

# Deloitte. Securities and Exchange Commission Treasury clearing Final Rule: Are you ready for changes in margin for broker-dealer members?

## Amendments to Rule 15c3-3a<sup>1</sup>



Changes become available on **March 31, 2025**



**Broker dealers (BDs) margin inclusion updates:** If BDs decide to enhance their programs, firms need to implement updates in accordance with the outlined requirements in an effort to maintain compliance with the Final Rule.

### How will changes in margin and 15c3-3 manifest in your firm?

	FIXED INCOME CLEARING CORPORATION (FICC) ACCOUNT STRUCTURE		MARGIN CALCULATION		ASSOCIATED RISKS	
	Agent Clearing	Sponsored Model	Agent Clearing	Sponsored Model	Agent Clearing	Sponsored Model
<b>Current State</b>	<ul style="list-style-type: none"> <li>No required separation of margin, all activities may be combined in single account at Netting Member level</li> </ul>	<ul style="list-style-type: none"> <li>Separation between house and sponsored activities, but sponsored members combined into single account</li> </ul>	<ul style="list-style-type: none"> <li>FICC margin netted on clearing member level, potentially comingled with house and other customer activity</li> </ul>	<ul style="list-style-type: none"> <li>Calculated individually (gross) for each Sponsored Member, but held in omnibus account on gross basis</li> </ul>	<ul style="list-style-type: none"> <li>Margin and/or clearing fees can be collected by the member for risk management and risk weighted asset purposes</li> </ul>	<ul style="list-style-type: none"> <li>Margin and/or clearing fees are rarely collected from the Sponsored Member by the Sponsoring Member</li> </ul>
<b>Future State</b>	<ul style="list-style-type: none"> <li>Each Agent Clearing Member is required to separate margin for house positions from margin for client positions</li> </ul>	<ul style="list-style-type: none"> <li>Core operating model stays the same, with a Sponsored client omnibus account holding client margin</li> </ul>	<ul style="list-style-type: none"> <li>Calculated on gross or net basis depending on the segregation model selected by the member and customer</li> </ul>	<ul style="list-style-type: none"> <li>Calculated on gross basis, margin posted to FICC will be member or customer collateral, depending on the segregation model</li> </ul>	<ul style="list-style-type: none"> <li>If Segregated account structure, then customer assets are posted to the FICC and can therefore be offset against 15c3-3</li> </ul>	<ul style="list-style-type: none"> <li>If Segregated account structure, then customer assets are posted to the FICC and can therefore be offset against 15c3-3</li> </ul>

### What does my organization need to do to meet these challenges?

<p>Validate and reconcile Fixed Income Clearing Corporation (FICC) margin requirements using internal calculations</p>	<p>Collateral needs to match FICC's acceptable types (cash, UST, Agencies, GSEs)</p>	<p>Establish updated policies regarding collection of margin from your clients for this business</p>	<p>Confirm 15c3-3 debits do not exceed calculated and posted amounts for segregated clients</p>	<p>Updated collateral agreements which may require lengthy negotiations</p>	<p>Prepare for higher collateral requirements at FICC and enhance processes to manage collateral effectively</p>	<p>Collateral accepted from clients should be properly valued and compared for required margin</p>
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### Will your firm be prepared for March 31?

There are many **business decisions** that are brought to light by the Treasury clearing Final Rule that have **impacts across revenue, profitability, business alignment, and market structure.**

**Deloitte is positioned to advise** with business scoping and defining of programs, business requirement detailing and documentation, and strategic program development to **prepare your organization for the Final Rule.**

### Get in touch



**George Black**  
Principal  
Deloitte & Touche LLP  
[geblack@deloitte.com](mailto:geblack@deloitte.com)



**Roy Ben Hur**  
Partner  
Deloitte & Touche LLP  
[rbenhur@deloitte.com](mailto:rbenhur@deloitte.com)



**Mara Gauger**  
Senior Manager  
Deloitte & Touche LLP  
[mgauger@deloitte.com](mailto:mgauger@deloitte.com)



**Pete Brown**  
Senior Manager  
Deloitte & Touche LLP  
[petebrown@deloitte.com](mailto:petebrown@deloitte.com)

<sup>1</sup> SEC, "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," SEC Release 34-99149, December 13, 2023.

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