigated to the point that they are outweighed by investor protection issues that would be resolved by approving this proposal.

The Exchange believes that the proposal is, in particular, designed to protect investors and the public interest. The investor protection issues for U.S. investors has grown significantly over the last several years, through premium/discount volatility and management fees for OTC SUI Funds. As discussed throughout, this growth investor protection concerns need to be re-evaluated and rebalanced with the prevention of fraudulent and manipulative acts and practices concerns that previous disapproval orders have relied upon.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change, rather will facilitate the listing and trading of an additional exchange-traded product that will enhance competition among both market participants and listing venues, to the benefit of investors and the marketplace.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange neither solicited nor received comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

### **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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-CboeBZX-2025-053 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-CboeBZX-2025-053. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2025-053 and should be submitted on or before May 16, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>29</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025-07106 Filed 4-24-25; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-102894; File No. SR-FICC-2025-008]**

### **Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change Concerning the Collection of Intraday Margin**

April 21, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 15, 2025, 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. 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 amendments to FICC's Government Securities Division ("GSD") Rulebook ("GSD Rules") and Mortgage-Backed Securities Division ("MBSD") Clearing Rules ("MBSD Rules," and collectively with the GSD Rules, the "Rules") to address recently adopted amendments to the Commission's Standards for Covered Clearing Agencies ("CCAS Rules") concerning the collection of intraday margin.<sup>3</sup>

#### **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

<sup>29</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Capitalized terms not defined herein shall have the meaning assigned to such terms in the Rules, available at [www.dtcc.com/legal/rules-and-procedures](http://www.dtcc.com/legal/rules-and-procedures).

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

Executive Summary of Proposed Changes

On October 25, 2024, the Commission adopted amendments to the CCAS Rules to add new requirements related to the collection of intraday margin by a covered clearing agency ("CCA").<sup>4</sup> Specifically, the Commission amended Rule 17ad-22(e)(6)(ii)<sup>5</sup> to establish new requirements with respect to a CCA's policies and procedures regarding the collection of intraday margin to: (i) include a new requirement to monitor intraday exposures on an ongoing basis; (ii) modify the preexisting reference to making intraday calls "in defined circumstances" to making intraday calls "as frequently as circumstances warrant" and identifying examples of such circumstances; and (iii) require that a CCA document when it determines not to make an intraday margin call pursuant to its written policies and procedures.<sup>6</sup> As described below, the proposed changes to the Rules are designed to facilitate compliance with these requirements.

Background

FICC, through GSD and MBSD, serves as a central counterparty and provider of clearance and settlement services for fixed income transactions. GSD provides central counterparty services in U.S. government securities, as well as repurchase and reverse repurchase transactions involving U.S. government securities,<sup>7</sup> and MBSD provides such services to the U.S. mortgage-backed securities market. As part of its market risk management strategy, FICC manages its credit exposure to members by determining the appropriate Required Fund Deposit to the GSD and MBSD Clearing Funds (collectively, the "Clearing Fund") and by monitoring their sufficiency, as provided for in the

Rules.<sup>8</sup> The Required Fund Deposit serves as each member's margin.

The objective of a member's Required Fund Deposit is to mitigate potential losses to FICC associated with liquidating a member's portfolio in the event FICC ceases to act for that member (hereinafter referred to as a "default").<sup>9</sup> The aggregate amount of all members' Required Fund Deposits constitutes the Clearing Fund. FICC would access the Clearing Fund should a defaulting member's own Required Fund Deposit be insufficient to satisfy losses to FICC caused by the liquidation of that member's portfolio.

