



November 19, 2025

Honorable Paul Atkins
Chair
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Treasury Clearing – The OCC-Model Approach under Rule 15c3-3

Dear Chair Atkins:

On behalf of the Securities Industry and Financial Markets Association (“SIFMA”)¹ and our member firms, we sincerely appreciate the Securities and Exchange Commission (“Commission”) and its staff for the recently issued FAQs clarifying the application of Rule 15c3-3a under the Securities Exchange Act of 1934 (“Exchange Act”) in connection with U.S. Treasury clearing. The guidance provided valuable certainty on key operational and interpretive issues, and we commend the Commission’s responsiveness to market concerns.

We respectfully write to emphasize that an additional and consequential issue remains unresolved – namely, the ability of broker-dealers to reflect a reserve formula debit in instances where customer margin for U.S. Treasury transactions is delivered to a qualified covered clearing agency through an omnibus segregated account structure. This issue is critical to ensuring that broker-dealers can continue to intermediate cleared access for indirect participants, particularly buy-side clients and smaller market participants, without facing undue liquidity strain stemming from the current inability to reflect the reserve formula debit – an operational gap leading to reserve requirements that do not accurately reflect the actual risk posed to broker-dealers and the financial system.

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>.

In this context, SIFMA urges the Commission to consider an approach modeled on the Options Clearing Corporation's ("OCC's") long-standing framework for omnibus segregation. Under such a model:

- Direct netting members of FICC (each, a "Firm") would be permitted to include a reserve formula debit for margin collected from indirect participant accounts (each, a "Customer") that elect omnibus segregation, rather than gross segregation.
- This treatment would apply where the Firm (i) collects the margin required by FICC from the Customer, (ii) satisfies the margin obligations at FICC on their behalf, and (iii) segregates any excess margin in accordance with Rule 15c3-3. In the absence of the Firm receiving the margin from the Customer, the Firm would take the appropriate capital charges under Exchange Act Rule 15c3-1. The Firm should still derive the benefit of a Rule 15c3-3 formula debit, if it uses its own capital to meet the Customer's margin requirement.

Implementing this risk-sensitive approach would enhance liquidity, expand access to Treasury clearing, and better protect investors by ensuring that margin requirements accurately reflect their risk exposure. It would align regulatory treatment with the economic and legal substance of omnibus segregation, mitigate structural disincentives for intermediaries, and support broader central clearing participation. Absent such treatment, broker-dealers are effectively forced to choose between incurring disproportionate reserve requirements that create undue liquidity strains or limiting client access – an outcome at odds with the Commission's policy objectives.

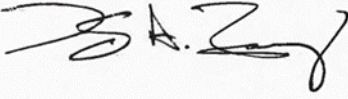
We believe that collaborating to implement the OCC omnibus segregation model offers a proven, risk-sensitive path forward and respectfully request that the Commission and staff work with SIFMA to explore appropriate means – whether through interpretive relief, exemptive authority, or rulemaking – to implement this approach under Rule 15c3-3a.

We also respectfully request that the staff revise FAQ 4 to eliminate the 24-hour limitation on recognizing an Item 15 debit when a broker-dealer prefunds a margin requirement at a qualified clearing agency under Note H(b)(1)(iii), and the related requirement that the broker-dealer call for the customer to deliver collateral to meet the margin requirement. As currently framed, the FAQ permits the debit only through the close of the business day following the margin call, after which the debit must be removed if customer collateral has not been received. This introduces unnecessary operational complexity and, more importantly, results in duplicative regulatory treatment: the broker-dealer would be required to both reverse the debit in the reserve formula and take a capital charge under Rule 15c3-1 for the uncollected margin. We believe this outcome is inconsistent with the economic substance of the prefunding arrangement and imposes a disproportionate burden without enhancing customer protection. Removing the time constraint would allow the reserve formula to more accurately reflect the broker-dealer's exposure while preserving the safeguards of Rule 15c3-3.

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Thank you for your continued leadership and engagement. SIFMA remains committed to working constructively with the Commission and its staff to promote robust, inclusive, and resilient Treasury market infrastructure. Please contact me at 202-962-7386 or Mark Attar at Stradley Ronon Stevens & Young, LLP, who assisted in the preparation of this letter, at 202-419-8406, if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read "K. Zambrowicz", is centered within a light gray rectangular box.

Kevin Zambrowicz
Deputy General Counsel
SIFMA

Cc: The Hon. Caroline A. Crenshaw, Commissioner
The Hon. Hester M. Peirce, Commissioner
The Hon. Mark T. Uyeda, Commissioner

Jamie Selway, Director, Division of Trading and Markets
Michael Macchiaroli, Associate Director, Division of Trading and Markets
Raymond Lombardo, Assistant Director, Division of Trading and Markets
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