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Jennie Jbara,

Primary Certifying Official.

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-104, OMB Control No. 3235-0119]

### Submission for OMB Review; Comment Request; Extension: Securities Exchange Act 1934—Rule 12g3-2

Upon Written Request Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget this request for extension of the previously approved collection of information discussed below.

Rule 12g3-2 (17 CFR 240.12g3-2) under the Securities Exchange Act of 1934 (the “Exchange Act”) provides an exemption from Section 12(g) of the Exchange Act (15 U.S.C. 78l(g)) for foreign private issuers. Rule 12g3-2 is designed to provide investors in foreign securities with information about such securities and the foreign issuer. The information filed under Rule 12g3-2 must be filed with the Commission and is publicly available. We estimate that it takes 8.948 hours per response to prepare and is filed by approximately 1,386 respondents. Each respondent files an estimated 12 times submissions pursuant to Rule 12g3-2 per year for a total of 16,632 respondents. We estimate that 25% of 8.948 hours per response (2.237 hours per response) to provide the information required under Rule 12g3-2 for a total annual reporting burden of 37,206 hours (2.237 hours per response × 16,632 responses).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the

search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice by July 29, 2024 to (i) [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain) and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 21, 2024.

Vanessa A. Countryman,  
Secretary.

[FR Doc. 2024-14080 Filed 6-26-24; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100402; File No. SR-FICC-2024-008]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Order Approving Proposed Rule Change To Modify the GSD Rules and MBSD Rules To Update Certain Member Requirements Under CCLF

June 21, 2024.

#### I. Introduction

On May 8, 2024, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder, <sup>2</sup> the proposed rule change SR-FICC-2024-008 (“Proposed Rule Change”) to amend FICC’s Government Securities Division (“GSD”) Rulebook (“GSD Rules”) and Mortgage-Backed Securities Division (“MBSD”) Clearing Rules (“MBSD Rules,” and collectively with the GSD Rules, the “Rules”) <sup>3</sup> to update certain member requirements concerning FICC’s Capped Contingency Liquidity Facility (“CCLF”). The proposed rule change was published for comment in the **Federal Register** on May 20, 2024. <sup>4</sup> The Commission has received no comments on the proposed rule change. For the reasons discussed below, the Commission is approving the Proposed Rule Change.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Terms not defined herein are defined in the GSD Rules and MBSD Rules, as applicable, available at [www.dtcc.com/legal/rules-and-procedures](http://www.dtcc.com/legal/rules-and-procedures).

<sup>4</sup> See Securities Exchange Act Release No. 100137 (May 14, 2024), 89 FR 43938 (May 20, 2024) (File No. SR-FICC-2024-008) (“Notice of Filing”).

#### II. Background

FICC is a central counterparty (“CCP”), which means it interposes itself as the buyer to every seller and seller to every buyer for the financial transactions it clears. FICC’s GSD provides CCP services for the U.S. Government securities market, and FICC’s MBSD provides CCP services for the U.S. mortgage-backed securities markets. <sup>5</sup> As such, FICC is exposed to the risk that one or more of its members may fail to make a payment or to deliver securities.

The CCLF is a rules-based committed liquidity resource designed to enable FICC to meet its cash settlement obligations in the event of a default of the member (including the member’s family of affiliated members) to which FICC has the largest exposure in extreme but plausible market conditions. <sup>6</sup> FICC would declare a Capped Contingency Liquidity Facility Event (“CCLF Event”) to activate the CCLF if, upon a member default, FICC determines that its non-CCLF liquidity resources would not generate sufficient cash to satisfy FICC’s payment obligations to its non-defaulting members. <sup>7</sup> During a CCLF Event, members would be called upon to enter into repo transactions (as cash lenders) with FICC (as cash borrower) up to a pre-determined capped dollar amount, thereby providing FICC with sufficient liquidity to meet its payment obligations. <sup>8</sup> In simple terms, a CCLF repo is equivalent to a non-defaulting member financing FICC’s payment obligation under the original trade, thereby providing FICC with time to liquidate the securities underlying the original trade.

FICC determines the total size of the CCLF based on FICC’s potential cash settlement obligations that would result from the default of the member (including affiliates) presenting the largest liquidity need to FICC over a specified look-back period, plus an

<sup>5</sup> GSD and MBSD maintain separate sets of rules, margin models, and clearing funds.

