

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-80235; File No. SR-FICC-2017-001)

March 14, 2017

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change to (1) Implement the Margin Proxy, (2) Modify the Calculation of the Coverage Charge in Circumstances Where the Margin Proxy Applies, and (3) Make Certain Technical Corrections

On February 2, 2017, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-FICC-2017-001 (“Proposed Rule Change”) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² to establish a supplemental Value-at-Risk charge (“VaR Charge”) calculation in FICC’s Government Securities Division (“GSD”) margin model.³ The proposed rule change was published for comment in the Federal Register on February 9, 2017.⁴ The Commission received three comment

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On February 2, 2017, FICC also filed this proposed rule change as advance notice SR-FICC-2017-801 (“Advance Notice”) with the Commission pursuant to Section 806(e)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010, 12 U.S.C. 5465(e)(1), and Rule 19b-4(n)(1)(i) of the Act, 17 CFR 240.19b-4(n)(1)(i). Notice of filing of the Advance Notice was published for comment in the Federal Register on March 8, 2017. Securities Exchange Act Release No. 80139 (March 2, 2017), 82 FR 13026 (March 8, 2017) (SR-FICC-2017-801). The Commission shall have until April 3, 2017 to object or not object to the Advance Notice. The proposal in the Proposed Rule Change and the Advance Notice shall not take effect until all regulatory actions required with respect to the proposal are completed.

⁴ Securities Exchange Act Release No. 79958 (February 3, 2017), 82 FR 10117 (February 9, 2017) (SR-FICC-2017-001).

letters to the Proposed Rule Change.⁵

Section 19(b)(2) of the Act⁶ provides that, within 45 days of the publication of notice of the filing of a proposed rule change, 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, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is March 26, 2017. The Commission is extending this 45-day time period.

In order to provide the Commission with sufficient time to consider the Proposed Rule Change, the Commission finds that it is appropriate to designate a longer period within which to take action on the Proposed Rule Change. Accordingly, the

⁵ See letter from Robert E. Pooler, Chief Financial Officer, Ronin Capital LLC (“Ronan”), dated February 24, 2017, to Eduardo A. Aleman, Assistant Secretary, Commission (“Ronin Letter”); letter from Alan Levy, Managing Director, Industrial and Commercial Bank of China Financial Services LLC (“ICBCFS”), dated February 24, 2017 (“ICBCFS Letter”); and letter from Timothy J. Cuddihy, Managing Director, FICC, dated March 8, 2017, to Eduardo A. Aleman, Assistant Secretary, Commission (“FICC Letter”), available at <https://www.sec.gov/comments/sr-ficc-2017-001/ficc2017001.htm>. Since the proposal contained in the Proposed Rule Change was also filed as an Advance Notice, Release No. 80139, *supra* note 3, the Commission is considering all public comments received on the proposal regardless of whether the comments are submitted to the Proposed Rule Change or the Advance Notice.

⁶ 15 U.S.C. 78s(b)(2).

Commission, pursuant to Section 19(b)(2) of the Act,⁷ designates May 10, 2017 as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove proposed rule change SR-FICC-2017-001.

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

Robert W. Errett
Deputy Secretary

⁷ Id.

⁸ 17 CFR 200.30-3(a)(31).