At GSD, each member is also responsible for the Clearing Fund obligations arising from the activity of the member's indirect participant customers submitted to FICC via the Sponsored Service and/or the Agent Clearing Service. FICC's Sponsored Service permits GSD members that are approved to be Sponsoring Members, to sponsor certain institutional firms, referred to as "Sponsored Members," into GSD membership.<sup>10</sup> FICC establishes and maintains a "Sponsoring Member Omnibus Account" on its books in which it records the transactions of the Sponsoring Member's Sponsored Members ("Sponsored Member Trades").<sup>11</sup> Similarly, FICC's Agent Clearing Service permits GSD members that are approved to be Agent Clearing Members to submit activities of certain institutional firms, referred to as "Executing Firm Customers," into FICC for clearing and settlement. FICC establishes and maintains an "Agent Clearing Member Omnibus Account" on its books in which it records the transactions of the Agent Clearing Member's Executing Firm Customers ("Agent Clearing Transactions").<sup>12</sup>

Both the Sponsoring Members and the Agent Clearing Members have the option of segregating Sponsored

Member Trades of a Sponsored Member and Agent Clearing Transactions of an Executing Firm Customer, as applicable, in separate accounts (*i.e.*, Segregated Indirect Participant Accounts), each such Sponsored Member and Executing Firm Customer being referred to as a "Segregated Indirect Participant." FICC manages its credit exposure to Segregated Indirect Participants by determining the appropriate Segregated Customer Margin Requirement and monitoring its sufficiency, as provided for in the GSD Rules.<sup>13</sup>

Pursuant to the Rules, each member's Required Fund Deposit amount (and Segregated Customer Margin Requirement amount, to the extent applicable) consists of a number of components, each of which is calculated to address specific risks faced by FICC, as identified within the Rules.<sup>14</sup> At GSD, these components include the VaR Charge, Blackout Period Exposure Adjustment, Backtesting Charge, Excess Capital Premium, Holiday Charge, Intraday Supplemental Fund Deposit, Margin Liquidity Adjustment Charge, Portfolio Differential Charge, and special charge.<sup>15</sup> At MBSD, these components include the VaR Charge, Backtesting Charge, Excess Capital Premium, Holiday Charge, Intraday Mark-to-Market Charge, Intraday VaR Charge, Margin Liquidity Adjustment Charge, and special charge.<sup>16</sup>

Overview of Intraday Monitoring and Margin Collection

Each GSD and MBSD member is required to meet its Required Fund Deposit, which is based on the member's outstanding positions as well as its intraday trading and settlement activity. Each GSD member with Segregated Indirect Participant Account(s) is also required to meet its Segregated Customer Margin Requirements, which is based on its Segregated Indirect Participants' outstanding positions as well as their intraday trading and settlement activity. FICC resizes a member's Required Fund

<sup>4</sup> Securities Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (File No. S7-10-23) ("Adopting Release," and the rules adopted therein referred to herein as "CCAS Margin Rules").

<sup>5</sup> 17 CFR 240.17ad-22(e)(6)(ii).

<sup>6</sup> See Adopting Release, *supra* note 4 at 91000.

<sup>7</sup> GSD also clears and settles certain transactions on securities issued or guaranteed by U.S. government agencies and government sponsored enterprises.

<sup>8</sup> See GSD Rule 4 (Clearing Fund and Loss Allocation) and MBSD Rule 4 (Clearing Fund and Loss Allocation), *supra* note 3. FICC's market risk management strategy is designed to comply with Rule 17ad-22(e)(4) under the Act, where these risks are referred to as "credit risks." 17 CFR 240.17ad-22(e)(4).

<sup>9</sup> The Rules identify when FICC may cease to act for a member and the types of actions FICC may take. For example, FICC may suspend a firm's membership with FICC or prohibit or limit a member's access to FICC's services in the event that member defaults on a financial or other obligation to FICC. See GSD Rule 21 (Restrictions on Access to Services) and MBSD Rule 14 (Restrictions on Access to Services), *supra* note 3.

<sup>10</sup> See GSD Rule 3A, *supra* note 3.

<sup>11</sup> See GSD Rule 1 (definition of "Sponsored Member Trades"), *supra* note 3.

<sup>12</sup> See GSD Rule 1 (definition of "Agent Clearing Transactions"), *supra* note 3.

<sup>13</sup> See GSD Margin Component Schedule, *supra* note 3.

<sup>14</sup> *Supra* note 3.

