

**EXHIBIT 5**

**Bold and underlined text** indicates proposed new language.

**~~Bold and strikethrough text~~** indicates proposed deleted language.

**Blue highlighted, bold and underlined text** indicates language proposed to be added by SR-FICC-2025-015.

**~~Blue highlighted, bold and strikethrough text~~** indicates language proposed to be deleted by SR-FICC-2025-015.

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

## **RULE 1 – DEFINITIONS\***

**[Changes to this Rule, as amended by File No. SR-FICC-2025-019, are available at [www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings). These changes have been approved by the SEC but have not yet been implemented. By no later than [insert date no later than 6 months after approval], these changes will be implemented, and this legend will be automatically 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.

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### **CIL Custodial Agreement Supplement**

**The term “CIL Custodial Agreement Supplement” means an agreement that is between a Sponsored GC Clearing Agent Bank, a CIL Funds Lender, the Corporation, and a GC Funds Borrower that contains the terms set forth in the Schedule of CIL Custodial Agreement Supplement Material Terms.**

### **CIL Funds Lender**

**The term “CIL Funds Lender” means a Sponsored Member that is a GC Funds Lender in respect of a Sponsored GC CIL Trade.**

### **CIL Joint Account**

**The term “CIL Joint Account” means a group of two or more CIL Funds Lenders represented by a CIL Joint Account Agent.**

### **CIL Joint Account Agent**

**The term “CIL Joint Account Agent” means an entity authorized to enter into Sponsored GC CIL Trades on behalf of two or more CIL Funds Lenders.**

### **CIL Joint Account Agent Agreement**

**The term “CIL Joint Account Agent Agreement” means the agreement required by Section 3A of Rule 3A to be signed and delivered to the Corporation by (x) each CIL Funds Lender that will be represented by a CIL Joint Account Agent and (v) the CIL Joint Account Agent.**

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### **CIL Joint Account Block**

**The term “CIL Joint Account Block” means a Sponsored GC CIL Trade entered into by a CIL Joint Account Agent on behalf of multiple CIL Funds Lenders.**

### **CIL Required Haircut**

**The term “CIL Required Haircut” means 2 percent of the Contract Value of the Start Leg or such other amount as the Corporation may, with no less than thirty (30) Business Days’ advance notice, make available to Netting Members and communicate to the Sponsored GC Clearing Agent Bank.**

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### **GC Collateral Return Entitlement**

The term “GC Collateral Return Entitlement” means the entitlement of a ~~Sponsoring Member or Sponsored Member~~ **Netting Member or its Indirect Participant, as applicable**, to receive the Purchased GC Repo Securities in exchange for cash at the End Leg of a Sponsored GC Trade.

### **GC Collateral Return Obligation**

The term “GC Collateral Return Obligation” means the obligation of a ~~Sponsoring Member or Sponsored Member~~ **Netting Member or its Indirect Participant, or in the case of a Sponsored GC CIL Trade, a Sponsored Member, as applicable**, to deliver the Purchased GC Repo Securities in exchange for cash at the End Leg of a Sponsored GC Trade.

\* \* \*

### **GC Funds Borrower**

The term “GC Funds Borrower” means a ~~Sponsoring Member or Sponsored Member~~ **Netting Member or its Indirect Participant, as applicable**, that has a GC Collateral Return Entitlement and associated cash payment obligation.

### **GC Funds Lender**

The term “GC Funds Lender” means a ~~Sponsoring Member or Sponsored Member~~ **Netting Member or its Indirect Participant, as applicable, or, in the case of a Sponsored GC CIL Trade, a Sponsored Member, in each case** that has a GC Collateral Return Obligation and associated cash payment entitlement.

\* \* \*

## **Indirect Participants Account**

The term “Indirect Participants Account” means a Sponsoring Member Omnibus Account, a Sponsored GC CIL Omnibus Account, or an Agent Clearing Member Omnibus Account, including any Sponsoring Member Omnibus Account or Agent Clearing Member Omnibus Account that has been designated as a Segregated Indirect Participants Account pursuant to Rule 2B, except as otherwise expressly stated in the Rules.

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## **Margin Excess Amount**

The term “Margin Excess Amount” means, in respect of a Sponsored GC Trade, the amount of Purchased GC Repo Securities necessary to (i) cause the market value of the GC Funds Lender’s GC Collateral Return Obligation to be no greater than the GC Start Leg Market Value or (ii) effectuate any permitted substitution of Purchased GC Repo Securities, in each case pursuant to Section 8(b) of Rule 3A.

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## **Purchased GC Repo Securities**

The term “Purchased GC Repo Securities” means the GC Repo Securities transferred by the GC Funds Borrower ~~Sponsoring Member or Sponsored Member, as applicable,~~ in settlement of the Start Leg of a Sponsored GC Trade, plus all cash and other GC Repo Securities transferred by such GC Funds Borrower ~~Sponsoring Member or Sponsored Member~~ pursuant to Sections 8(b)(ii) and 8(b)(v) of Rule 3A, less any GC Repo Securities or cash received by the GC Funds Borrower ~~Sponsoring Member or Sponsored Member~~ pursuant to Sections 8(b)(iii) and 8(b)(v) of Rule 3A.

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## **Required Fund Deposit Portion**

The term “Required Fund Deposit Portion” means each of the items listed in Section 2(a)(i)-(iv) of Rule 4.

\* \* \*

## **Same-Day Settling Trade**

The term “Same-Day Settling Trade” means (i) a Start Leg of a Netting Member’s Repo Transaction where the Scheduled Settlement Date of the Start Leg is the current Business Day, (ii) an As-Of Trade of a Netting Member where the Scheduled Settlement Date of the Start Leg is the previous Business Day and the End Leg is the current Business Day or thereafter, or (iii) a Sponsored Member Trade, other than a Sponsored GC Trade, within the meaning of clause section (a) (ii) of that definition that meets the requirements of either (i) or (ii) above.

\* \* \*

### **Sponsored GC CIL Omnibus Account**

**The term “Sponsored GC CIL Omnibus Account” means an Account maintained by the Corporation for a Sponsoring Member to record Sponsored GC CIL Trades submitted to the Corporation by the Sponsoring Member on behalf of its Sponsored Members.**

### **Sponsored GC CIL Omnibus Account Required Fund Deposit**

**The term “Sponsored GC CIL Omnibus Account Required Fund Deposit” means the Sponsoring Member’s Required Fund Deposit Portion that is calculated on the basis of the Sponsoring Member’s Sponsored GC CIL Omnibus Account(s).**

### **Sponsored GC CIL Trade**

**The term “Sponsored GC CIL Trade” means a Sponsored GC Trade between a Sponsored Member, acting as GC Funds Lender, and a Netting Member (which may be either its Sponsoring Member or another Netting Member) or another Indirect Participant of any Netting Member that the Sponsoring Member submits for recordation in a Sponsored GC CIL Omnibus Account.**

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### **Sponsored GC Service**

The term “Sponsored GC Service” means the service offered by the Corporation to clear tri-party repurchase agreement transactions between **a Sponsored Member and a Netting Member (which may be either its Sponsoring Members or another Netting Member) or another Indirect Participant of any Netting Member** ~~and Sponsored Members~~, as described in Rule 3A.

