JULY 2026

U.S. TREASURY CENTRAL CLEARING FAQS

MANDATE SNAPSHOT

DECEMBER 31, 2026

Deadline to clear eligible cash transactions

JUNE 30, 2027

Deadline to clear eligible repo and reverse repo transactions

FREQUENTLY ASKED QUESTIONS (FAQS)

The following FAQs reflect BNY's understanding of the current rule. Please consult your internal legal and compliance teams, along with FICC, for further clarity and final determination.

What is the implementation timeline for the SEC's U.S. Treasury central clearing mandate?

Direct participants are required to clear eligible cash transactions by December 31, 2026, and clear eligible repo and reverse repo transactions by June 30, 2027.

What transactions are in scope?

Direct members of an SEC-registered clearing agency that clears U.S. Treasury security trades (a "Treasury CCA") must submit eligible secondary market U.S. Treasury trades for clearing. Eligible transactions include:

- All repos and reverse repos collateralized by U.S. Treasury securities to which a direct participant is a counterparty.
- All purchase and sale transactions of U.S. Treasury securities entered into by direct participants who are acting as interdealer brokers (i.e., entered into by a direct participant that brings together multiple buyers and sellers using a trading facility and that is a counterparty to both the buyer and seller in two separate transactions).
- All purchases and sales of U.S. Treasury securities between a direct participant and a registered broker-dealer, government securities dealer, or government securities broker.

What transactions are excluded?

- Eligible secondary market transactions do not include transactions in which one counterparty is a central bank, a sovereign entity, an international financial institution (i.e., a multilateral development bank or similar entity) or a natural person.
- Eligible secondary market transactions that are repos do not include those between a direct participant and either a state or local government.
- Direct participants' inter-affiliate transactions are conditionally excluded, provided that the affiliate (i) is a bank, broker-dealer, FCM, or foreign equivalent; and (ii) submits for clearing all other Treasury repos to which it is a party.

Will mixed collateral triparty repo trades, like agency general collateral transactions, need to be cleared?	No, the SEC clarified that mixed CUSIP triparty repo, in which U.S. Treasury securities are allocated as collateral based on a "collateral eligibility schedule" is an "eligible secondary market transaction" when the parties have selected a matching CUSIP (or similar collateral matching mechanism) at trade execution corresponding to securities other than U.S. Treasury securities.
Will inter-affiliate trades need to be cleared?	• Inter-affiliate trades are an important tool used by market participants to centralize risk management and distribute liquidity amongst their various entities. • The SEC has conditionally excluded any repurchase or reverse repurchase agreement collateralized by U.S. Treasury securities entered into between a direct participant and an affiliated counterparty that is a bank, broker-dealer, FCM, or foreign equivalent, provided that the affiliated counterparty submits for clearance and settlement all other repurchase or reverse repurchase agreements collateralized by U.S. Treasury securities to which the affiliated counterparty is a party.
Will trades with a tenor of open or intraday be in scope for central clearing?	• The rule only applies to transactions that are of a type currently accepted for clearing at a Treasury CCA; it does not impose a requirement on a Treasury CCA to offer additional products for clearing. • FICC does not currently clear these trade tenors today. FICC may choose to clear this trade in the future.
Will same day T+0 cash trades need to be cleared?	FICC does not currently clear this type of trade today. FICC may choose to clear this trade in the future.
Are securities lending transactions in scope?	• No, as per the SEC's final rule, securities lending transactions do not fall within the scope of the definition of an eligible secondary market transaction. • Clients are encouraged to check with their legal and FICC.
What are FICC's access models?	FICC provides a variety of access models that market participants can choose from. For more information, please consult FICC's website.
Are there additional settlement or collateral management fees that BNY will charge for FICC?	Current fees apply.

IMPACT OF CENTRAL CLEARING ON BNY

Is testing required prior to onboarding by BNY for FICC?	FICC may require testing prior to onboarding. BNY will support our clients who are required to test.
Are there messaging or reporting changes required by BNY for central clearing?	Current messaging and reporting protocols still apply.
What are the defined FICC eligibility criteria for Sponsored GC?	Sponsored GC is an FICC product that allows Sponsoring members to submit triparty repos executed on a general collateral basis to central clearing. Specific to Sponsored GC, FICC has created nine products (CUSIPs) with standard eligibility requirements which BNY has translated into a Schedule I (schedule of eligible collateral). Margins will need to be agreed between the sponsor and sponsored member. Trade instructions will need to contain one of the nine CUSIPs for matching purposes.
Are there any changes to settlement timelines for Sponsored GC?	Based on FICC's requirement, transactions are required to settle (collateralized / funded) by 7:00 PM ET.
Are there other Treasury CCAs entering the U.S. Treasury market?	FICC is currently the only Treasury CCA for U.S. Treasury securities, but other Treasury CCA providers have expressed interest in entering the space, and they may use BNY's products and services to support their efforts.
Who should I call to further have the conversation?	Please contact your client representative. We encourage you to visit FICC's website for further information on how FICC will support the SEC's U.S. Treasury central clearing mandate.

THE BNY ADVANTAGE

With over two centuries of central participation in the U.S. Treasury market, BNY provides trusted access to a broad U.S. Treasury market infrastructure, with deep connectivity across central counterparties and triparty ecosystems.

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