

MEMO# 35362

June 28, 2023

ICI Joins Trade Associations in Requesting Extension of Comment Deadline for SEC Proposal Regarding CCA Resiliency and Recovery and Wind-Down Plans

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TO: Derivatives Markets Advisory Committee
Equity Markets Advisory Committee
Fixed-Income Advisory Committee RE: ICI Joins Trade Associations in Requesting Extension of Comment Deadline for SEC Proposal Regarding CCA Resiliency and Recovery and Wind-Down Plans

On May 17, 2023, the Securities and Exchange Commission (SEC) proposed amendments regarding covered clearing agencies' (CCAs) resilience and recovery and wind-down plans.^[1] The Commodities Futures Trading Commission (CFTC), on June 7, similarly proposed rule amendments related to derivatives clearing organizations' (DCOs) recovery and orderly wind-down plans.^[2] Even though the proposals cover similar issues related to central clearing risk management and resilience, the comment periods for the proposals are substantially different: the comment deadline for the SEC Proposal is July 17, while that for the CFTC Proposal is 60 days after publication of the proposal in the Federal Register.^[3]

On June 28, ICI joined five other trade associations in submitting a letter to the SEC requesting that the comment period on the SEC Proposal be extended from the current deadline to a 60-day period beginning on the publication date of the CFTC Proposal in the Federal Register. The letter explains that this would align the two proposals' comment deadlines, providing commenters with an appropriate time period in which to analyze the proposals in tandem. The letter notes that such concurrent analysis is crucial given that both proposals cover clearinghouses' recovery and wind-down plans, and some of the proposed requirements and guidance are substantially similar (and, in many cases, would apply to the same entities).

ICI expects to circulate a draft comment letter to the SEC and CFTC for member feedback in the coming weeks. If members have feedback they would like to raise in the meantime,

please reach out to Nhan Nguyen (nhan.nguyen@ici.org) and Nico Valderrama (nvalderrama@ici.org).

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Notes

[1] Covered Clearing Agency Resilience and Recovery and Wind-Down Plans, Exchange Act Release No. 34-97516 (May 17, 2023), 88 Fed. Reg. 34708 (May 30, 2023) ("SEC Proposal"), available at <https://www.govinfo.gov/content/pkg/FR-2023-05-30/pdf/2023-10889.pdf>.

[2] Derivatives Clearing Organization: Recovery and Orderly Wind-Down Plans; Information for Resolution Planning (June 7, 2023) ("CFTC Proposal"), available at https://www.cftc.gov/media/8711/votingdraft060723_17CFRPart39b/download.

[3] As of the day of this memorandum, the CFTC Proposal has not yet been published on the Federal Register.

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