### **Sponsored GC Trade**

The term “Sponsored GC Trade” means, in connection with the Sponsored GC Service, ~~a Sponsored Member Trade that is~~ a Repo Transaction between a Sponsored Member and **a Netting Member or its Indirect Participant** ~~its Sponsoring Member~~ involving securities represented by a Generic CUSIP Number the data on which are submitted to the Corporation by the Sponsoring Member pursuant to the provisions of Rule 6A, for Novation to the Corporation pursuant to Section 7(b)(ii) of Rule 3A.

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### **Sponsored Member Trade**

The term “Sponsored Member Trade” means ~~(a)~~ a transaction that satisfies the requirements of Section 5 of Rule 3A **or a Sponsored GC Trade** ~~and that, in each case,~~

is (i) between a Sponsored Member and its Sponsoring Member or (ii) between a Sponsored Member and ~~a another Netting Member~~ or an Indirect Participant of the Sponsoring Member or another Netting Member ~~or (b) a Sponsored GC Trade.~~

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### **Sponsoring Member Omnibus Account**

The term “Sponsoring Member Omnibus Account” means an Account maintained by the Corporation for a Sponsoring Member to record Sponsored Member Trades (other than Sponsored GC CIL Trades) submitted to the Corporation by the Sponsoring Member on behalf of its Sponsored Members.

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### **Type of Account**

The terms “Type of Account” and “Type” mean any one of a Dealer Account, Broker Account, Sponsoring Member Omnibus Account, Sponsored GC CIL Omnibus Account, Agent Clearing Member Omnibus Account, or Segregated Indirect Participants Account.

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## RULE 2B – ACCOUNTS

**[Changes to this Rule, as amended by File No. SR-FICC-2025-019, are available at [www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings). These changes have been approved by the SEC but have not yet been implemented. By no later than [insert date no later than 6 months after approval], these changes will be implemented, and this legend will be automatically removed from this Rule.]**

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### Section 2 – Establishment of Indirect Participants Accounts

The Corporation can establish and maintain one or more of the following Indirect Participants Accounts to record Transactions submitted to the Corporation on behalf of others (including the Netting Member's Affiliates):

(i) If the Netting Member is a Sponsoring Member, a Sponsoring Member Omnibus Account for purposes of recording Sponsored Member Trades **(other than Sponsored GC CIL Trades)** of the Sponsoring Member's Sponsored Members; ~~and~~

(ii) If the Netting Member is an Agent Clearing Member, an Agent Clearing Member Omnibus Account for purposes of recording Agent Clearing Transactions of the Agent Clearing Member's Executing Firm Customers; ~~and~~ **and**

**(iii) If the Netting Member is a Sponsoring Member, a Sponsored GC CIL Omnibus Account for purposes of recording Sponsored GC CIL Trades of the Sponsoring Member's Sponsored Members.**

A Netting Member may request that the Corporation establish more than one Indirect Participants Account of the same Type for the Netting Member.

### Section 3 – Segregation Designations for Indirect Participants Accounts

A Netting Member may designate any of its Indirect Participants Accounts **(other than its Sponsored GC CIL Omnibus Accounts)** as a Segregated Indirect Participants Account. Any such designation of an Account shall constitute a representation to the Corporation by the Netting Member that the Netting Member intends to meet all Segregated Customer Margin Requirements for such Account using cash or securities deposited by Segregated Indirect Participants with the Netting Member, except to the extent the Netting Member temporarily uses its own securities in accordance with the conditions set forth in Section (b)(1)(iii) of Note H to SEC Rule 15c3-3a. A Netting Member shall be deemed to repeat this representation each time it deposits Segregated Customer Margin. Only Transactions in U.S. Treasury securities may be recorded in a Segregated Indirect Participants Account.

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## **RULE 3A – SPONSORING MEMBERS AND SPONSORED MEMBERS**

**[Changes to this Rule, as amended by File No. SR-FICC-2025-019, are available at [www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings). These changes have been approved by the SEC but have not yet been implemented. By no later than [insert date no later than 6 months after approval], these changes will be implemented, and this legend will be automatically removed from this Rule.]**

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### **Section 1 – General**

\* \* \*

A Sponsoring Member shall continue to have all of the rights, liabilities and obligations set forth in these Rules and in any agreement between it and the Corporation pertaining to its status as a Netting Member, and such rights, liabilities and obligations shall be separate from its rights, liabilities and obligations as a Sponsoring Member except as contemplated under Sections 10, 11 and 12 of this Rule 3A and under the Sponsoring Member Guaranty. **Notwithstanding anything to the contrary set forth in any Sponsoring Member Guaranty, the Sponsoring Member does not guarantee to the Corporation, and, except as expressly set forth herein, shall not be responsible for, the obligations of a Sponsored Member arising under any Sponsored GC CIL Trade for which the Sponsored Member is the CIL Funds Lender.**

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### **Section 3A – CIL Joint Account Blocks**

**(a) Two or more CIL Funds Lenders may be represented by a CIL Joint Account Agent that has been approved by the Corporation subject to each such CIL Funds Lender and such CIL Joint Account Agent signing and delivering a CIL Joint Account Agent Agreement to the Corporation in such form as may be prescribed by the Corporation. If the Corporation terminates the CIL Joint Account Agent Agreement, the CIL Joint Account Agent will no longer be permitted to represent the CIL Funds Lenders.**

**(b) A CIL Joint Account Agent may enter into, and a Sponsoring Member may submit to the Corporation for Novation in accordance with the provisions of this Rule 3A, a CIL Joint Account Block on behalf of multiple CIL Funds Lenders. At any time, each such CIL Funds Lender shall be entitled to, and liable for, only those rights and obligations arising under or in connection with the CIL Joint Account Block that are attributable to such CIL Funds Lender, as determined in accordance with the following sentence. If (i) the CIL Joint Account Block has been allocated by the applicable CIL Joint Account Agent among the CIL Funds Lenders represented by such CIL Joint Account Agent in the applicable CIL Joint Account, then the entitlement of each such CIL Funds Lender to, and liability of each such CIL Funds Lender for, the rights and obligations arising under or in connection with such CIL Joint Account Block shall be limited to the amount of such CIL Joint Account Block allocated to each such CIL Funds Lender; and (ii) no such allocation has been made in respect of a CIL Joint Account Block, then each CIL Funds Lender in such CIL Joint**



Account shall be entitled to, and liable for, its pro rata share of the rights and obligations arising under or in connection with such CIL Joint Account Block.

