

**MEMO# 36031**

February 25, 2025

# ICI Submits Letter to Acting Chairman Uyeda Requesting Extension of the Treasury Repo Clearing Mandate Under the SEC's Treasury Clearing Rule

[36031]February 25, 2025TO:Derivatives Markets Advisory Committee

SEC Rules Committee

Treasury Clearing Working GroupSUBJECTS:Investment Advisers

Operations

Trading and MarketsRE:ICI Submits Letter to Acting Chairman Uyeda Requesting Extension of the Treasury Repo Clearing Mandate Under the SEC's Treasury Clearing Rule

On February 21, 2025, ICI submitted a letter, [available here](#), to Acting Chairman Mark T. Uyeda of the Securities and Exchange Commission (SEC or "Commission") to request that the Commission extend the various compliance dates under the Treasury Clearing Rule,<sup>[1]</sup> including by a minimum of 24 months (i.e., an extension to at least June 30, 2028) for the Treasury Repo Clearing Mandate.<sup>[2]</sup>

In the letter, we argue that the current implementation timelines do not provide adequate time for all market participants, including registered funds, to transition into compliance with the Treasury Clearing Rule. Extending the compliance dates will better provide registered funds and other market participants with the time needed to resolve the many issues and steps required to successfully implement the Treasury Clearing Rule and allow the Commission and the members of the staff of the relevant divisions of the Commission time to consider and address several critical issues requiring resolution.

Among other things, the letter notes that additional time is needed to (i) address margin issues associated with registered funds' Treasury repo transactions, (ii) review of potential new FICC risk management framework, (iii) develop "done-away" capabilities, and (iv) allow for other covered clearing agencies to enter the market.

Kimberly R. Thomasson  
Assistant General Counsel - Markets, SMAs & CITs

## Notes

[1] See Standards for Covered Clearing Agencies for U.S. Treasury Securities and Application of the Broker-Dealer Customer Protection Rule With Respect to U.S. Treasury Securities, Exchange Act Release No. 99149 (Dec. 13, 2023), 89 Fed. Reg. 2714 (Jan. 16, 2024) (the "Treasury Clearing Rule").

[2] 17 C.F.R. § 240.17ad-22(e)(18)(iv)(A) (2024). In relevant part, the Treasury Clearing Rule defines the term "eligible secondary market transaction" as: (1) "a secondary market transaction in U.S. Treasury securities of a type accepted for clearing by" a covered clearing agency for U.S. Treasury Securities that is "a repurchase or reverse repurchase agreement collateralized by U.S. Treasury securities, in which one of the counterparties is a direct participant" (with certain exclusions) ("Treasury Repo" and the "Treasury Repo Clearing Mandate"); and (2) "a secondary market transaction in U.S. Treasury securities of a type accepted for clearing by a registered covered clearing agency" in which one of the parties is a "direct participant of the covered clearing agency [that] brings together multiple buyers and sellers using a trading facility ... and is a counterparty to both the buyer and seller in two separate transactions" ("Cash Transactions" and the "Cash Clearing Mandate"). 17 C.F.R. § 240.17ad-22(a).

---

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.