

COMMENT LETTER

December 23, 2022

ICI Comment Letter on SEC Treasury Clearing Proposal

On December 23, ICI filed a comment letter with the Securities and Exchange Commission on its proposed rules ("Proposal") that would mandate the clearing and settlement of certain secondary market transactions in US Treasury securities in which one of the counterparties is a direct participant of a covered clearing agency for such securities.

As discussed in Section III of ICI's letter, we agree with the Commission's proposed decision to not apply any cash Treasury clearing mandate to funds' transactions. We urge the SEC, in any final rules, to explicitly exempt funds from any cash Treasury trading mandate. Such a requirement would not further the Commission's regulatory objectives and, instead, would result in considerable costs and burdens to funds, which would have to build out an entire new clearing infrastructure. These costs would be indirectly borne by fund investors.

Read more in the [comment letter](#).

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