

Bold, Underlined text indicates additions

Rule 36 was filed for immediate effectiveness, however, it will not be implemented until 30 days after the date of filing, or such shorter time as the Commission may designate. Bold and underlined text indicates added language. Once implemented, this legend will automatically be removed from the Rules.

RULE 36

SEGREGATED ACCOUNTS FOR SWAP MARGIN

Section 1. Certain Defined Terms.

(a) For purposes of this Rule 36:

“CFTC” means the Commodity Futures Trading Commission.

“Prudential Regulators” means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Farm Credit Administration and the Federal Housing Finance Agency.

“Restricted Access Swap Margin Account” means a Swap Margin Segregation Account with respect to which only the Swap Margin Pledgee may issue instructions, as further provided in Section 4 of this Rule 36.

“SEC” means the Securities and Exchange Commission.

“Shared Access Swap Margin Account” means a Swap Margin Segregation Account with respect to which either a Swap Margin Pledgee or Swap Margin Pledgor may issue instructions, as further provided in Section 5 of this Rule 36.

“Swap Margin” means interests in Deposited Securities securing margin obligations with respect to uncleared swaps and security-based swaps subject to the Swap Margin Segregation Rules.

“Swap Margin Origination Account” means a Securities Account of a Swap Margin Pledgor from which Swap Margin is transferred to a Swap Margin Segregation Account of a Swap Margin Pledgee, as further provided in Section 3 of this Rule 36.

“Swap Margin Segregation Account” means an Account established and maintained by the Corporation for a Swap Margin Pledgee for the purpose of holding Swap Margin, as further provided in Section 3 of this Rule 36.

“Swap Margin Pledgee” means a Pledgee (other than the Corporation) that receives Swap Margin from a Swap Margin Pledgor through the facilities of the Corporation.

“Swap Margin Pledgor” means a Participant that transfers Swap Margin to a Swap Margin Pledgee through the facilities of the Corporation.

“Swap Margin Segregation Rules” means the rules and regulations of the SEC, CFTC and Prudential Regulators relating to the holding, custody and segregation of assets securing margin obligations with respect to uncleared swaps and security-based swaps.

(b) Other capitalized terms used in this Rule 36 shall have the meanings given to such terms elsewhere in these Rules.

Section 2. Establishment of Swap Margin Accounts. A Swap Margin Pledgee may, in the manner specified by the Corporation, request that the Corporation establish and maintain one or more Restricted Access Swap Margin Accounts and one or more Shared Access Swap Margin Accounts for the Swap Margin Pledgee.

Section 3. Transfer of Swap Margin to Restricted Access Swap Margin Accounts or Shared Access Swap Margin Accounts. A Swap Margin Pledgor may instruct the Corporation to transfer Swap Margin from a Swap Margin Origination Account of the Swap Margin Pledgor to a Restricted Access Swap Margin Account or Shared Access Swap Margin Account of a Swap Margin Pledgee, free of payment through the facilities of the Corporation.

Section 4. Transfer of Swap Margin from Restricted Access Swap Margin Accounts.

(a) Free Release Initiated by Swap Margin Pledgee. A Swap Margin Pledgee may instruct the Corporation to transfer Swap Margin from a Restricted Access Swap Margin Account of the Swap Margin Pledgee back to the relevant Swap Margin Origination Account of a Swap Margin Pledgor, free of payment through the facilities of the Corporation.

(b) Free Delivery Initiated by Swap Margin Pledgee. A Swap Margin Pledgee may instruct the Corporation to transfer Swap Margin from a Restricted Access Swap Margin Account of the Swap Margin Pledgee to another Account of the Swap Margin Pledgee, free of payment through the facilities of the Corporation.

Section 5. Transfer of Swap Margin from Shared Access Swap Margin Accounts.

(a) Free Release Initiated by Swap Margin Pledgee. A Swap Margin Pledgee may instruct the Corporation to transfer Swap Margin from a Shared Access Swap Margin Account of the Swap Margin Pledgee back to the relevant Swap Margin Origination Account of a Swap Margin Pledgor, free of payment through the facilities of the Corporation.

(b) Free Delivery Initiated by Swap Margin Pledgee. A Swap Margin Pledgee may instruct the Corporation to transfer Swap Margin from a Shared Access Swap Margin Account of the Swap Margin Pledgee to another Account of the Swap Margin Pledgee, free of payment through the facilities of the Corporation.

(c) Free Release Initiated by Swap Margin Pledgor. A Swap Margin Pledgor may instruct the Corporation to transfer Swap Margin from a Shared Access Swap Margin Account of a Swap Margin Pledgee back to the relevant Swap Margin Origination Account of the Swap Margin Pledgor, free of payment through the facilities of the Corporation.

Section 6. Certain Representations of Swap Margin Pledgors and Swap Margin Pledgees.

