

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-59622; File No. SR-FICC-2009-05)

March 23, 2009

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Technical Modifications

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on February 27, 2009, the Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by FICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. FICC filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act² and Rule 19b-4(f)(4) thereunder³ so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FICC proposes to amend the rules of its Government Securities Division (“GSD”) and Mortgage-Backed Securities Division (“MBSD”) in order to make them consistent with the rules of the National Securities Clearing Corporation (“NSCC”), an affiliated clearing agency.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FICC included statements concerning the purpose of

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(iii).

³ 17 CFR 240.19b-4(f)(4).

and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Payment of Fines

Prior to this rule change, GSD Rule 37, Section 8, provided that a member must pay a fine assessed by FICC within 30 calendar days of notification that the fine has been assessed. There was no corresponding provision in MBSB's or NSCC's rules.

Consistent with FICC's project to harmonize its rules with those of affiliated clearing agencies that have common members, FICC proposes to delete GSD Rule 37, Section 8, and to adopt the language used in NSCC Rule 17 by stating that fines shall be payable at such time and in such manner as determined by FICC. Initially, such fines will be collected through the GSD monthly billing process after notification to the member, which is consistent with the manner and timing that MBSB and NSCC collect such fines. GSD members will continue to be entitled to contest fines pursuant to GSD Rule 37.

2. Member Response to FICC Reports

Prior to this rule change, GSD and MBSB members are required to report promptly to FICC any information contained in a FICC report that the member believes to be an error or discrepancy. However, GSD Rule 11, Section 12, and Rule 5, Section 5, place an additional requirement for members using GSD's netting or comparison services to report the discrepancy no later than 10 calendar days after receipt of the report. A similar requirement is made with respect to MBSB members under MBSB Article V, Rule 4, Section 3, which requires that the

discrepancy be reported no later than 10 calendar days. NSCC's rules require that discrepancies be reported by NSCC members promptly but do not reference a specific member of days. The proposed rule change conforms the GSD and MBSD rules to those of NSCC by deleting the specific reference to a 10-day requirement in favor of the general requirement that the member report the discrepancy promptly.

In addition, FICC proposes to change the terminology regarding the definitions of "Foreign Affiliate," "Foreign Affiliate Trade," "Foreign Netting Member," and "Foreign Person" in GSD Rule 1 to incorporate the defined terms used in NSCC's and The Depository Trust Company's (also a FICC-affiliate) rules, by referring to "Non-U.S." or "Non-domestic" in place of "Foreign."

FICC believes that the proposed rule change is consistent with Section 17A of the Act⁴ and the rules promulgated thereunder because it makes technical changes to clearing agency rules that conform with the obligations required of a common member.

B. Self-Regulatory Organization's Statement on Burden on Competition

FICC does not believe that the proposed rule change will have any impact or impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

FICC has not solicited or received written comments relating to the proposed rule change. FICC will notify the Commission of any comments it receives.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of

⁴ 15 U.S.C. 78q-1.

the Act⁵ and Rule 19b-4(f)(4) thereunder.⁶ At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-FICC-2009-05 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC, 20549-1090.

All submissions should refer to File No. SR-FICC-2009-05. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all

⁵ Supra note 2.

⁶ Supra note 3.

subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at FICC's principal office and on FICC's Web site at <http://ficc.com/gov/gov.docs.jsp?NS-query=#rf>. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submission should refer to File No. SR-FICC-2009-05 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets pursuant to delegated authority.⁷

Florence E. Harmon
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).