(c) In the event the Corporation ceases to act for a CIL Funds Lender who is represented by a CIL Joint Account Agent and such CIL Joint Account Agent has submitted any CIL Joint Account Block in respect of the CIL Joint Account in which such CIL Funds Lender is a participant:

(i) For each CIL Joint Account Block entered into by a CIL Joint Account Agent in which such CIL Funds Lender is a participant at the time the CIL Joint Account Block was entered into, such CIL Joint Account Agent shall promptly notify the Corporation (A) whether the defaulting CIL Funds Lender was a CIL Funds Lender on behalf of which such CIL Joint Account Agent entered into such CIL Joint Account Block and (B) for each such CIL Joint Account Block, (x) the amount of such CIL Joint Account Block that has been allocated to the defaulting CIL Funds Lender or (y) that such CIL Joint Account Block was not allocated by the applicable CIL Joint Account Agent among the defaulting CIL Funds Lender and the other CIL Funds Lenders represented by such CIL Joint Account Agent in the applicable CIL Joint Account, in each case as of the time of such notification. After such notification is provided to the Corporation, the CIL Joint Account Agent shall not allocate or reallocate any CIL Joint Account Block or any portion thereof to or from the CIL Funds Lender for which the Corporation has ceased to act.

(ii) The Corporation will, to the extent it determines doing so is feasible and consistent with applicable law, exercise remedies in a way that does not have a significant adverse impact on the interest of any non-defaulting CIL Funds Lender in such CIL Joint Account Block or the Purchased GC Repo Securities related thereto.

(iii) In the event that the Corporation determines that it is not possible to exercise remedies in relation to a defaulting CIL Funds Lender without having a significant adverse impact on any such interest of such a non-defaulting CIL Funds Lender (e.g., because the CIL Joint Account Block has not been allocated), the Corporation shall refrain from exercising remedies against the defaulting CIL Funds Lender in relation to such CIL Joint Account Block or Purchased GC Repo Securities, including the Corporation's rights under its security interest in the Purchased GC Repo Securities, except (x) in an amount no greater than the Margin Excess Amount or (y) on the maturity date of the CIL Joint Account Block, at which time the Corporation shall exercise its remedies as a secured party to cause the transfer of the Purchased GC Repo Securities against the amount due under the CIL Joint Account Block. In relation to any non-defaulting CIL Funds Lender, such transfer shall constitute settlement of the non-defaulting CIL Funds Lender's pro rata share or allocated portion, as applicable, of the relevant CIL Joint Account Block rather than an exercise of the Corporation's remedies as a secured party. The Corporation shall only be required to refrain from exercising remedies as described herein to the extent the Corporation determines that refraining from exercising such remedies is not prohibited by, and will not prejudice its rights under, applicable law (including any insolvency law applicable to the defaulting CIL Funds Lender) and is

**necessary to preserve the interest of any non-defaulting CIL Funds Lenders in any CIL Joint Account Block or Purchased GC Repo Securities related thereto.**

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**Section 7 – The Netting System and Novation**

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(b) The following provisions apply only to Sponsored GC Trades:

(i) Only the End Leg of a Sponsored GC Trade may be Novated to the Corporation. A Sponsored GC Trade **that is not a Sponsored GC CIL Trade** may, but need not, have an Initial Haircut. **A Sponsored GC CIL Trade shall have an Initial Haircut no less than the CIL Required Haircut. No modification to the CIL Required Haircut shall apply to Sponsored GC CIL Trades that have been Novated to the Corporation prior to the effectiveness of such modification.**

\* \* \*

(iv) Each ~~Sponsoring Member and Sponsored Member~~ **GC Funds Borrower and GC Funds Lender** acknowledges and agrees that it has authorized each relevant Sponsored GC Clearing Agent Bank to provide the Corporation with all information and data as the Corporation may require or request from time to time in order to novate and process Sponsored GC Trades.

(v) **Although the Corporation and each CIL Funds Lender intend that each Sponsored GC CIL Trade be a sale and purchase and not a loan, in the event any such Sponsored GC CIL Trade is deemed to be a loan, the Corporation pledges to the relevant CIL Funds Lender as security for the performance by the Corporation of its obligations under such Sponsored GC CIL Trade, and grants such CIL Funds Lender a security interest in, all of the Corporation's rights, title and interest in and to the securities, financial assets and cash that are both delivered to the CIL Funds Lender pursuant to such Sponsored GC CIL Trade and from time to time credited to the account of the CIL Funds Lender or the CIL Joint Account Agent for its benefit at the relevant Sponsored GC Clearing Agent Bank, together with all proceeds of the foregoing.**

**Section 8 – Securities Settlement**

(a) The following provisions apply to Sponsored Member Trades other than Sponsored GC Trades:

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(iii) Each Sponsored Member shall be responsible for satisfying its allocable portion (calculated for such Sponsored Member as stated in Section 7(a) of this Rule 3A of the Deliver Obligations and Receive Obligations established for the Sponsoring Member

Omnibus Account, using its Sponsoring Member as a processing agent, in the same manner set forth in Sections 9 through 12 of Rule 11 and Sections 1 through 5, 7, 9, 10, and 11 of Rule 12 for Netting Members. With respect to Section 1 of Rule 12, the optional Pair-Off Service shall be available to Sponsored Member Trades other than Sponsored GC Trades ~~within the meaning of section (a) of that definition~~. With respect to Section 5 of Rule 12, the Sponsoring Member shall inform the Corporation as to the manner in which a partial delivery, if any, was allocated among the Sponsored Members. Notwithstanding anything to the contrary in these Rules or any Sponsoring Member Guaranty, a Sponsoring Member's satisfaction of the net Deliver Obligations and Receive Obligations to the Corporation with respect to the Sponsoring Member Omnibus Account of such Sponsoring Member prior to such Sponsoring Member's receipt of any Sponsored Member's payment or delivery of its allocable portion of such Deliver Obligations or Receive Obligations shall constitute performance by the Sponsoring Member under its Sponsoring Member Guaranty with respect to such Sponsored Member's allocable portion of the Sponsoring Member Omnibus Account Deliver Obligations and Receive Obligations, regardless of the manner or capacity in which the Sponsoring Member satisfies such net Deliver Obligations and Receive Obligations.

