SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-69754; File No. SR-FICC-2013-02)

June 13, 2013

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change to Include Options On Interest Rate Futures Contracts With Maturities Not Longer Than Two Years In The One-Pot Cross-Margining Program Between the Government Securities Division and New York Portfolio Clearing, LLC

On April 15, 2013, the Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] a proposed rule change to include options on interest rate futures contracts with maturities not longer than two years in the one-pot cross-margining program between the Government Securities Division ("GSD") and New York Portfolio Clearing, LLC ("NYPC").[3] The proposed rule change was published for public comment in the Federal Register on May 3, 2013.[4] The Commission has received no comment letters regarding the proposal.

Section 19(b)(2)(A) of the Act[5] provides that, within 45 days of the date of publication of notice of the filing of a proposed rule change in the Federal Register, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, the Commission shall either

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 NYPC is jointly owned by NYSE Euronext and The Depository Trust & Clearing Corporation.

4 *See* Securities Exchange Act Release No. 69470 (April 29, 2013), 78 FR 26093-01 (May 3, 2013) (SR-FICC-2013-02).

5 15 U.S.C. 78s(b)(2)(A).

approve or disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The forty-fifth day after publication of notice of this proposed rule change is Monday, June 17, 2013.

As noted, the proposed rule change would allow FICC to include options on interest rate futures contracts with maturities not longer than two years in the one-pot cross-margining program between the GSD and NYPC. In the proposed rule change, FICC acknowledged that it will have to alter its risk management framework to account for the non-linear risks presented by options on interest rate futures.[6] The Commission deems it appropriate to designate a longer time period within which to take action on the proposed rule change so that it has sufficient time to evaluate the risk management implications of the proposed rule change.

Accordingly, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act,[7] the Commission designates Thursday, August 1, 2013 as the date by which the Commission should either

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[6] *See* Securities Exchange Act Release No. 69470 (April 29, 2013), 78 FR 26093-01, 26094 (May 3, 2013) (SR-FICC-2013-02).

[7] 15 U.S.C. 78s(b)(2)(A)(ii)(I).

approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change (SR-FICC-2013-02).

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.[8]

Kevin M. O'Neill
Deputy Secretary

[8] 17 CFR 200.30-3(a)(31).