<sup>15</sup> These margin components and the relevant defined terms are currently located in the GSD Margin Component Schedule, *supra* note 3. FICC recently proposed changes to the GSD Rules to adopt a Volatility Event Charge and an Intraday Mark-to-Market Charge. See Securities Exchange Release Nos. 102532 (Mar. 5, 2025), 90 FR 11760 (Mar. 11, 2025) (SR-FICC-2025-003) and 102705 (Mar. 21, 2025) 90 FR 13965 (Mar. 27, 2025) (SR-FICC-2025-005), respectively.

<sup>16</sup> These margin components and the relevant defined terms are currently located in MBSD Rules 1 (Definitions), 3 (Ongoing Membership Requirements) and 4 (Clearing Fund and Loss Allocation), *supra* note 3.

Deposit (and Segregated Customer Margin Requirement, if applicable) at least twice a day for GSD members and once a day for MBSD members. In addition, FICC may call for additional margin on an intraday basis, as needed. Specifically, GSD's Intraday Supplemental Fund Deposit and MBSD's Intraday VaR Charge as well as Intraday Mark-to-Market Charge are each designed to mitigate intraday exposure to GSD and MBSD, respectively, that results from large fluctuations in the member's/Segregated Indirect Participant's portfolio positions and prices that are not otherwise covered by the member's recently collected Required Fund Deposit/Segregated Customer Margin Requirement.<sup>17</sup> Any such amount must be satisfied within the timeframe specified by GSD and MBSD.

Intraday market moves and positions are monitored by FICC on an ongoing basis. FICC generally conducts intraday monitoring every 15 minutes at GSD and hourly at MBSD,<sup>18</sup> unless extended by FICC to address operational or other delays. For GSD, intraday monitoring is conducted between 8:00 a.m. (New York time) and 4:30 p.m. (New York time).<sup>19</sup> For MBSD, intraday monitoring is conducted from 8:00 a.m. (New York time) to 4:00 p.m. (New York time).

FICC reviews intraday snapshots of each member's portfolio to determine whether the member has experienced an adverse risk exposure that warrants FICC assessing an intraday margin. Through this filing, FICC is providing additional clarity and transparency in the Rules concerning FICC's processes for the ongoing monitoring, recalculation and collection of Intraday Supplemental Fund Deposit at GSD and Intraday VaR Charge as well as Intraday Mark-to-Market Charge at MBSD, including circumstances in which FICC may determine not to collect such a charge, to facilitate compliance with the newly adopted CCAS Margin Rules.<sup>20</sup> The proposed changes are described in detail below.

<sup>17</sup> FICC recently proposed changes to the GSD Rules to adopt an Intraday Mark-to-Market Charge. See Securities Exchange Release No. 102705 (Mar. 21, 2025) 90 FR 13965 (Mar. 27, 2025) (SR-FICC-2025-005).

<sup>18</sup> FICC currently expects to increase the frequency of its intraday monitoring at MBSD from hourly to a 15-minute increment during fourth quarter of 2025.

<sup>19</sup> On the last Business Day of each calendar month, the intraday monitoring at GSD is extended from 4:30 p.m. (New York time) to 5:00 p.m. (New York time).

<sup>20</sup> See *supra* notes 4 and 6.

## Proposed Changes to the Rules GSD Intraday Supplemental Fund Deposit and MBSD Intraday VaR Charge

Currently, FICC requires additional deposit to the Clearing Fund from a member intraday pursuant to the provisions of the GSD Margin Component Schedule<sup>21</sup> as well as MBSD Rules 1 and 4.<sup>22</sup> As provided in Section 2a of GSD Rule 4 and Section 3a of MBSD Rule 4, pursuant to procedures established by FICC, FICC recalculates intraday, each Business Day, at the times established by FICC for this purpose, the amount of the intraday VaR Charge applicable to each portfolio of a member, based upon the open positions in such portfolio at a designated time intraday, for purposes of establishing whether a member shall be required to make payment of an Intraday Supplemental Fund Deposit or an Intraday VaR Charge, as applicable. FICC has established procedures for collection of an amount calculated in respect of a member's Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, including parameters regarding threshold amounts that require payment, and the form and time by which payment is required to be made to FICC. In addition, FICC reserves the right to require a member or members generally to make additional Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, if FICC determines it to be necessary to protect itself and its members in response to factors such as market conditions or financial or operational capabilities affecting a member or members generally.

