April 16, 2024

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

Re: File No. SR-FICC-2024-007; Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change to Modify the GSD Rules (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

Dear Ms. Countryman:

The Securities Industry and Financial Markets Association ("SIFMA"),[1] the Asset Management Group of SIFMA,[2] the Investment Company Institute ("ICI"),[3] Alternative Investment management Association (AIMA)[4], International Swaps and Derivatives Association

[1] 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.

[2] 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.

[3] 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.

[4] 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

(ISDA)[5](the "Associations") appreciate the opportunity to respond to the above referenced rule proposal (the "Customer Protection 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 it is crucial for any significant changes to FICC's current methodology for calculating, collecting and holding customer margin to be considered carefully before such changes are implemented. As noted in the SEC's final rule requiring central clearing of U.S. Treasuries, the separate calculation, collection and holding of margin for customers of FICC netting members (i.e., "indirect participants"), particularly those who seek to clear through FICC on a "done-away" basis, is a central component of the rule. Among other things, providing an avenue for an indirect participant's margin to be accounted for and held separately from margin posted to support a FICC netting member's proprietary transactions provides a strong incentive for market participants to centrally clear transactions involving U.S. Treasury securities.[6] For the same reason, it is crucial that market participants have a chance to evaluate and respond to those aspects of the Customer Protection Proposal that would allow broker-dealer netting members to include customer margin on deposit at FICC as a debit in its reserve formula.[7]

The Customer Protection Proposal has also been published together with other FICC rule change proposals, which each introduce significant changes to existing FICC rules.[8] 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 Customer Protection 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

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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).

[5] 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. Follow us on Twitter, LinkedIn, Facebook and YouTube.

[6] See Adopting Release for final SEC Treasury clearing rule 89 FR at 2808.

[7] This is of particular importance to registered funds as the '40 Act custody issue is a separate and important point that is not resolved by the 15c3-3 relief (except to the extent of the temporary no-action relief).

[8] See File Number SR-FICC-2024-003, Notice Filing of Proposed Rule Change to Adopt a Minimum Margin Amount at GSD (Minimum Margin Proposal); and File Number SR- FICC-2024-005, 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 (Access Model Proposal).

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 Customer Protection 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.

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

Sincerely,

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