

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-63612; File No. SR-FICC-2010-10)

December 29, 2010

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Modifications to the Fee Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on December 21, 2010, the Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II, which Items have been prepared primarily by FICC. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act² and Rule 19b-4(f)(2)³ thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The purpose of this filing is to modify participant fees. The fee changes are effective as of January 1, 2011.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FICC 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.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(ii).

³ 17 CFR 240.19b-4(f)(2).

FICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Government Securities Division (“GSD”)

(a) The fee structure for submission of a side of a trade and submission of a Repo Transaction is revised to reflect the following:

	Current Fee	2011 Proposed Fee
Up to 50,000 submissions per month	\$0.21 per item	\$0.27 per item
50,001 to 100,000 submissions per month	\$0.12 per item	\$0.15 per item

(b) The following Netting Fee and Charges have been revised as follows:

	Current Fee	2011 Proposed Fee
1. For each side of a Compared Trade, other than a Repo Transaction, that is netted, a fee equaling the sum (in addition to the comparison fee) of:	(i) \$0.16; and (ii)\$0.016 per \$1 million of par value.	(i) \$0.18; and (ii) \$0.018 per \$1 million of par value.
2. For each Start Leg or Close Leg of a Repo Transaction other than a GCF Repo Transaction that is netted, a fee equaling the sum (in addition to the comparison fee) of:	(i) \$0.16; and (ii)\$0.016 per \$1 million of par value.	(i) \$0.18; and (ii) \$0.018 per \$1 million of par value.

(c) Currently, the charge to a member for the processing and reporting by the GSD of a GCF Repo® transaction is \$.05 per million gross dollar amount of such transaction with a minimum charge of \$2.50. The current charge makes no distinction between inter-dealer broker members and non-inter-dealer broker members. The proposed new charge will apply different charges to inter-dealer broker members and non-inter-dealer broker members. Specifically, the charge for non-

inter-dealer broker members will remain unchanged at \$.05 per million with a minimum charge of \$2.50. The charge for inter-dealer brokers will be \$.025 per million with a minimum charge of \$1.25.

(d) The charge for each Deliver Obligation and Receive Obligation created as a result of the netting process is a fee of \$0.10 per \$1 million of par value. This fee is being increased to \$0.15 per \$1 million.

(e) Repo Transaction Processing Fee

a. For a term Repo Transaction other than a GCF Repo Transaction that has been compared and netted, but which has not yet settled, a fee calculated as follows:

i. for Repo Brokers (as defined in subsection III.H of the GSD Fee Structure) with respect to their brokered Repo Transaction activity, a .010 basis point charge (i.e., one hundredth of a basis point) applied to the gross dollar amount of each such Repo Transaction is currently in effect. This will be increased to 0.0175 basis point charge (i.e. one and three quarter hundredth of a basis point) and

ii. for all other Netting Members, as well as Repo Brokers with respect to their non-brokered Repo Transaction activity, a .020 basis point charge (i.e., two hundredths of a basis point) applied to the gross dollar amount of

each such Repo Transaction is currently in effect. This will be increased to a 0.025 basis point charge (i.e. two and a half hundredths of a basis point).

- b. For a GCF Repo Transaction that has been compared and netted, but which has not yet settled, a fee calculated as follows:
 - i. for Repo Brokers acting as GCF-Authorized-Inter-Dealer Brokers, a .010 basis point charge (i.e., one hundredth of a basis point) applied to the gross dollar amount of such GCF Repo Transaction. This will be increased to 0.0175 basis point charge (i.e., one and three quarter hundredths of a basis point) applied to the gross dollar amount of such GCF Repo Transaction and
 - ii. for all other Netting Members, a .020 basis point charge (i.e., two hundredths of a basis point) applied to the gross dollar amount of such GCF Repo Transaction. This will be increased to 0.025 basis point charge (i.e., two and one half hundredths of a basis point) applied to the gross dollar amount of such GCF Repo Transaction.

2. Mortgage Backed Securities Division (“MBSC”) Fee Changes

The MBSD fee structure is revised to reflect the following:

	Current Old Fee	2011 Proposed Fee
	Par Value Millions	Par Value Millions
Up to 2,500 trades per month	\$1.44	\$1.68
2,501 to 5,000 trades per month	\$1.32	\$1.54
5,001 to 7,500 trades per month	\$1.19	\$1.39
7,501 to 10,000 trades per month	\$1.11	\$1.30
10,001 to 12,500 trades per month	\$0.98	\$1.15
12,501 and over trades per month	\$0.85	\$0.99

FICC states that the proposed rule change is consistent with the requirements of Section 17A of the Act⁴ and the rules and regulations thereunder because it updates FICC's fee schedule and provides for the equitable allocation of fees among its participants.

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

FICC does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

FICC has not solicited or received written comments relating to the proposed rule change. FICC will notify the Commission of any comments it receives.

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) (ii) of the Act⁵ and Rule 19b-4(f)(2)⁶ because the proposed rule change establishes or changes a due, fee, or

⁴ 15 U.S.C. 78q-1.

⁵ Supra note 2.

⁶ Supra note 3.

other charge applicable only to a member. 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 e-mail to rule-comments@sec.gov. Please include File No. SR-FICC-2010-10 on the subject line.

Paper comments:

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

All submissions should refer to File No. SR-FICC-2010-10. This file number should be included on the subject line if e-mail 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 Web site (<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 Web site 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 am and 3:00 pm. Copies of such filings also will be available for inspection and copying at FICC's principal office and on FICC's Web site at http://www.dtcc.com/legal/rule_filings/ficc/2010.php. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submission should refer to File No. SR-FICC-2010-10 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets pursuant to delegated authority.⁷

Florence E. Harmon
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).