



Methodology Document

GSD Initial Market Risk Margin Model

Changes to this Methodology Document, as amended by File No. SR-FICC-2021-007, are available at [dtcc.com/~media/Files/Downloads/legal/rule-filings/2021/FICC/SR-FICC-2021-007.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rule-filings/2021/FICC/SR-FICC-2021-007.pdf). These changes have been approved by the SEC but have not yet been implemented. By no later than 30 days after [insert date of the SEC approval of SR-FICC-2021-007], these changes will be implemented and this legend will automatically be removed from this Methodology Document.

* * * *

PAGE REDACTED IN ITS ENTIRETY

**FIXED INCOME CLEARING CORPORATION
GOVERNMENT SECURITIES DIVISION RULEBOOK**

RULE 1 – DEFINITIONS*

Changes to this Rule, as amended by File No. SR-FICC-2021-007, are available at [dtcc.com/~media/Files/Downloads/legal/rule-filings/2021/FICC/SR-FICC-2021-007.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rule-filings/2021/FICC/SR-FICC-2021-007.pdf). These changes have been approved by the SEC but have not yet been implemented. By no later than 30 days after [insert date of the SEC approval of SR-FICC-2021-007], these changes will be implemented and this legend will automatically be removed from this Rule.

Unless the context requires otherwise, the terms defined in this Rule shall, for all purposes of these Rules, have the meanings herein specified.

~~Early Unwind Intraday Charge~~

~~The term “Early Unwind Intraday Charge” means an additional charge to address exposures that may arise as a result of certain intraday cash substitution processing in the GCF Repo Service.~~

RULE 4 - CLEARING FUND AND LOSS ALLOCATION

Changes to this Rule, as amended by File No. SR-FICC-2021-007, are available at [dtcc.com/~media/Files/Downloads/legal/rule-filings/2021/FICC/SR-FICC-2021-007.pdf](https://www.dtcc.com/~media/Files/Downloads/legal/rule-filings/2021/FICC/SR-FICC-2021-007.pdf). These changes have been approved by the SEC but have not yet been implemented. By no later than 30 days after [insert date of the SEC approval of SR-FICC-2021-007], these changes will be implemented and this legend will automatically be removed from this Rule.

Section 1b – Unadjusted GSD Margin Portfolio Amount

(a) Each Business Day, the Corporation shall determine, with respect to each Margin Portfolio, an Unadjusted GSD Margin Portfolio Amount as the sum of the following:

(i) the VaR Charge,

minus

(ii) in the case of a Margin Portfolio of a Cross Margining Participant that is subject to one or more Cross-Margining Arrangements, in the discretion of the Corporation, an amount not to exceed the sum of any applicable Cross-Margining Reductions, calculated on the current Business Day for such Cross-Margining Participant in accordance with the applicable Cross-Margining Agreements,

plus

~~(iii) — in the case of a Margin Portfolio of a GCF Counterparty, the Early Unwind Intraday Charge, if applicable,~~

plus or minus

~~(iiiiv)~~ in the case of a Margin Portfolio of a GCF Counterparty, the Blackout Period Exposure Adjustment, if applicable, during the monthly Blackout Period or until the applicable GCF Clearing Agent Bank updates the Pool Factors used for collateral valuation,

plus

~~(ivv)~~ in the case of a Netting Member with backtesting deficiencies, the Backtesting Charge, if applicable,

plus

~~(vvi)~~ the Holiday Charge, if applicable, on the Business Day prior to a Holiday,

plus

(~~vii~~viii) a Margin Liquidity Adjustment Charge and an MLA Excess Amount, if applicable.