<sup>6</sup> FICC designed the CCLF to meet the regulatory requirement for a covered clearing agency to measure, monitor, and manage its liquidity risk by maintaining sufficient liquid resources to effect same-day settlement of payment obligations in the event of a default of the participant family that would generate the largest aggregate payment obligation for the clearing agency in extreme but plausible market conditions. See Securities Exchange Act Release No. 82090 (Nov. 15, 2017), 82 FR 55427, 55430 (Nov. 21, 2017) (SR-FICC-2017-002); see 17 CFR 240.17Ad-22(e)(7)(i); GSD Rule 22A, Section 2a, and MBSD Rule 17, Section 2a, *supra* note 3.

<sup>7</sup> GSD Rule 22A, Section 2a, *supra* note 3; MBSD Rule 17, Section 2a, *supra* note 3.

<sup>8</sup> GSD Rule 22A, Section 2a, *supra* note 3; MBSD Rule 17, Section 2a, *supra* note 3.

additional liquidity buffer.<sup>9</sup> FICC uses a tiered approach to allocate the total size of the CCLF among its members to arrive at the maximum amount of each member's CCLF obligation (referred to as MBSD as the "Defined Capped Liquidity Amount", and at GSD as the "Individual Total Amount").<sup>10</sup>

FICC calculates a dollar amount for the CCLF obligation applicable to each supplemental liquidity tier.<sup>11</sup> FICC allocates the CCLF obligation for each supplemental liquidity tier to members on a pro-rata basis corresponding to the number of times each member generates liquidity needs within each supplemental liquidity tier.<sup>12</sup> However, FICC also has the authority to reset a member's CCLF obligation amount as FICC determines from time to time, referred to as an *ad hoc* resizing.<sup>13</sup>

### III. Description of the Proposed Rule Change

First, FICC proposes to modify the MBSD Rules concerning CCLF to require a Clearing Member to provide regular attestations that it has incorporated the maximum amount that it could be required to fund during a CCLF event into its liquidity plans. FICC also proposes to modify the GSD Rules to provide further clarity around GSD's existing attestation requirement. Second, FICC proposes to modify both the MBSD and GSD Rules to require that a Clearing Member provide certain acknowledgements to FICC regarding its understanding of and ability to meet its CCLF obligations. Third, FICC proposes to modify MBSD Rules to provide Clearing Members with additional clarity and transparency regarding the liquidity funding reports provided by FICC to Clearing Members concerning their CCLF obligations.

<sup>9</sup> GSD Rule 22A, Section 2a, *supra* note 3; MBSD Rule 17, Section 2a, *supra* note 3.

<sup>10</sup> GSD Rule 22A, Section 2a, *supra* note 3; MBSD Rule 17, Section 2a, *supra* note 3.

<sup>11</sup> GSD Rule 22A, Section 2a, *supra* note 3; MBSD Rule 17, Section 2a, *supra* note 3.

<sup>12</sup> For example, a member that generates daily liquidity needs in the \$15–\$20 billion supplemental liquidity tier would incur a pro-rata share for the \$15–\$20 billion supplemental liquidity tier only. Another member that generates daily liquidity needs in the \$20–\$25 billion supplemental liquidity tier would incur a pro-rata share for both the \$15–\$20 and \$20–\$25 billion supplemental liquidity tiers. A third member that generates daily liquidity needs in the \$65–\$70 billion supplemental liquidity tier would incur a pro-rata share for every supplemental liquidity tier. Each member's pro-rata share is based on the frequency with which the member generates daily liquidity needs in each supplemental liquidity tier. See Securities Exchange Act Release No. 80234 (Mar. 14, 2017), 82 FR 14401, 14404–05 (Mar. 20, 2017) (SR–FICC–2017–002); MBSD Rule 17, Section 2a, *supra* note 3; GSD Rule 22A, Section 2a, *supra* note 3.

<sup>13</sup> GSD Rule 22A, Section 2a, *supra* note 3; MBSD Rule 17, Section 2a, *supra* note 3.