In order to comply with the CCAS Margin Rules and provide additional transparency in the Rules regarding the collection of Intraday Supplemental Fund Deposit at GSD and Intraday VaR Charge at MBSD, FICC is proposing the following clarification in the Rules.

Specifically for GSD, in Section 1 of the Margin Component Schedule,<sup>23</sup> FICC is proposing language that would make it clearer that the calculation of margin, *i.e.*, Required Fund Deposit Portion and Segregated Customer Margin Requirements,<sup>24</sup> would be

<sup>21</sup> The definition of Intraday Supplemental Fund Deposit and related provisions are currently located in GSD Rule 1 and the GSD Margin Component Schedule, *supra* note 3.

<sup>22</sup> See the definition of Intraday VaR Charge in MBSD Rule 1 (Definitions) and related provision in MBSD Rule 4 (Clearing Fund and Loss Allocation), *supra* note 3.

<sup>23</sup> *Supra* note 3.

<sup>24</sup> The term "Required Fund Deposit Portion" refers to the amounts of Required Fund Deposit requirement calculated for each Type of Account, other than Segregated Indirect Participants

performed more frequently than twice daily if FICC deems it appropriate pursuant to the Margin Component Schedule and subject to the provisions of GSD Rule 4.

For the "Intraday Supplemental Fund Deposit" definition in Section 5 of the GSD Margin Component Schedule as well as Section 3a of MBSD Rule 4, FICC is proposing to add language that makes it clearer that the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, would be recalculated intraday, each Business Day, at the times and frequencies established by FICC for this purpose, which times and frequencies shall be communicated to members on FICC's public website. In addition, FICC is proposing to make it clearer that, for purposes of establishing whether a member shall be required to make an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, FICC would consider when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility. FICC would also provide examples of elevated volatility market conditions to include, but not be limited to, the occurrence of sudden swings in U.S. Treasury yields or mortgage-backed security spreads outside of historically observed market moves and/or conditions contributing to intraday risk exposures to FICC that, in aggregate, materially exceed intraday risk exposures observed under normal market conditions. Furthermore, FICC is proposing to add language that makes it clearer that FICC has procedures for ongoing monitoring and collection of a member's Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable. The additional language would provide that FICC shall communicate to members via its public website parameters regarding threshold amounts that would require payment of Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, and

Accounts, of a GSD member, and is defined in GSD Rule 1 to mean each of the items listed in Section 2(a)(i)–(iv) of GSD Rule 4.

The term "Segregated Customer Margin Requirement" is defined in GSD Rule 1 to mean the amount of cash or Eligible Clearing Fund Securities that an Agent Clearing Member or Sponsoring Member is required to deposit with FICC to support the obligations arising from Transactions recorded in its Segregated Indirect Participants Accounts. A Netting Member's Segregated Customer Margin Requirement shall be the sum of the items listed in Section 2(a)(v) and (vi) of GSD Rule 4. References to Segregated Customer Margin Requirement "for" or "with respect to" a particular Segregated Indirect Participants Account or Segregated Indirect Participant (or similar language) mean the portion of a Netting Member's Segregated Customer Margin Requirement arising from such Account or Segregated Indirect Participant. *Supra* note 3.

the form and time by which payment is required to be made to FICC. Lastly, with respect to GSD only, FICC is proposing to add references to Segregated Indirect Participant(s) in the third paragraph of the “Intraday Supplemental Fund Deposit” definition in Section 5 of the GSD Margin Component Schedule to provide additional clarity and consistency. To the extent applicable, the proposed changes in this paragraph would also apply to MBSD’s Intraday Mark-to-Market Charge, as further described below.