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(b) The following provisions apply only to Sponsored GC Trades:

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(iv) Each GC Funds Borrower (or if the repo rate for the relevant Sponsored GC Trade is negative, the GC Funds Lender) shall, within the timeframe set forth in the Schedule of Sponsored GC Trade Timeframes, pay the daily accrued GC Daily Repo Interest to the Corporation (and the Corporation shall pay such GC Daily Repo Interest to the GC Funds Lender, if the repo rate is positive for the relevant Sponsored GC Trade, or to the GC Funds Borrower, as applicable if the repo rate is negative for the relevant Sponsored GC Trade).

\* \* \*

(vi) The Corporation hereby directs each ~~Sponsored Member and Sponsoring Member~~ GC Funds Borrower and GC Funds Lender to satisfy any payment or delivery obligation due to the Corporation, except for any obligation to pay a Funds-Only Settlement Amount, by making the relevant payment or delivery to an account at the relevant Sponsored GC Clearing Agent Bank specified by the pre-Novation counterparty to the GC Funds Borrower or GC Funds Lender ~~Sponsored Member or Sponsoring Member~~, as applicable, in accordance with such procedures as the Sponsored GC Clearing Agent Bank may specify from time to time. Each GC Funds Borrower and GC Funds Lender ~~Sponsored Member and Sponsoring Member~~ that is owed any such payment or delivery from the Corporation acknowledges and agrees that, if to the extent that the pre-Novation counterparty to such Sponsored GC Trade makes the relevant payment or delivery as described in the prior sentence, the Corporation's obligation to make such payment or delivery shall be discharged and satisfied in full.

\* \* \*

(d) The Corporation, when calculating Individual Total Amounts for a Sponsoring Member, may net any offsetting settlement obligations across the Sponsoring Member's proprietary positions and the positions of its Sponsored Members in its Sponsoring Member Omnibus Account(s) **or Sponsored GC CIL Omnibus Account(s).**

#### Section 9 – Funds-Only Settlement

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(b) The following provision shall apply only to Sponsored GC Trades **(other than Sponsored GC CIL Trades)**: Each Sponsoring Member and Sponsored Member shall be obligated to pay to the Corporation, and/or shall be entitled to receive from the Corporation, the following amounts: Forward Mark Adjustment Payment and Interest Adjustment Payment. Such amounts shall be payable and receivable as though they were amounts described in Rule 13.

**(c) The following provision shall apply only to Sponsored GC CIL Trades: Neither a CIL Funds Lender nor its Sponsoring Member shall be obligated to pay to the Corporation (or entitled to receive from the Corporation) any amounts described in Rule 13 arising in relation to Sponsored GC CIL Trades. Each GC Funds Borrower shall be obligated to pay the Corporation, but shall not be entitled to receive from the Corporation, any Forward Mark Adjustment Payments and associated Interest Adjustment Payments in accordance with Rules 13 and 3A in relation to each Sponsored GC CIL Trade, provided that at the maturity of such Sponsored GC CIL Trade, the Corporation shall pay to the GC Funds Borrower any such amounts so collected.**

**(ed)** The following provisions shall apply to all Sponsored Member Trades:

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#### Section 10 – Clearing Fund Obligations

(a) To support the activity in its Sponsoring Member Omnibus Accounts **and, if applicable, Sponsored GC CIL Omnibus Accounts**, each Sponsoring Member shall, so long as such Member is a Sponsoring Member, be responsible for making and maintaining a deposit to the Clearing Fund equal to **(i) the Sponsoring Member Omnibus Account Required Fund Deposit and (ii) if applicable, the Sponsored GC CIL Omnibus Account Required Fund Deposit;** or, in the case of a Sponsoring Member Omnibus Account that is designated as a Segregated Indirect Participants Account, depositing with the Corporation Segregated Customer Margin equal to the Segregated Customer Margin Requirement for such Account, in each case subject to the provisions of Rule 4 and calculated pursuant to the Margin Component Schedule. Deposits to the Clearing Fund shall be held by the Corporation or its designated agents, to be applied as provided in the Rules.

(b) For purposes of satisfying the Sponsoring Member's Clearing Fund requirements under the Rules for both its Netting Member activity and its Sponsoring Member activity, the Sponsoring Member's Dealer Accounts, Sponsoring Member Omnibus Account, **and, if**

**applicable, Sponsored GC CIL Omnibus Account** shall be treated separately, as if they were accounts of separate entities. Notwithstanding the previous sentence, however, the Corporation shall have the right to apply a Sponsoring Member's Clearing Fund deposits to any obligations of that Sponsoring Member as otherwise permitted pursuant to Rule 4.

(c) Sections 3, 3a, 3b, 4, 5, 8, 9, 10 and 11 of Rule 4 shall apply to the Sponsoring Member Omnibus Account Required Fund Deposit **and, if applicable, Sponsored GC CIL Omnibus Account Required Fund Deposit** with respect to obligations of a Sponsoring Member under the Rules, including its obligations arising under the Sponsoring Member Omnibus Account, **as well as the obligations under the Sponsored GC CIL Trades of each CIL Funds Lender for which it acts as Sponsoring Member** and the obligations of ~~a~~ **such** Sponsoring Member under its Sponsoring Member Guaranty to the same extent as such Sections apply to any Required Fund Deposit and any other obligations of a Member. For purposes of Section 4 of Rule 4, obligations and liabilities of a Netting Member to the Corporation that shall be secured by the Actual Deposit shall include, without limitation, a Netting Member's obligations as a Sponsoring Member under the Rules, including, without limitation, any obligation of any such Sponsoring Member to provide the Sponsoring Member Omnibus Account Required Fund Deposit or the Segregated Customer Margin Requirement **and, if applicable, Sponsored GC CIL Omnibus Account Required Fund Deposit**, such Sponsoring Member's obligations arising under the Sponsoring Member Omnibus Account of such Sponsoring Member and such Sponsoring Member's obligations under its Sponsoring Member Guaranty. **In addition, a Netting Member's Actual Deposit shall secure the obligations of the CIL Funds Lender under each Sponsored GC CIL Trade for which the Netting Member acts as the CIL Funds Lender's Sponsoring Member.**

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(e) Sponsoring Members, with respect to their Sponsoring Member Omnibus Accounts **and, if applicable, Sponsored GC CIL Omnibus Accounts**, shall not be eligible to participate in any Cross-Margining Arrangements.