(a) Representations of Swap Margin Pledgors. A Swap Margin Pledgor:

(1) by issuing an instruction to the Corporation pursuant to Section 3 of this Rule 36 to transfer Swap Margin from a Swap Margin Origination Account of the Swap Margin Pledgor to a Restricted Access Swap Margin Account or Shared Access Swap Margin Account of a Swap Margin Pledgee, represents to the Corporation that such instruction complies with the Swap Margin Segregation Rules and the agreement of the parties to the relevant swap or security-based swap; and

(2) by issuing an instruction to the Corporation pursuant to Section 5(c) of this Rule 36 to transfer Swap Margin from a Shared Access Swap Margin Account of a Swap Margin Pledgee back to the relevant Swap Margin Origination Account of the Swap Margin Pledgor, represents to the Corporation that such instruction complies with the Swap Margin Segregation Rules and the agreement of the parties to the relevant swap or security-based swap.

(b) Representations of Swap Margin Pledgees. A Swap Margin Pledgee:

(1) by issuing an instruction to the Corporation pursuant to Section 4(a) or 5(a) of this Rule 36 to transfer Swap Margin from a Restricted Access Swap Margin Account or Shared Access Swap Margin Account of the Swap Margin Pledgee back to the relevant Swap Margin Origination Account of a Swap Margin Pledgor, represents to the Corporation that such instruction complies with the Swap Margin Segregation Rules and the agreement of the parties to the relevant swap or security-based swap; and

(2) by issuing an instruction to the Corporation pursuant to Section 4(b) or 5(b) of this Rule 36 to transfer Swap Margin from a Restricted Access Swap Margin Account or Shared Access Swap Margin Account of the Swap Margin Pledgee to another Account of the Swap Margin Pledgee, represents to the Corporation that such instruction complies with the Swap Margin Segregation Rules and the agreement of the parties to the relevant swap or security-based swap.

Section 7. Certain Covenants of the Corporation. Swap Margin held in a Restricted Access Swap Margin Account or Shared Access Swap Margin Account of a Swap Margin Pledgee shall be held by the Corporation free and clear of any security interest, lien or

other claim by the Corporation to secure any obligation of any Swap Margin Pledgor or Swap Margin Pledgee to the Corporation. The Corporation shall not rehypothecate, repledge, reuse or otherwise transfer (through securities lending, securities borrowing, repurchase agreement, reverse repurchase agreement or other means) any such Swap Margin.

Section 8. Certain Exclusions from Liability. The Corporation shall have no liability:

(a) to any Swap Margin Pledgee as a result of the Corporation acting on an instruction from any Swap Margin Pledgor (i) to transfer Swap Margin from a Swap Margin Origination Account of the Swap Margin Pledgor to a Restricted Access Swap Margin Account or Shared Access Swap Margin Account of the Swap Margin Pledgee pursuant to Section 3 of this Rule 36 or (ii) to transfer Swap Margin from a Shared Access Swap Margin Account of the Swap Margin Pledgee back to the relevant Swap Margin Origination Account of the Swap Margin Pledgor pursuant to Section 5(c) of this Rule 36 even if the Corporation receives a conflicting instruction from the Swap Margin Pledgee to transfer such Swap Margin from such Shared Access Swap Margin Account to another Account of the Swap Margin Pledgee pursuant to Section 5(b) of this Rule 36;

(b) to any Swap Margin Pledgor as a result of the Corporation acting on an instruction from any Swap Margin Pledgee (i) to transfer Swap Margin from a Restricted Access Swap Margin Account or Shared Access Swap Margin Account of the Swap Margin Pledgee back to the relevant Swap Margin Origination Account of the Swap Margin Pledgor pursuant to Section 4(a) or 5(a) of this Rule 36, (ii) to transfer Swap Margin from a Restricted Access Swap Margin Account of the Swap Margin Pledgee to another Account of the Swap Margin Pledgee pursuant to Section 4(b) of this Rule 36 or (iii) to transfer Swap Margin from a Shared Access Swap Margin Account of the Swap Margin Pledgee to another Account of the Swap Margin Pledgee pursuant to Section 5(b) of this Rule 36 even if the Corporation receives a conflicting instruction from the Swap Margin Pledgor to transfer such Swap Margin from such Shared Access Pledgee Account back to the relevant Swap Margin Origination Account of the Swap Margin Pledgor pursuant to Section 5(c) of this Rule 36;

(c) to any Swap Margin Pledgor or Swap Margin Pledgee as a result of (i) any loss or liability suffered or incurred by such Swap Margin Pledgor or Swap Margin Pledgee arising out of or relating to the matters subject to this Rule 36, unless caused directly by the gross negligence or willful misconduct of the Corporation or by a violation of Federal securities law by the Corporation for which there is a private rule of action, or (ii) any force majeure, market disruption or technical malfunction that prevents the Corporation from performing its obligations to such Swap Margin Pledgor or Swap Margin Pledgee pursuant to this Rule 36; or

(d) to any third party (including any customer of any Swap Margin Pledgor or Swap Margin Pledgee) for any reason.

Section 9. Conflicting Provisions. In the event of any conflict between the provisions of this Rule 36 and the provisions of any other Rule, the provisions of this Rule 36 shall govern.