SCHEDULE TO THE 2024 SIFMA FORM OF AMENDMENT TO FICC CLEARING AGREEMENT

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**SCHEDULE**

**to the**

**2024 SIFMA FORM OF AMENDMENT TO FICC CLEARING AGREEMENT[[1]](#footnote-2)**

**Dated as of: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Between:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(“Clearing Member”) (“Customer”)

1. Required Elections.
   1. “Existing FICC Clearing Agreement” shall mean:

The agreement attached as Exhibit A hereto; or

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* 1. ***Rejected Transactions*.**
     1. The following is applicable to Rejected Transactions that are Eligible Secondary Margin Transactions or that are intended to be cleared as Agent Clearing Transactions:

Bilateral Transaction, provided that:

Bilateral Transaction is applicable to all Rejected Transactions; or

Bilateral Transaction is applicable only to Rejected Transactions that are Other FICC-Cleared Transactions, and the following shall apply to the remaining Rejected Transactions:

Unwind; or

Termination;

Unwind;

Termination, provided that:

Termination is applicable to all Rejected Transactions; or

Termination is applicable only to Rejected Transactions that are rejected or otherwise failed to be novated as a result of the acts or omissions by one of the parties, and the following shall apply to the remaining Rejected Transactions:

Bilateral Transaction; or

Unwind; or

Other (the parties agree that the terms below shall govern Rejected Transactions):

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* + 1. If Bilateral Transaction is applicable only to Rejected Transactions that are Other FICC-Cleared Transactions, “Other FICC-Cleared Transactions” shall mean:

None;

All transactions eligible to be cleared by Clearing Member for Customer at FICC under the FICC Rules; or

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provided that Other FICC-Cleared Transactions shall not include any Eligible Secondary Market Transactions.

* + 1. If Termination is applicable, the following shall be the “Determining Party”:

Clearing Member;

Customer; or

The party that is not the party whose acts or omissions resulted in the Transaction being rejected or failing to be novated, or if the acts or omission by neither or both parties resulted in the Transaction being rejected or failing to be novated, Clearing Member.

1. Elections for Optional Margin Terms.
   1. Margin Module shall be:

Applicable; or

Not applicable.

* 1. If Margin Module is not applicable, and Customer is required to transfer initial margin (however defined) to Clearing Member under the Existing FICC Clearing Agreement, then On-Posting: Segregation shall be:

Applicable; or

Not applicable.

* 1. If Margin Module is applicable, then:
     1. ***Required Margin Amount***. At any time, the “Required Amount” shall be equal to:

An amount equal to the Segregated Customer Margin or Clearing Fund requirement, as applicable, in respect of Customer’s Cleared Transactions;

An amount determined in accordance with a formula or methodology that has been agreed among the parties (the parties may set forth such formula or methodology in an annex to this Schedule or in a separate agreement); or

An amount to be determined in Clearing Member’s discretion.

* + 1. ***Eligible Collateral***.[[2]](#footnote-3) The following items shall qualify as “Eligible Collateral” for purposes of the Margin Module:

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| Type | Valuation Source | Applicable Haircut Percentage |
| Cash (U.S. Dollar) |  | [ ]% |
| U.S. Treasury securities having an original maturity at issuance of not more than one year (“Treasury Bills”) |  | [ ]% |
| U.S. Treasury securities having an original maturity at issuance of more than one year but not more than 10 years (“Treasury Notes”) |  | [ ]% |
| U.S. Treasury securities having an original maturity at issuance of more than 10 years (“Treasury Bonds”) |  | [ ]% |
| [ ] |  | [ ]% |
| [ ] |  | [ ]% |

* + 1. ***Margin Posting Deadline***. “Margin Posting Deadline” shall mean:

If Customer receives a Margin Call by \_\_\_\_\_ [A.M./P.M.] on any Business Day, \_\_\_\_\_\_\_ [A.M./P.M.] on the same Business Day; and

If Customer receives a Margin Call after \_\_\_\_\_ [A.M./P.M.] on any Business Day, \_\_\_\_\_\_\_ [A.M./P.M.] on the next Business Day; or

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For purposes of the Margin Posting Deadline, the time zone shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* + 1. ***Treatment of Posted Margin***. For purposes of Section 3(b) of the Margin Module, the following shall be applicable:

On-Posting: Segregation;

On-Posting: No Segregation;

No On-Posting: Investment Policy, and “Investment Policy” shall mean:

Clearing Member’s internal policies and procedures regarding the permissible use of customer margin; or

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No On-Posting: Rehypothecation; or

No On-Posting: Deposit and Securities Accounts.

* + 1. ***Margin Return Deadline***. “Margin Return Deadline” shall mean:

If Clearing Member receives a Return Demand by \_\_\_\_\_ [A.M./P.M.] on any Business Day, \_\_\_\_\_\_\_ [A.M./P.M.] on the same Business Day; and

If Clearing Member receives a Return Demand after \_\_\_\_\_ [A.M./P.M.] on any Business Day, \_\_\_\_\_\_\_ [A.M./P.M.] on the next Business Day; or

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For purposes of the Margin Return Deadline, the time zone shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* + 1. ***Substitution***. Substitution is:

Applicable; or

Not applicable.