(f) For purposes of the application of Rule 4 and the Margin Component Schedule to a Sponsoring Member Omnibus Account, each Sponsored GC Trade **(other than a Sponsored GC CIL Trade)** shall be treated as a GCF Repo Transaction, each GC Funds Lender and GC Funds Borrower **under any such Sponsored GC Trade** shall be treated as a GCF Counterparty, and each Sponsored GC Clearing Agent Bank shall be treated as a GCF Clearing Agent Bank.

**(g) To secure the full and timely performance of its obligations to the Corporation in connection with each Sponsored GC CIL Trade, each CIL Funds Lender will be required to execute a CIL Custodial Agreement Supplement wherein it pledges and grants to the Corporation, and agrees that the Corporation shall have, a continuing lien on and security interest in, all of such CIL Funds Lender's rights, title and interest in and to all Purchased GC Repo Securities subject to each outstanding Sponsored GC CIL Trade.**

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Section 13 – Restrictions on Access to Services by a Sponsored Member

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**(d) Notwithstanding the foregoing, if the Corporation ceases to act for a CIL Funds Lender, the Corporation may, in lieu of applying the provisions of Rule 22A in relation to one or more Sponsored GC CIL Trades (or a portion of any such trade), exercise its rights as a secured party in relation to some or all of the Purchased GC Repo Securities in respect of the Sponsored GC CIL Trades of such CIL Funds Lender and, in connection therewith, instruct the Sponsored GC Clearing Agent Bank to remove such Purchased GC Repo Securities from the account of such CIL Funds Lender (x) in an amount no greater than the Margin Excess Amount or (y) in an amount the Corporation determines to be equal to the amount payable to the CIL Funds Lender in connection with its GC Collateral Return Obligation corresponding to such Purchased GC Repo Securities.**

Section 14 – Restrictions on Access to Services by a Sponsoring Member

\* \* \*

**(ed)** If the Corporation ceases to act for a Sponsoring Member in its capacity as a Sponsoring Member, Rule 22A shall apply and the Corporation shall decline to accept or process data from the Sponsoring Member on Sponsored Member Trades and the Corporation shall cease to act for all of the Sponsored Members of the affected Sponsoring Member. If the Corporation suspends the Sponsoring Member or ceases to act for the Sponsoring Member, the Corporation shall decline to accept or process data from the Sponsoring Member on Sponsored Member Trades and shall suspend the Sponsored Members of the affected Sponsoring Member for so long as and to the extent that the Corporation is ceasing to act for the Sponsoring Member. Any Sponsored Member Trades which have been Novated by the Corporation shall continue to be processed by the Corporation. **In the case of any Sponsored Member Trade that is not a Sponsored GC CIL Trade,** ~~t~~The Corporation, in its sole discretion, shall determine whether to close-out the affected Sponsored Member Trades **pursuant to Rule 22A, and/or** ~~permit the Sponsored Members to complete their settlement,~~ **or transfer all or part of the Sponsored Member Trades for which the Defaulting Member acts as Sponsoring Member to another Sponsoring Member pursuant to Rule 26.**

\* \* \*

**(e) In the event the Corporation ceases to act for a Sponsoring Member, the following provisions shall apply to the Sponsored GC CIL Trades of the CIL Funds Lender for which the Defaulting Member acted as Sponsoring Member, and the Corporation may, in its discretion:**

- (i) Transfer all or part of the Sponsored GC CIL Trades for which the Defaulting Member acts as Sponsoring Member to another Sponsoring Member pursuant to Rule 26;**
- (ii) Effectuate the settlement of all or a portion of the GC Collateral Return Obligations arising from such Sponsored GC CIL Trades as well as all**

**corresponding Margin Excess Amount obligations, in each case when and as the same shall become due;**

- (iii) Exercise its rights as a secured party in relation to some or all of the Purchased GC Repo Securities subject to such Sponsored GC CIL Trades, provided that in connection with such exercise the Corporation shall only instruct the Sponsored GC Clearing Agent Bank to remove such Purchased GC Repo Securities from the account of such CIL Funds Lender (x) in an amount no greater than the Margin Excess Amount or (y) against cash in the amount that the Corporation determines to be equal to the amount payable to the CIL Funds Lender in connection with its GC Collateral Return Obligation corresponding to such Purchased GC Repo Securities; or**
- (iv) If the pre-Novation counterparty to such Sponsored GC CIL Trade was the Sponsoring Member or an Indirect Participant of such Sponsoring Member, terminate such Sponsored GC CIL Trade, in which case Rule 22A shall apply in relation to such Sponsored GC CIL Trade.**

\* \* \*

Section 1**86** – Liquidation of Sponsored Member and Related Sponsoring Member Positions

(a) The provisions of this Section 1**86**, which shall supersede any conflicting provisions of this Rule 3A and Rule 22A, shall only apply (i) with respect to the liquidation of positions resulting from Sponsored Member Trades, **Sponsored GC Trades and Sponsored GC CIL Trades within the meaning of subsections (a)(i) and (b) of the Sponsored Member Trade definition if such trades are between a Sponsored Member and its Sponsoring Member,** (ii) in the event a Sponsoring Member is not a Defaulting Member and the Corporation has not ceased to act for the Sponsoring Member, ~~and~~ (iii) if a Corporation Default has not occurred, ~~and~~ **(iv) with respect to Sponsored GC CIL Trades (or a portion of any such trade), if the Corporation has not exercised its rights set forth in Section 13(e) of Rule 3A.** In addition, the Corporation may only cause the termination described in subsection (b) below if it has ceased to act for the Sponsored Member at issue and the Sponsoring Member has not performed the obligations of the Sponsored Member in respect of all positions guaranteed by such Sponsoring Member.

\* \* \*

## RULE 4 – CLEARING FUND AND LOSS ALLOCATION

[Changes to this Rule, as amended by File No. SR-FICC-2025-019, are available at [www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings). These changes have been approved by the SEC but have not yet been implemented. By no later than ~~insert date~~ no later than 6 months after approval], these changes will be implemented, and this legend will be automatically removed from this Rule.]

\* \* \*

### Section 2 – Required Fund Deposit Requirements and Segregated Customer Margin Requirements

~~(a)~~—Each Business Day, each Netting Member shall be required to deposit with the Corporation its Required Fund Deposit and Segregated Customer Margin Requirement consisting of:

Required Fund Deposit:

\* \* \*

- (iv) an amount calculated with respect to the Netting Member's Margin Portfolios that include one or more Sponsoring Member Omnibus Accounts other than Sponsoring Member Omnibus Accounts that have been designated as Segregated Indirect Participants Accounts;
- (v) an amount calculated with respect to the Netting Member's Margin Portfolios that include one or more Sponsored GC CIL Omnibus Accounts, when such amount is applicable pursuant to the Margin Component Schedule;**

Segregated Customer Margin Requirement:

- ~~(vi)~~ an amount calculated with respect to the Netting Member's Segregated Indirect Participants Accounts constituting Sponsoring Member Omnibus Accounts; and
- ~~(vii)~~ an amount calculated with respect to the Netting Member's Segregated Indirect Participants Accounts constituting Agent Clearing Member Omnibus Accounts.

