

## ICI Statement on SEC Treasury Clearing Proposal

**Washington, DC; September 14, 2022**—Today, ICI President and CEO Eric Pan released the following statement on the Securities and Exchange Commission's (SEC) proposed standards for covered clearing agencies with respect to their clearance of trades involving US Treasury securities:

"ICI has long maintained that by far the best approach to address liquidity events like that of March 2020 is to enhance the resiliency of financial markets, primarily by addressing structural issues. This is most important in the US Treasury market, whose smooth operation is vital to all financial markets.

"As a result, ICI supports the Commission looking for ways to strengthen the resiliency and liquidity of the Treasury market. The Commission's new proposal has significant implications for all market participants, including registered funds. We look forward to reviewing the details of this highly technical proposal and further engaging with the SEC to ensure that the benefits and costs of a clearing mandate are carefully considered and any unintended consequences are addressed.

"The SEC is one of several federal regulators tasked with the important role of overseeing the Treasury market. We urge the SEC to continue its close collaboration with the other members of the Inter-Agency Working Group for Treasury Market Surveillance to ensure efficient regulation of this critical market. We also encourage the IAWG to further consider other tools that may be helpful to further strengthen the resiliency of the Treasury market, including changes to the supplementary leverage ratio and supporting the expansion of all-to-all trading."