#### A. Required Attestations

FICC proposes to modify MBSD Rules to require Clearing Members to provide FICC with regular attestations that the Clearing Member has incorporated their Defined Capped Liquidity Amount into their liquidity plans. Clearing Members must provide these attestations to FICC on at least an annual basis or upon demand by FICC. The Required Attestation would need to be signed by two of the Clearing Member's officers and include certifications that (1) the officers have read and understand the MBSD Rules; (2) the Defined Capped Liquidity Amount has been incorporated into the Clearing Member's liquidity planning; (3) the officers understand the Defined Capped Liquidity Amount may be changed by FICC with appropriate notice; (4) such changes to the Defined Capped Liquidity Amount will be incorporated by the Clearing Member into its liquidity planning; and (5) the Clearing Member shall continuously reassess its liquidity plans to ensure the ability to meet the Defined Capped Liquidity Amount in the event of a CCLF Event. FICC states that the new requirement for MBSD Clearing Members to provide Required Attestations will strengthen the CCLF program and is consistent with an existing requirement in the GSD Rules for GSD Netting Members.<sup>14</sup>

Additionally, FICC would modify the GSD Rules concerning required attestations for GSD Netting Members to clarify that the regular interval for attestations is on at least an annual basis. FICC states that this clarification would align the required regular interval for attestations at GSD with the proposed MBSD Rules concerning Required Attestations, and that it is consistent with current practice, in which GSD Netting Members are required to provide their Required Attestations on at least an annual basis.<sup>15</sup>

#### B. CCLF Acknowledgements

FICC proposes to modify the MBSD Rules and GSD Rules to require MBSD Clearing Members and GSD Netting Members to provide written acknowledgments to FICC concerning their understanding of and ability to meet their CCLF obligations, from time to time, as determined by FICC.<sup>16</sup> FICC

<sup>14</sup> See Notice of Filing, *supra* note 4, at 43939.

<sup>15</sup> *Id.*

<sup>16</sup> One example when such written acknowledgments would be required to be provided by MBSD Clearing Members and GSD Netting Members to FICC is when a CCLF obligation increased by an amount that exceeded certain thresholds established by FICC following an *ad hoc* resizing of the CCLF, as discussed in note 13 *supra*.

states that the proposed modifications would strengthen the CCLF program by ensuring MBSD Clearing Members and GSD Members understand their CCLF obligations as required by FICC.<sup>17</sup>

#### C. Liquidity Funding Report

FICC proposes to modify the MBSD Rules to provide clarity and transparency about the liquidity funding reports FICC currently provides each day to MBSD Clearing Members and the information contained in those reports. Specifically, FICC proposes to amend the MBSD Rules to explicitly state that FICC will provide Clearing Members with liquidity funding reports each Business Day that include information concerning the Clearing Member's Defined Capped Liquidity Amount and other historical CCLF information. As amended, the MBSD Rules would state that the information provided in the liquidity funding reports by FICC to MBSD Clearing Members is for informational purposes only. FICC states that the clarity and transparency provided by these proposed modifications to MBSD Rules is consistent with the information concerning liquidity funding reports already provided to GSD Netting Members under GSD Rules.<sup>18</sup>

### IV. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act<sup>19</sup> directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to such organization. After carefully considering the Proposed Rule Change, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to FICC. In particular, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F)<sup>20</sup> of the Act and Rule 17Ad–22(e)(7) each promulgated under the Act.<sup>21</sup>

In this situation, FICC would require a written acknowledgement from MBSD Clearing Members and GSD Netting Members confirming their ability to meet the increased CCLF obligation. FICC would inform MBSD Clearing Members and GSD Netting Members of any such requirements, including specific thresholds, by Important Notice. See Notice of Filing, *supra* note 4, at 43939.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>20</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>21</sup> 17 CFR 240.17Ad–22(e)(7).

*A. Consistency With Section 17A(b)(3)(F) of the Act*

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency, such as FICC, be designed to, among other things, promote the prompt and accurate clearance and settlement of securities transactions.<sup>22</sup>

As stated above in Section II, the CCLF is a key tool in FICC's ability to meet its cash settlement obligations in the event of a default of the member (including the member's family of affiliated members) to which FICC has the largest exposure in extreme but plausible market conditions. The Proposed Rule Change would modify the Rules by requiring MBSB Clearing Members and GSD Netting Members to provide attestations and acknowledgements to FICC that they understand their CCLF obligations, incorporate such obligations into their liquidity planning, and continually reassess their understating of and ability to meet their CCLF obligations.<sup>23</sup> Requiring attestations on at least an annual basis and written acknowledgements from MBSB Clearing Members and GSD Netting Members to FICC should enhance the overall design and efficacy of the CCLF, which is a key tool in FICC's ability to meet its cash settlement obligations in the event of a member default and a CCLF event is declared by FICC. The Proposed Rule Change should further improve the ability of FICC to rely on the CCLF and MBSB Clearing Members and GSD Netting Members as liquidity providers during a CCLF event, and, in turn, enable FICC to use the CCLF to meet its settlement obligations in the event of a member's default.