\* \* \*

### Section 4 – Lien

(a) As security for any and all obligations and liabilities of a Netting Member to the Corporation **and all obligations and liabilities of the Netting Member's Sponsored Members in respect of Sponsored GC CIL Trades recorded in the Netting Member's Sponsored GC CIL Omnibus Account (if applicable)**, including, without limitation, any obligation or liability



of a Netting Member pursuant to a Cross-Margining Agreement, any Reimbursement Obligation of a Cross-Margining Participant to the Corporation pursuant to Section 3 of Rule 43, any obligation of a Cross-Margining Beneficiary Participant to reimburse the Corporation pursuant to Section 7 of Rule 43, any obligation of a Cross-Guaranty Defaulting Member to reimburse the Corporation pursuant to Section 2 of Rule 41 or any obligation of a Cross-Guaranty Beneficiary Member to reimburse the Corporation pursuant to Section 5 of Rule 41, each such Netting Member grants to the Corporation a first priority perfected security interest in its right, title and interest in and to any Eligible Clearing Fund Securities, funds and assets pledged to the Corporation to secure the Netting Member's open account indebtedness or placed by a Netting Member in the possession of the Corporation (or its agents acting on its behalf), including all securities and cash on deposit with the Corporation or its agents pursuant to this Rule and Rule 13, any Eligible Letters of Credit issued on behalf of a Netting Member in favor of the Corporation, except for Segregated Customer Margin (collectively, the Netting Member's "Actual Deposit"). The Corporation shall be entitled to exercise the rights of a pledgee under common law and a secured party under Articles 8 and 9 of the New York Uniform Commercial Code with respect to such assets.

\* \* \*

## **RULE 22A – PROCEDURES FOR WHEN THE CORPORATION CEASES TO ACT**

**[Changes to this Rule, as amended by File No. SR-FICC-2025-019, are available at [www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings). These changes have been approved by the SEC but have not yet been implemented. By no later than [insert date no later than 6 months after approval], these changes will be implemented, and this legend will be automatically removed from this Rule.]**

\* \* \*

### **Section 2 – Action by the Corporation**

Except as otherwise may be determined by the Board in any particular case, from and after the time the Corporation ceases to act for a **Defaulting** Member, the following shall apply:

(a) Notwithstanding anything to the contrary in the Schedule for Deletion of Trade Data Submitted to the Comparison System that is published from time to time by the Corporation, trades to which the **Defaulting** Member is a party the data on which have been submitted to the Corporation that have not been deemed Compared Trades upon receipt by the Corporation pursuant to these Rules or that have not been reported by the Corporation to Members as Compared Trades shall be deleted from the Comparison System, unless otherwise determined by the Board in order to promote an orderly settlement.

**If the Corporation determines, pursuant to Rule 3A and Rule 8, to settle some or all of the Sponsored Member Trades and/or Agent Clearing Transactions of the Defaulting Member, such trade will not be closed out pursuant to this Rule 22A.**

**If the Corporation determines, pursuant to Rule 3A, to exercise its right as a secured party in relation to the Purchased GC Repo Securities in respect of any Sponsored GC CIL Trade (or a portion thereof) of a CIL Funds Lender, then such trade (or the relevant portion thereof) would not be closed out pursuant to this Rule 22A.**

(b) Except as otherwise provided in Rules 17 and 18, all long and short Net Settlement Positions, and Forward Net Settlement Positions of the **Defaulting** Member outstanding **as well as any positions established in the Defaulting Member's Indirect Participants Accounts that the Corporation has determined to close out pursuant to Rule 3A or Rule 8** at the time the Corporation ceases to act for the **Defaulting** Member that have been reported by the Corporation to Members pursuant to Rule 11 and Rule 14 shall be closed out by:

\* \* \*

**If the Corporation determines to close out the affected Novated Sponsored Member Trades and/or Agent Clearing Transactions of the Defaulting Member pursuant to Rule 3A and Rule 8, respectively, the applicable Sponsored Members and/or Executing Firm Customers may, but are not obligated to, take market action with respect to such trades as is commercially reasonable under the circumstances to effect a close-out of any outstanding positions.**

**If the Corporation determines to terminate any Sponsored GC CIL Trade (or a portion thereof) pursuant to Rule 3A, then upon notification to the Sponsored GC Clearing Agent Bank from the Corporation that the Corporation elects not to remove any Purchased GC Repo Securities in respect of the Sponsored GC CIL Trade pursuant to clause (A) of Section 14(g) of Rule 3A, the CIL Funds Lender may take such market action in relation to such remaining Purchased GC Repo Securities as it determines in its discretion.**

\* \* \*

**SCHEDULE OF SPONSORED GC TRADE TIMEFRAMES**<sup>\* \*\* \*\*</sup>

(all times are New York City times)

**[Changes to this Schedule, as amended by File No. SR-FICC-2025-019, are available at [www.dtcc.com/legal/sec-rule-filings](http://www.dtcc.com/legal/sec-rule-filings). These changes have been approved by the SEC but have not yet been implemented. By no later than [insert date no later than 6 months after approval], these changes will be implemented, and this legend will be automatically removed from this Schedule.]**

\* \* \*

**~~5:37:00~~ 5:37:00 p.m.** Deadline for (i) full settlement of the Start Leg of the Sponsored GC Trade in accordance with Section 7(b)(ii)(C) of Rule 3A, (ii) substitutions of Purchased GC Repo Securities in accordance with Section 8(b)(v) of Rule 3A, and (iii) satisfaction of GC Collateral Return Obligations and cash payment obligations associated with GC Collateral Return Entitlements by GC Funds Lenders and GC Funds Borrowers, respectively, in accordance with Section 8(b)(i) of Rule 3A.

\* \* \*

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\* The time by which a GC Funds Lender is required to deliver any securities to a GC Funds Borrower in connection with Section 8(b)(iii) of Rule 3A shall be determined by the relevant Sponsored GC Clearing Agent Bank.

