

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57596; File No. SR-FICC-2007-11)

April 1, 2008

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule To Modify the Fee Structure of the Government Securities Division Rules Regarding GCF Repo Transactions and the Fee Structure of the Mortgage-Backed Securities Division Rule Regarding Trade-for-Trade and Settlement Balance Order Processing Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on December 31, 2007, the Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by FICC. FICC filed the proposal pursuant to Section 19(b)(3)(A)(ii) of the Act² and Rule 19b-4(f)(2)³ thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the rule change is to modify the fee structure of the Government Securities Division (“GSD”) rules regarding GCF Repo Transactions and the fee structure of the Mortgage-Backed Securities Division (“MBSD”) rules regarding Trade-for-Trade and Settlement Balance Order (“SBO”) processing fees.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(ii).

³ 17 CFR 240.19b-4(f)(2).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FICC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.⁴

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Currently, the GSD fee schedule indicates the charge for all requests to modify or cancel a side of a trade or repo transaction, including CGF Repo Transactions, is 25 cents per request. To reflect current practice, FICC is proposing to change the charge for requests to modify or cancel a side of a GCF Repo Transaction to 5 cents per request.

FICC is also proposing to reduce the MBSD trade processing fee charged to dealers engaging in both Trade-for-Trade and SBO processing to align the fees with the actual costs to deliver the services. FICC is proposing to reduce the fee for Trade-for-Trade Trade Creates from \$2.25 to \$0.50. The fees for SBO Trade Creates are categorized by volume of Trade Creates and are based on the par value per million per month ("MM"). FICC is proposing to reduce the fee for SBO Trade Creates as follows: (i) between 1-2,500 Trade Creates, from \$1.68/MM to \$1.58/MM; (ii) between 2,501-5,000 Trade Creates, from \$1.56/MM to \$1.46/MM; (iii) between 5,001-7,500 Trade Creates, from \$1.43/MM to \$1.33/MM; (iv) between 7,501-10,000 Trade

⁴ The Commission has modified the text of the summaries prepared by FICC.

Creates, from \$1.35/MM to \$1.25/MM; (v) between 10,001-12,500 Trade Creates, from \$1.22/MM to \$1.12/MM; and (vi) 12,501 and over Trade Creates, from \$1.09/MM to \$0.99/MM.

The proposed rule change is consistent with Section 17A of the Act,⁵ as amended, because it reduces a FICC fee and thereby provides for the equitable allocation of fees among its participants.

(B) Self-Regulatory Organization's Statement on Burden on Competition

FICC does not believe that the proposed rule change will have any impact or impose any burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments relating to the proposed rule change have not yet been solicited or received. FICC will notify the Commission any written comments received by FICC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing proposed rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act⁶ and Rule 19b-4(f)(2)⁷ thereunder because the proposed rule change changes a fee imposed by FICC applicable only to members or participants. At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in

⁵ 15 U.S.C. 78q-1.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FICC-2007-11 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FICC-2007-11. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and

3:00 pm. Copies of such filings also will be available for inspection and copying at the principal office of FICC and on FICC's Web site at

http://www.dtcc.com/downloads/legal/rule_filings/2007/ficc/2007-11.pdf. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FICC-2007-11 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁸

Florence E. Harmon
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).