To make it clear in the Rules that FICC has the discretion to waive or reduce the amount of Intraday Supplemental Fund Deposit or Intraday VaR Charge, FICC is proposing to add language in the “Intraday Supplemental Fund Deposit” definition in Section 5 of the GSD Margin Component Schedule and the “Intraday VaR Charge” definition in MBSD Rule 1. Specifically, the additional language would provide that FICC may determine not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, or may decrease the amount of the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, in circumstances where FICC determines that the volatility-based intraday exposure of the member and/or the breaches of the threshold amount do not accurately reflect FICC’s risk exposure to the member. The additional language would provide that examples of circumstances that FICC may consider with respect to the determination in the previous sentence may include, but shall not be limited to, (i) changes in portfolio composition result in the threshold amount not being breached on a consistent or persistent basis, (ii) trades that will be offset by trades submitted later in the day, (iii) the threshold amount was breached due to the submission of erroneous trades that are being corrected, or (iv) the threshold amount was breached due to erroneous data inputs.

In addition, FICC would adopt new rules concerning FICC’s authority to waive the collection of an Intraday Supplemental Fund Deposit at GSD or Intraday VaR Charge at MBSD, as applicable, in exigent circumstances. Specifically, the proposed rule change would provide that FICC may waive the collection of an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, in exigent circumstances if FICC determines (i) that such a waiver is necessary to protect FICC, its participants, investors and the public interest or (ii) it can effectively address the risk exposure presented by the

member without the collection of the Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable.

Lastly, the additional language would provide that any waiver, reduction, or determination not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, shall be approved, documented and reviewed on a regular basis pursuant to FICC’s procedures. Pursuant to FICC’s market risk management procedures, FICC’s Market Risk Management team monitors members’ trading activity and exposures on a 15-minute/hourly basis and identifies accounts that exceed certain preestablished thresholds. These threshold breaches trigger research, review and escalation actions for recommendations for waiving, reducing, and/or determining not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable. If a waiver, reduction, and/or determination not to collect an Intraday Supplemental Fund Deposit or Intraday VaR Charge, as applicable, is recommended, this is escalated to designated members of FICC Market Risk Management for approval and documentation in accordance with specified escalation procedures.

The proposed change is intended to facilitate compliance with new requirements in the CCAS Margin Rules that each CCA have policies and procedures to document when the CCA determines not to make an intraday call pursuant to its written policies and procedures.<sup>25</sup>

#### MBSD Intraday Mark-to-Market Charge

Currently, FICC requires additional deposit to the Clearing Fund from an MBSD member intraday pursuant to the provisions of MBSD Rules 1 and 4.<sup>26</sup> As provided in Section 3a of MBSD Rule 4, pursuant to procedures established by FICC, FICC recalculates intraday, each Business Day, at the times established by FICC for this purpose, the amount of the Intraday Mark-to-Market Charge applicable to each portfolio of an MBSD member based upon the open positions in such portfolio at a designated time intraday, for purposes of establishing whether an MBSD member shall be required to make an additional payment to its Required Fund Deposit, *i.e.*, Intraday Mark-to-Market Charge. FICC has established procedures for collection of an amount calculated in respect of an MBSD member’s Intraday

Mark-to-Market Charge, including parameters regarding threshold amounts that require payment, and the form and time by which payment is required to be made to FICC. In addition, FICC reserves the right to require an MBSD member or members generally to make additional Intraday Mark-to-Market Charge if FICC determines it to be necessary to protect itself and its members in response to factors such as market conditions or financial or operational capabilities affecting an MBSD member or members generally.

In order to comply with the CCAS Margin Rules and provide additional transparency in the MBSD Rules regarding the collection of Intraday Mark-to-Market Charge, FICC is proposing the following clarification in the MBSD Rules.

In Section 3a of MBSD Rule 4, FICC is proposing to add language that makes it clearer that the Intraday Mark-to-Market Charge would be re-calculated intraday, each Business Day, at the times and frequencies established by FICC for this purpose, which times and frequencies shall be communicated to MBSD members on FICC’s public website. In addition, FICC is proposing to make it clearer that, for purposes of establishing whether an MBSD member shall be required to make an Intraday Mark-to-Market Charge, FICC would consider when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility. Furthermore, FICC is proposing to add language that makes it clearer that FICC has procedures for ongoing monitoring and collection of an MBSD member’s Intraday Mark-to-Market Charge.