If Substitution is applicable, “Monthly Substitutions Limit” shall mean:

Not applicable; or

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* + 1. ***Distribution and Interest Amount***.
       1. “Additional Margin” is:

Applicable; or

Not applicable.

* + - 1. If Additional Margin is not applicable, Clearing Member shall transfer the Interest Amount to Customer:

On the last Business Day of each calendar month and on any Business Day that Posted Margin in the form of cash is transferred to Customer, pursuant to Section 3(c) of the Margin Module; or

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“Interest Amount” means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Margin in the form of cash on that day, determined by Clearing Member for each such day as follows:

* + - * 1. The amount of that cash on that day; multiplied by
        2. The Interest Rate in effect for that day; divided by
        3. 360.

“Interest Period” means the period from (and including) the last Business Day on which an Interest Amount was transferred (or, if no Interest Amount has yet been transferred, the Business Day on which Posted Margin in the form of cash was transferred to Clearing Member) to (but excluding) the Business Day on which the current Interest Amount is to be transferred.

“Interest Rate” means \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

* 1. ***Additional Terms***.

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1. Elections for Optional Sponsored GC Terms.[[3]](#footnote-4)
   1. Sponsored GC Service shall be:

Applicable; or

Not applicable.

* 1. If Sponsored GC Service is applicable, then:
     1. GC Pledge is:

Applicable; or

Not applicable.

If GC Pledge is applicable, “Additional Collateral” shall mean (select all that apply):

Customer’s right, title, and interest in the Clearing Member GC Custodial Account relating to any Cleared Transaction; or

Customer’s right, title, and interest in the Customer GC Custodial Account relating to any Cleared Transaction.

* + 1. FOS Satisfaction is:

Applicable; or

Not applicable.

* + 1. GC Excess Margin is:

Applicable; or

Not applicable.

* + 1. Close-Out Agent is:

Applicable; or

Not applicable.

* 1. ***Additional Terms.***

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1. Elections for Optional Agent Clearing Terms.
   1. Agent Clearing shall be:

Applicable; or

Not applicable.

* 1. If Agent Clearing is applicable, then:
     1. ***Account***. If no Account has been established pursuant to the Existing FICC Clearing Agreement, the following is applicable:

Custody Account; or

Other Account Structure (the parties agree that the terms below shall govern).

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* 1. ***Additional Terms.***

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1. Miscellaneous.
   1. ***Financial Asset Election***. The parties agree that, notwithstanding anything contrary in the FICC Clearing Agreement (select one; if none of the below is selected, this Part 5(a) shall not apply):

☐ Cash credited to any Account shall not be treated as a “financial asset” under the UCC;

☐ Cash credited to any Account (except for cash held at FICC) shall not be treated as a “financial asset” under the UCC; or

☐ Cash credited to any Account (except for cash held in a Custodial Account with a third party) shall not be treated as a “financial asset” under the UCC.

* 1. ***Governing Law***.[[4]](#footnote-5) The Governing Law shall be the laws of:

The State of New York (without giving effect to the choice of law principles thereof, except for Section 5-1401 of the New York General Obligations Law);

England, in which case English law shall govern the Amendment as well ‎as any non-contractual obligation arising ‎out of or in connection with it; or

England, provided that the Account established pursuant to this Amendment and Clearing Member’s security interest in items of the Pledged Collateral created pursuant to this Amendment shall be governed by the laws of the State of New York without giving effect to the choice of law principles thereof (except for Section 5-1401 of the New York General Obligations Law), notwithstanding that the remaining Amendment as well ‎as any non-contractual obligation arising out of or in connection with it ‎is governed by English law.

* 1. The following provisions shall apply if all or part of the Amendment is expressed to be governed by English law:
     1. *Partial invalidity*. If, at any time, any provision of the Amendment is or becomes illegal, invalid, or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity, or enforceability of the remaining provisions nor the legality, validity, or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.
     2. *Further assurance*. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments, and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of the Amendment and the consummation of the transactions contemplated hereby.
     3. *Additional Terms*.

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1. Additional Terms.

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(*Signature page to follow*)

IN WITNESS WHEREOF, the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

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| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (*Name of Clearing Member*)  By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name:  Title:  Date: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  (*Name of Customer*)  By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name:  Title:  Date: |

1. Parties should review Existing FICC Clearing Agreement in connection with the execution of this Amendment and consider whether additional terms should be included in the open writing boxes in this Schedule. [↑](#footnote-ref-2)
2. Parties may include additional types of eligible collateral, including agency securities. [↑](#footnote-ref-3)
3. If the Existing FICC Clearing Agreement provides for clearing of customer transactions as Sponsored GC Trade, those terms would continue to apply and no elective terms in this Part 3 should be applicable. [↑](#footnote-ref-4)
4. Parties should consider whether additional language is required for security interest governed by English law (*e.g*., the execution of the Amendment as a deed). [↑](#footnote-ref-5)