\*\* All times may be extended as needed by the Corporation to (i) address operational or other delays that would reasonably prevent members or the Corporation from meeting the deadline or timeframe, as applicable, or (ii) allow the Corporation time to operationally exercise its existing rights under these Rules. In addition, times applicable to the Corporation are standards and not deadlines; actual processing times may vary slightly, as necessary.

\*\*\* Any accrued GC Daily Repo Interest that is due on the settlement day of the End Leg of the related Sponsored GC Trade shall be paid in connection with the settlement of the End Leg.

## SCHEDULE OF CIL CUSTODIAL AGREEMENT SUPPLEMENT MATERIAL TERMS

Each CIL Custodial Agreement Supplement shall contain terms substantially consistent with each of the following provisions. For purposes of these provisions, “Buyer” means the CIL Funds Lender; “Custodial Undertaking” means the custodial undertaking in connection with the master repurchase agreement, account control agreement, or similar agreement to which the CIL Custodial Agreement Supplement relates; “Custodian” means the Sponsored GC Clearing Agent Bank; “FICC” means the Corporation; “Notice of Default” means a notice of default as defined in the Custodial Undertaking or similar notice under the Custodial Undertaking pursuant to which Buyer or Seller may obtain or assert exclusive control over the Buyer’s GC CIL Trade Account (as defined below); “Rules” means these Rules; “Seller” means the GC Funds Borrower; and “Supplement” means the CIL Custodial Agreement Supplement.

### 1. Buyer’s GC CIL Trade Account

(a) Establishment of Buyer’s GC CIL Trade Account. Custodian agrees that it will establish accounts (“Buyer’s GC CIL Trade Accounts”) and credit to such accounts all securities transferred by Seller to Buyer pursuant to Sponsored GC CIL Trades (as defined in the Rules) (“Purchased Securities”) and all proceeds thereof. Except as set forth herein, the Buyer’s GC CIL Trade Accounts will be subject to the Custodial Undertaking.

#### (b) UCC; Hague Securities Convention.

(i) Custodian and Buyer agree that each Buyer’s GC CIL Trade Account constitutes a “securities account” (within the meaning of Section 8-501 of the Uniform Commercial Code in effect in the State of New York, as amended (“UCC”)) with respect to securities and other financial assets credited thereto, and a “deposit account” (within the meaning of Section 9-102 of the UCC) with respect to cash credited thereto.

(ii) Custodian represents and warrants that (i) Custodian is a “securities intermediary” as defined in Article 8 of the UCC, and an “intermediary” within the meaning of the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary, July 5, 2006, 17 U.S.T. 401, 46 I.L.M. 649 (entered into force April 1, 2017) (“Hague Securities Convention”), (ii) the only account agreement (within the meaning of the Hague Securities Convention) governing the Buyer’s GC CIL Trade Account is the Custodial Undertaking as supplemented by the Supplement and (iii) Custodian has an office in the United States at which it is engaged in a business or other regular activity of maintaining securities accounts.

(c) No Liens. Except as provided in the Supplement, Buyer and Custodian shall not subject any Buyer’s GC CIL Trade Account or any Purchased Securities credited thereto to any security interest, lien or right of setoff in favor of any third party, and neither Buyer nor Custodian shall pledge, encumber, hypothecate, transfer, dispose of, or otherwise grant any third party an interest in, such Buyer’s GC CIL Trade Account or any securities,

financial assets or cash credited thereto. Each of Buyer and Custodian represents and warrants that, other than the Custodial Undertaking and the Supplement, it has not entered into and will not enter into any agreement with any other person or entity under which Custodian has agreed to comply with instructions or entitlement orders of such other person or entity relating to such Buyer's GC CIL Trade Account or any securities, financial assets, or cash credited thereto.

**2. FICC's Security Interest and Right to Direct Custodian**

**(a) Buyer as Entitlement Holder.** FICC, Custodian, and Seller acknowledge and agree that, under the UCC, Buyer is the "entitlement holder" of each Buyer's GC CIL Trade Account constituting a securities account, and each financial asset credited thereto, and the "bank's customer" of each Buyer's GC CIL Trade Account constituting a "deposit account" and therefore that Buyer has "control" of each such account and all security entitlements, securities, financial assets, or cash credited thereto pursuant to UCC Section 8-106(d)(1) and UCC Section 9-104(a)(3), as applicable.

**(b) Buyer's Pledge.** To secure the full and timely performance of its obligations to FICC in connection with each Sponsored GC CIL Trade, Buyer pledges and grants to FICC, and agrees that FICC shall have, a continuing lien on and security interest in all of Buyer's rights, title and interest in and to each Buyer's GC CIL Trade Account and all securities, financial assets and cash credited thereto.

**(c) Custodian's Compliance with Entitlement Orders.**

**(i)** The parties agree that Custodian shall comply with instructions and entitlement orders in relation to a Buyer's GC CIL Trade Account solely to the extent expressly set forth herein.

**(ii)** Custodian shall, without the further consent of Buyer or Seller, comply with any entitlement orders, instructions or directions originated by FICC with respect to each Buyer's GC CIL Trade Account, except following delivery by Buyer of a GC CIL Notice of Default (as defined below) (subject to "Buyer Limitation on GC CIL Notice of Default" below) and after Custodian has a reasonable opportunity to process the same.

**(iii)** Custodian shall, without further consent of FICC or Seller, comply with any entitlement orders, instructions or directions originated by Buyer to the extent such entitlement orders, instructions or directions (A) relate to the transfer of cash received in final settlement of a Sponsored GC CIL Trade, (B) relate to Close-out Securities (as defined below) or (C) are originated by Buyer following delivery by Buyer of a GC CIL Notice of Default (subject to "Buyer Limitation on GC CIL Notice of Default" below) and after Custodian has a reasonable opportunity to process the same.

**(iv)** Custodian may conclusively rely without further inquiry on any entitlement orders, instructions, directions or statements delivered by FICC to Custodian with respect to a Buyer's GC CIL Trade Account. FICC, Buyer and Seller

agree that delivery of each such entitlement order, instruction, direction or statement shall constitute a representation and warranty by FICC that Custodian's compliance therewith does not violate any law, regulation, court order or other legal impediment or the terms of the Rules or any other agreement between or among FICC, on the one hand, and Buyer and/or Seller, on the other.

