

MEMO# 36032

February 26, 2025

SEC Extends Compliance Dates for Treasury Clearing Rule

[36032]February 26, 2025TO:ICI Members
Derivatives Markets Advisory Committee
SEC Rules Committee
Treasury Clearing Working GroupSUBJECTS:Investment Advisors
Operations
Trading and MarketsRE:SEC Extends Compliance Dates for Treasury Clearing Rule

On February 25, 2025, the Securities and Exchange Commission (SEC or "Commission") extended certain compliance dates^[1] under the Treasury Clearing Rule.^[2] Specifically, the compliance date for the requirement to clear eligible cash market transactions was extended from December 31, 2025, to December 31, 2026, and the compliance date to clear eligible Treasury repo and reverse repo transactions was extended from June 30, 2026, to June 30, 2027.^[3] The Commission determined not to extend the compliance dates regarding access and the broker-dealer customer protection rule and, as such, the compliance date for those rules remains March 31, 2025.

In issuing the extension of the Treasury repo and reverse repo clearing compliance date, the Commission explained that it "would allow for further engagement on compliance, operational, and interpretive questions," including those related to issues highlighted in the ICI Letter, such as "the further development of done-away clearing, standard documentation, onboarding processes, and systems and operations upgrades."

Additionally, the Commission issued a six-month temporary exemption related to the rule requiring covered clearing agencies (CCAs) to have policies and procedures regarding the calculation, collection and holding of margin.^[4] Under the exemption, CCAs will not be required to enforce such policies and procedures until September 30, 2025.

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Notes

^[1] See Extension of Compliance Dates for 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. 34-102487 (Feb. 25, 2025) available at <https://www.sec.gov/files/rules/final/2025/34-102487.pdf>.

[2] 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").

[3] ICI previously submitted a letter to Acting Chairman Uyeda requesting that the Commission extend the compliance date for the requirement to clear eligible Treasury repo transactions by a minimum of 24 months (i.e., an extension to at least June 30, 2028). See Letter from Eric J. Pan, President and CEO, and Paul Cellupica, General Counsel, ICI to Acting Chairman Uyeda, SEC (Feb. 21, 2025), available at <https://www.ici.org/letters/25-cl-extension-treasury-compliance-dates> ("ICI Letter").

[4] See Order Granting Temporary Exemptive Relief, Pursuant to Sections 17A and 36(a) of the Securities Exchange Act of 1934, from Certain Aspects of Rule 17as-22(e)(6)(i) and Section 19(g)(i) of the Securities Exchange Act of 1934, Exchange Act Release No. 34-102486 (Feb. 25, 2025) available at <https://www.sec.gov/files/rules/exorders/2025/34-102486.pdf>.