In addition, in order to enhance the transparency in the MBSD Rules regarding FICC’s existing discretion to waive or change the Intraday Mark-to-Market Charge at MBSD, FICC is proposing to add language in the Intraday Mark-to-Market Charge definition in MBSD Rule 1 to provide that all waivers and/or changes of the Intraday Mark-to-Market Charge shall be approved, documented and reviewed on a regular basis pursuant to FICC’s procedures. The proposed change is intended to facilitate compliance with new requirements in the CCAS Margin Rules that each CCA have policies and procedures to document when the CCA determines not to make an intraday call pursuant to its written policies and procedures.<sup>27</sup>

Lastly, FICC is proposing a technical correction in the first sentence of the

<sup>25</sup> See 17 CFR 240.17ad–22(e)(6)(ii)(D) and CCAS Margin Rules, *supra* note 4.

<sup>26</sup> See the definition of Intraday Mark-to-Market Charge in MBSD Rule 1 (Definitions) and related provision in MBSD Rule 4 (Clearing Fund and Loss Allocation), *supra* note 3.

<sup>27</sup> See 17 CFR 240.17ad–22(e)(6)(ii)(D) and CCAS Margin Rules, *supra* note 4.

Intraday Mark-to-Market Charge definition in MBSD Rule 1. Specifically, FICC is proposing to delete the reference to “subsection (d)” therein and replace it with “subsection (c).”

#### Implementation Timeframe

FICC expects to implement the proposed rule change by no later than December 15, 2025, and would announce the effective date of the proposed changes by an Important Notice posted to FICC’s website.

#### 2. Statutory Basis

FICC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, FICC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>28</sup> and Rule 17ad-22(e)(6)(ii) promulgated thereunder<sup>29</sup> for the reasons described below.

Section 17A(b)(3)(F) of Act requires, in part, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible and, in general, to protect investors and the public interest.<sup>30</sup> FICC believes the proposed change to provide additional transparency in the Rules regarding the collection of intraday margin would provide clarity in the Rules regarding collection of the existing Intraday Supplemental Fund Deposit at GSD as well as the Intraday VaR Charge and Intraday Mark-to-Market Charge at MBSD. Specifically, the proposed change would enhance the Rules to more clearly describe how FICC: (i) monitors its intraday exposures on an ongoing basis; (ii) makes calls for intraday margin to include when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility; and (iii) documents when it determines to waive, reduce or not make an intraday margin call pursuant to its written policies and procedures. FICC believes that providing this additional transparency and clarity in the Rules would promote the understanding of FICC’s intraday margin processes by FICC’s members, market participants and the public. This, in turn, would help members

understand their potential obligations to FICC, particularly with respect to intraday margin, so that they are better equipped and able to satisfy such requirements when due. FICC uses the margin it collects to mitigate potential losses to FICC (and through loss allocation, to its members) associated with liquidating a defaulting member’s portfolio and to continue to effect the prompt and accurate clearance and settlement of securities transactions in the event FICC ceases to act for a member. As a result, FICC believes the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are in the custody or control of FICC or for which it is responsible and, in general, to protect investors and the public interest in accordance with the requirements of Section 17A(b)(3)(F) of Act.

The proposed change to make a technical correction to the MBSD Rules would ensure that the Rules remain accurate and clear, which in turn would enable all stakeholders to readily understand their rights and obligations in connection with FICC’s clearance and settlement of securities transactions. Therefore, FICC believes that this proposed change would also promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>31</sup>

Rule 17ad-22(e)(6)(ii) under the Act requires FICC to establish, implement, maintain and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, among other things, (i) monitors intraday exposures on an ongoing basis; (ii) includes the authority and operational capacity to make intraday margin calls, as frequently as circumstances warrant, including the following circumstances: (1) when risk thresholds specified by the covered clearing agency are breached; or (2) when the products cleared or markets served display elevated volatility; and (iii) documents when the covered clearing agency determines not to make an intraday call pursuant to its written policies and procedures.<sup>32</sup> FICC believes the proposed change to provide additional transparency in the Rules regarding the collection of intraday margin would provide clarity in the Rules regarding the ongoing monitoring, calculation and collection of the existing Intraday Supplemental Fund