By doing so, the Proposed Rule Change should better ensure that, in the event of a member default, FICC's operation of its critical clearance and settlement services would not be disrupted because of insufficient financial resources. Accordingly, the Commission finds that the Proposed Rule Change should help FICC continue providing prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>24</sup>

Further, the proposed clarifying changes should help to ensure that the Rules are clear to MBSB Clearing Members and GSD Netting Members concerning their understanding of and obligations during a CCLF Event. When members better understand their rights and obligations, members are more

likely to act in accordance with the Rules, which should promote the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.<sup>25</sup>

For these reasons, the Commission believes that the Proposed Rule Change is designed to promote the prompt and accurate clearance and settlement of securities transactions consistent with Section 17A(b)(3)(F) of the Act.<sup>26</sup>

*B. Consistency With Rule 17Ad-22(e)(7)*

Rule 17Ad-22(e)(7) under the Act requires a covered clearing agency, such as FICC, to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by the covered clearing agency.<sup>27</sup> As described above in Section II, FICC proposes to modify the Rules to require certain attestations and acknowledgements from MBSB Clearing Members and GSD Netting Members concerning their CCLF obligations.

The Commission believes that the Proposed Rule Change described above is consistent with the requirements of Rule 17Ad-22(e)(7). By requiring certain attestations and acknowledgements by MBSB Clearing Members and GSD Netting Members, the Proposed Rule Change is designed to improve the operation of the CCLF as a reliable form of liquid resources upon the default of a member to which FICC has the largest exposure in extreme but plausible conditions. Moreover, by requiring attestations on at least an annual basis and certifications from two officers that the MBSB Clearing Members and GSD Netting Members are continually reassessing their CCLF obligations, the Proposed Rule Change improves the reliability of the CCLF and enhances due diligence of its liquidity providers. Further, requiring written acknowledgements from MBSB Clearing Members and GSD Netting Members from time to time and following an *ad hoc* resizing of the CCLF ensures that MBSB Clearing Members and GSD Netting Members will continually assess their ability to meet their CCLF obligations during a CCLF event, which also improves the reliability of the CCLF. As a result, the required attestations and written acknowledgements included in the Proposed Rule Change by FICC should enhance FICC's ability to measure,

monitor, and manage their liquidity risk concerning their CCLF obligations.

For these reasons, the Commission believes that the Proposed Rule Change is consistent with Rule 17Ad-22(e)(7) under the Act.<sup>28</sup>

**IV. Conclusion**

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>29</sup> and the rules and regulations promulgated thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act<sup>30</sup> that proposed rule change SR-FICC-2024-008, be, and hereby is, *approved*.<sup>31</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>32</sup>

**Vanessa A. Countryman,**  
*Secretary.*

[FR Doc. 2024-14067 Filed 6-26-24; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[SEC File No. 270-609, OMB Control No. 3235-0706]**

**Submission for OMB Review; Comment Request; Form ABS-EE**

*Upon Written Request Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget this request for extension of the previously approved collection of information discussed below.

Form ABS-EE (17 CFR 249.1401) is filed by asset-backed issuers to provide asset-level information for registered offerings of asset-backed securities at the time of securitization and on an ongoing basis required by Item 1111(h) of Regulation AB (17 CFR 229.1111(h)). The purpose of the information collected on Form ABS-EE is to implement the disclosure requirements

<sup>28</sup> 17 CFR 240.17Ad-22(e)(7).

<sup>29</sup> 15 U.S.C. 78q-1.

<sup>30</sup> 15 U.S.C. 78s(b)(2).

<sup>31</sup> In approving the Proposed Rule Change, the Commission considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>32</sup> 17 CFR 200.30-3(a)(12).

<sup>22</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>23</sup> See Notice of Filing, *supra* note 4, at 43940.

<sup>24</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>25</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>26</sup> *Id.*

<sup>27</sup> 17 CFR 240.17Ad-22(e)(7).