(v) FICC, Buyer and Seller agree that, at all times until Custodian receives a GC CIL Notice of Default from Buyer (subject to "Buyer Limitation on GC CIL Notice of Default" below) and has a reasonable opportunity to process the same, Custodian shall act upon FICC's instructions to transfer Purchased Securities in respect of a Sponsored GC CIL Trade from the applicable Buyer's GC CIL Trade Account to an account specified in such instruction either (A) in an amount no greater than the Margin Excess Amount (as defined in the Rules) or (B) against transfer by FICC to such Buyer's GC CIL Trade Account of cash in an amount equal to the amount payable to the Buyer in connection with its GC Collateral Return Obligation (as defined in the Rules) as of the date of such instruction, and FICC covenants and agrees that it will instruct Custodian to remove Purchased Securities in respect of a Sponsored GC CIL Trade from the applicable Buyer's GC CIL Trade Account only as described in clauses (A) or (B) above.

### 3. Sponsored GC CIL Trades Default

(a) GC CIL Notice of Default. "GC CIL Notice of Default" shall mean a written notice from Buyer substantially in the form of a Notice of Default, except any reference therein related to a default by Seller or similar reference shall be replaced by a reference to a Corporation Default (as described in Rule 22B of the Rules). Buyer's delivery of a GC CIL Notice of Default shall have the same effect as its delivery of a Notice of Default except as expressly set forth herein.

(b) FICC Covenant. FICC shall notify Custodian in the event that FICC has ceased to act for the Buyer or Buyer's Sponsoring Member. In the event FICC ceases to act for such Sponsoring Member, FICC shall issue an important notice that it has ceased to act for such Sponsoring Member (or otherwise make such information publicly available) and notify the Custodian of those Purchased Securities, if any, (x) in respect of which FICC will not exercise its rights as a secured party and (y) which FICC will not require for the purpose of settling any Sponsored GC CIL Trades or portions thereof pursuant to the Rules (such Purchased Securities, "Close-out Securities"). Custodian shall promptly upon receipt of such notification notify Buyer of such Close-out Securities.

(c) Buyer Limitation on GC CIL Notice of Default. Buyer covenants and agrees that it will not deliver a Notice of Default in respect of Sponsored GC CIL Trades, and Custodian will not act on any Notice of Default in respect of Sponsored GC CIL Trades. Buyer covenants and agrees that it will not deliver a GC CIL Notice of Default, and Custodian will not act upon any such notice, unless a Corporation Default has occurred.

(d) Seller Limitation on GC CIL Notice of Default. Seller covenants and agrees that it will not at any time deliver a Notice of Default or otherwise give instructions to Custodian

**in respect of any Buyer's GC CIL Trade Account, and Custodian will not accept or act upon such Notice of Default or other instructions.**



## MARGIN COMPONENT SCHEDULE

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### Section 2 – Required Fund Deposit Calculations

\* \* \*

#### (c) Sponsored GC CIL Omnibus Account Required Fund Deposits

A Sponsored GC CIL Omnibus Account Required Fund Deposit shall only be calculated with respect to a Sponsored GC CIL Omnibus Account if (1) the Sponsored GC CIL Omnibus Account has been enabled to record Sponsored GC CIL Trades for which the pre-Novation counterparty to the CIL Funds Lender is its Sponsoring Member or a Segregated Indirect Participant of its Sponsoring Member; and (2) that Sponsoring Member or its Affiliate has a Segregated Indirect Participants Account.

On each Business Day, when applicable, the Corporation shall determine the Sponsored GC CIL Omnibus Account Required Fund Deposit, for each Margin Portfolio that includes one or more Sponsored GC CIL Omnibus Accounts, as an Unadjusted GSD Margin Portfolio Amount equal to the sum of the following, as applicable, which the Corporation shall adjust such that the Unadjusted GSD Margin Portfolio Amount is equal to or greater than zero:

(i) the VaR Charge,

plus

(ii) the Portfolio Differential Charge.

The Corporation shall add the following to the Unadjusted GSD Margin Portfolio Amount, as applicable:

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

plus

(ii) the Holiday Charge, on the Business Day prior to a Holiday,

plus

(iii) a Margin Liquidity Adjustment Charge,

**plus**

**(iv) Intraday Supplemental Fund Deposit.**

**(ed)** Minimum Charges and Total Required Fund Deposit Amounts

\* \* \*

The Agent Clearing Member Omnibus Account Required Fund Deposit shall be equal to the greater of (i) the sum of the Unadjusted GSD Margin Portfolio Amount and all applicable additional charges; and (ii) a minimum charge of \$1 million.

**When applicable, the Sponsored GC CIL Omnibus Account Required Fund Deposit shall be equal to the greater of (i) the sum of the Unadjusted GSD Margin Portfolio Amount and all applicable additional charges; and (ii) a minimum charge of \$1 million.**

\* \* \*

**Section 5 – Definitions and Calculations of Clearing Fund Components**

\* \* \*

**VaR Charge**

The term “VaR Charge” means, with respect to each Margin Portfolio, Sponsored Member, **CIL Funds Lender** or Segregated Indirect Participant, a calculation of the volatility of specified Net Unsettled Positions of the Margin Portfolio, Sponsored Member, **CIL Funds Lender** or Segregated Indirect Participant, respectively, as of the time of such calculation. Such volatility calculations shall be made in accordance with any generally accepted portfolio volatility model, including, but not limited to, any margining formula employed by any other clearing agency registered under Section 17A of the Securities Exchange Act of 1934. Such calculation shall be made utilizing such assumptions (including confidence levels) and based on such observable market data as the Corporation deems reasonable, and shall cover such range and assessment of volatility as the Corporation from time to time deems appropriate. To the extent that the primary source of such market data becomes unavailable for an extended period of time, the Corporation shall utilize the Margin Proxy as an alternative volatility calculation. In its assessment of volatility, the Corporation shall calculate an additional bid-ask spread risk charge measured by multiplying the gross market value of each Net Unsettled Position by a basis point charge, where the applicable basis point charge shall be reviewed at least annually and shall be based on the following risk groups: (a) mortgage pool transactions; (b) TIPS; (c) U.S. agency bonds; and (d) U.S. Treasury securities, which shall be further categorized by maturity – those maturing in (i) less than five years, (ii) equal to or more than five years and less than ten years, and (iii) equal to or more than ten years.

**With respect to each CIL Funds Lender, the VaR Charge shall be calculated as the positive difference between (1) the amount of VaR Charge that the Corporation would have collected if the Sponsored GC CIL Trades of that CIL Funds Lender had been subject to the calculation of a Sponsoring Member Omnibus Account Required Fund Deposit, and (2) the aggregate of all CIL Required Haircuts on that CIL Funds Lender's Sponsored GC CIL Trades.**

If the volatility calculation (or the Margin Proxy, when applicable) is lower than the VaR Floor, then the VaR Floor will be utilized as the VaR Charge of the Margin Portfolio, Sponsored Member or Segregated Indirect Participant.

\* \* \*