

April 16, 2024

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

**Re: File No. SR-FICC-2024-005; Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change, as Modified by Partial Amendment No. 1, to Modify the GSD Rules to Facilitate Access to Clearance and Settlement Services of All Eligible Secondary Market Transactions in U.S. Treasury Securities**

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association (“SIFMA”),<sup>1</sup> the Asset Management Group of SIFMA,<sup>2</sup> the Investment Company Institute (“ICI”),<sup>3</sup> Alternative Investment

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

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

<sup>3</sup> The [Investment Company Institute](#) (ICI) is the leading association representing regulated investment funds. ICI's mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. ICI's members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. Its members manage \$34.4 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 100 million investors. Members manage an additional \$9.2 trillion in regulated fund assets managed outside the United States. ICI also represents its members in their capacity as investment advisers to certain collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI has offices in Washington DC, Brussels, and London and carries out its international work through [ICI Global](#).

Management Association (AIMA)<sup>4</sup>, International Swaps and Derivatives Association (ISDA)<sup>5</sup> (the “Associations”) appreciate the opportunity to respond to the above referenced rule proposal (the “Access Model Proposal”) from the Fixed Income Clearing Corporation (“FICC”). We write to request an extension of the comment period on this rule proposal for the reasons set forth below. We request that the comment period be extended at least an additional 60 days to give interested parties a full opportunity to review and provide comments.

The Associations believe that any material changes to FICC's existing participation models must be thoroughly considered before they are implemented. As mentioned in the Associations’ prior letters,<sup>6</sup> FICC plays a significant role in the U.S. Treasury securities market as the sole central clearing counterparty for transactions in U.S. Treasury securities and repurchase and reverse repurchase transactions involving U.S. Treasury securities. This is a role that will only increase in size with the implementation of the SEC's rule requiring central clearing of U.S. Treasuries. Accordingly, it is of the utmost importance that the proposed changes to FICC's participation models be considered completely to ensure they are designed to efficiently and effectively achieve the goal of providing access to FICC's clearance and settlement services in "as flexible a means as possible" to participants in the U.S. Treasury securities market,<sup>7</sup> including buy-side participants that historically have accessed FICC’s clearance and settlement services as indirect participants.<sup>8</sup> We must also understand and consider any possible negative consequences of the Access Model Proposal.

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<sup>4</sup> The Alternative Investment Management Association (AIMA) is the global representative of the alternative investment industry, with around 2,100 corporate members in over 60 countries. AIMA’s fund manager members collectively manage more than US\$3 trillion in hedge fund and private credit assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry. AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 250 members that manage over US\$1 trillion of private credit assets globally. AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors).

<sup>5</sup> Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 77 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association’s website: [www.isda.org](http://www.isda.org). Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

<sup>6</sup> See Letter from SIFMA to Ms. Vanessa Countryman of the SEC, dated April 1, 2024, requesting an extension of the comment period for FICC Proposed Rule Change to Adopt a Minimum Margin Amount at GSD.; [Letter](#) from ICI to Ms. Vanessa Countryman of the SEC, dated December 23, 2022, commenting on the SEC’s Treasury clearing rule proposal; [Letter](#) from AIMA to Ms. Vanessa Countryman of the SEC, dated December 22, 2022, commenting on the SEC’s Treasury clearing rule proposal; [Letter](#) from SIFMA AMG to Ms. Vanessa Countryman of the SEC, dated December 23, 2022, commenting on the SEC’s Treasury clearing rule proposal; [Letter](#) from SIFMA and IIB to Ms. Vanessa Countryman of the SEC, dated December 22, 2022, commenting on the SEC’s Treasury clearing rule proposal; [Letter](#) from ISDA to Ms. Vanessa Countryman of the SEC, dated December 23, 2022, commenting on the SEC’s Treasury clearing rule proposal.

<sup>7</sup> See final SEC Treasury clearing rule at 89 FR at 2814.

<sup>8</sup> For example, registered investment companies primarily access FICC’s clearance and settlement services through FICC’s Sponsored Service.

The Access Model Proposal has also been published together with other FICC rule change proposals, which each introduce significant changes to existing FICC rules.<sup>9</sup> Since these rules are designed to operate in concert, they must be reviewed together in order to determine how they will be implemented and to determine their practical effect on the market. In order to properly consider the rule proposals, it would be appropriate to extend the comment period for the Access Model Proposal to allow market participants sufficient time to evaluate and prepare comments to the proposal.

We do not believe that the allotted time is sufficient for the necessary review. A 21-day comment period is too short as firms need to consult with a number of different functional areas within their firms to assess the impact of the proposed rule changes. While we acknowledge that it is important that FICC ensure that its risk management requirements are robust, it is also important that requirements be properly calibrated and not unduly burden the market and impair the ability of some firms to participate in the FICC clearing process. If FICC's requirements are not calibrated correctly, they could impair liquidity in the U.S. Treasury securities cash and repo markets.

Accordingly, as noted above, we respectfully request an extension of the comment period to, at a minimum, add 45 days to the comment period due to the significance of the rule change, the difficulty for market participants to appropriately analyze the proposal in the allotted time and the importance to the financial system of the U.S. Treasury securities market.

The additional time would allow the Associations and their respective member firms to analyze more completely the Access Model Proposal and its potential impact on the U.S. Treasury securities market and to share any suggestions or comments if necessary. This not only will ultimately aid the SEC in making its determination on the proposal, but also ensure that any necessary changes that FICC must make to the proposal are identified.

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<sup>9</sup> See File Number SR-FICC-2024-003, Notice of Filing of Proposed Rule Change to Adopt a Minimum Margin Amount at GSD (Minimum Margin Proposal); and File Number SR- FICC-2024-007, Notice of Filing of Proposed Rule Change to Modify the GSD Rule (i) Regarding the Separate Calculation, Collection and Holding of Margin for Proprietary Transactions and That for Indirect Participant Transactions, and (ii) to Address the Conditions of Note H to Rule 15c3-3a (Margin Seg Proposal).

Please feel free to contact any of the undersigned with any questions [rtoomey@sifma.org](mailto:rtoomey@sifma.org) 212.313.1124; [bthum@sifma.org](mailto:bthum@sifma.org) 202.962.7381; [sarah.bessin@ici.org](mailto:sarah.bessin@ici.org) 202.326.5835; [daustin@aima.org](mailto:daustin@aima.org) 202.919.4940; [ncone@isda.org](mailto:ncone@isda.org) 202.569.5782 for more information, and we thank you for your consideration of this request.

Sincerely,



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SIFMA



William C. Thum  
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SIFMA AMG



Sarah A. Bessin  
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