Deposit at GSD as well as the Intraday VaR Charge and Intraday Mark-to-Market Charge at MBSD. Specifically, the proposed change would enhance the Rules to more clearly describe how FICC: (i) monitors its intraday exposures on an ongoing basis; (ii) makes calls for intraday margin to include when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility; and (iii) documents when it determines to waive, reduce or not make an intraday margin call pursuant to its written policies and procedures. Collectively, the proposed change is designed to facilitate FICC’s compliance with Rule 17ad-22(e)(6)(ii), and, accordingly, FICC believes that the proposed change is consistent with the requirements of Rule 17ad-22(e)(6)(ii) under the Act.<sup>33</sup>

For the reasons set forth above, FICC believes the proposed change is consistent with Section 17A(b)(3)(F) of the Act<sup>34</sup> and Rule 17ad-22(e)(6)(ii) thereunder.<sup>35</sup>

#### (B) Clearing Agency’s Statement on Burden on Competition

Section 17A(b)(3)(I) of Act requires that the rules of a clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.<sup>36</sup> FICC does not believe the proposed rule change would present any burden or have a material impact on competition. The proposed changes are designed to ensure that the Rules remain transparent, accurate and clear. In addition, the proposed rule change is intended to facilitate FICC’s compliance with requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Therefore, FICC does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

FICC has not received or solicited any written comments relating to this proposal. If any written comments are received, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b-4 and the General Instructions thereto.

<sup>33</sup> *Id.*

<sup>34</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>35</sup> 17 CFR 240.17ad-22(e)(6)(ii).

<sup>36</sup> 15 U.S.C. 78q-1(b)(3)(I).

<sup>28</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>29</sup> 17 CFR 240.17ad-22(e)(6)(ii).

<sup>30</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>31</sup> *Id.*

<sup>32</sup> 17 CFR 240.17ad-22(e)(6)(ii).

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b-4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at [www.sec.gov/regulatory-actions/how-to-submit-comments](https://www.sec.gov/regulatory-actions/how-to-submit-comments). General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at [tradingandmarkets@sec.gov](mailto:tradingandmarkets@sec.gov) or 202-551-5777.

FICC reserves the right not to respond to any comments received.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

### 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-FICC-2025-008 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-2025-008. 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 (<https://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 (<https://dtcc.com/legal/sec-rule-filings.aspx>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR-FICC-2025-008 and should be submitted on or before May 16, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>37</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2025-07104 Filed 4-24-25; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102893; File No. SR-NSCC-2025-005]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change Concerning the Collection of Intraday Margin

April 21, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 15, 2025, National

Securities Clearing Corporation ("NSCC") 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. 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 amendments to the NSCC Rules & Procedures ("NSCC Rules") to address recently adopted amendments to the Commission's Standards for Covered Clearing Agencies ("CCAS Rules") concerning the collection of intraday margin.<sup>3</sup>

### 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

##### Executive Summary of Proposed Changes

On October 25, 2024, the Commission adopted amendments to the CCAS Rules to add new requirements related to the collection of intraday margin by a covered clearing agency ("CCA").<sup>4</sup> Specifically, the Commission amended Rule 17ad-22(e)(6)(ii)<sup>5</sup> to establish new requirements with respect to a CCA's policies and procedures regarding the collection of intraday margin to: (i) include a new requirement to monitor intraday exposures on an ongoing basis; (ii) modify the preexisting reference to making intraday calls "in defined

<sup>3</sup> Capitalized terms not defined herein shall have the meaning assigned to such terms in the NSCC Rules, available at [www.dtcc.com/legal/rules-and-procedures](https://www.dtcc.com/legal/rules-and-procedures).

<sup>4</sup> Securities Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 91000 (Nov. 18, 2024) (File No. S7-10-23) ("Adopting Release," and the intraday margin rules adopted therein referred to herein as "CCAS Margin Rules").

<sup>5</sup> 17 CFR 240.17ad-22(e)(6)(ii).

<sup>37</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.