

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-80520; File No. SR-FICC-2017-802)

April 25, 2017

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Extension of Review Period of Advance Notice to Implement the Capped Contingency Liquidity Facility in the Government Securities Division Rulebook

On March 1, 2017, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) advance notice SR-FICC-2017-802 (“Advance Notice”) pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing, and Settlement Supervision Act of 2010 (“Clearing Supervision Act”)¹ and Rule 19b-4(n)(1)(i) under the Securities Exchange Act of 1934 (“Exchange Act”).² The Advance Notice was published for comment in the Federal Register on March 15, 2017.³ The

¹ 12 U.S.C. 5465(e)(1). The Financial Stability Oversight Council designated FICC a systemically important financial market utility on July 18, 2012. See Financial Stability Oversight Council 2012 Annual Report, Appendix A, <http://www.treasury.gov/initiatives/fsoc/Documents/2012%20Annual%20Report.pdf>. Therefore, FICC is required to comply with the Payment, Clearing and Settlement Supervision Act and file advance notices with the Commission. See 12 U.S.C. 5465(e).

² 17 CFR 240.19b-4(n)(1)(i).

³ Securities Exchange Act Release No. 80191 (March 9, 2017), 82 FR 13876 (March 15, 2017) (SR-FICC-2017-802). FICC also filed a related proposed rule change (SR-FICC-2017-002) with the Commission pursuant to Section 19(b)(1) of the Exchange Act and Rule 19b-4 thereunder, seeking approval of changes to its rules necessary to implement the Advance Notice (“Proposed Rule Change”). 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4, respectively. The Proposed Rule Change was published in the Federal Register on March 20, 2017. Securities Exchange Act Release No. 80234 (March 14, 2017), 82 FR 14401 (March 20, 2017) (SR-FICC-2017-002).

Commission received one comment on the proposal contained in the Advance Notice.⁴

Section 806(e)(1)(G) of the Clearing Supervision Act provides that FICC may implement the changes if it has not received an objection to the proposed changes within 60 days of the later of (i) the date that the Commission receives the Advance Notice or (ii) the date that any additional information requested by the Commission is received,⁵ unless extended as described below.

Pursuant to Section 806(e)(1)(H) of the Clearing Supervision Act, the Commission may extend the review period of an advance notice for an additional 60 days, if the changes proposed in the advance notice raise novel or complex issues, subject to the Commission providing the clearing agency with prompt written notice of the extension.⁶

Here, as the Commission has not requested any additional information, the date that is 60 days after FICC filed the Advance Notice with the Commission is April 30, 2017. However, the Commission finds the Advance Notice complex because the material aspects of the proposal are detailed, substantial, and are interrelated with other risk management practices at FICC, and therefore finds it appropriate to extend the review

⁴ See letter from Robert E. Pooler, Chief Financial Officer, Ronin Capital LLC, dated April 10, 2017, to Robert W. Errett, Deputy Secretary, Commission, available at <https://www.sec.gov/comments/sr-ficc-2017-002/ficc2017002-1694243-149787.pdf>. Because the proposals contained in the Advance Notice and Proposed Rule Change raise the same substantive issues, *supra* note 3, the Commission is considering all public comments received on the proposal regardless of whether the comments were submitted to the Advance Notice or the Proposed Rule Change.

⁵ 12 U.S.C. 5465(e)(1)(G).

⁶ 12 U.S.C. 5465(e)(1)(H).

period of the Advance Notice for an additional 60 days under Section 806(e)(1)(H) of the Clearing Supervision Act.⁷

Accordingly, the Commission, pursuant to Section 806(e)(1)(H) of the Clearing Supervision Act,⁸ extends the review period for an additional 60 days so that the Commission shall have until June 29, 2017 to issue an objection or non-objection to the Advance Notice (File No. SR-FICC-2017-802).

By the Commission.

Eduardo A. Aleman
Assistant Secretary

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Id.

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Id.