

Materials Under Seal; *Filing Acceptance Date*: January 15, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Jennaca Upperman; *Comments Due*: January 24, 2025.

4. *Docket No(s)*.: MC2025–1136 and K2025–1136; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1311 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: January 15, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Kenneth Moeller; *Comments Due*: January 24, 2025.

5. *Docket No(s)*.: MC2025–1137 and K2025–1137; *Filing Title*: USPS Request to Add Priority Mail & USPS Ground Advantage Contract 597 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: January 15, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Kenneth Moeller; *Comments Due*: January 24, 2025.

6. *Docket No(s)*.: MC2025–1138 and K2025–1138; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1312 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: January 15, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Kenneth Moeller; *Comments Due*: January 24, 2025.

7. *Docket No(s)*.: MC2025–1139 and K2025–1139; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1313 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: January 15, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Almaroof Agoro; *Comments Due*: January 24, 2025.

8. *Docket No(s)*.: MC2025–1140 and K2025–1140; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1314 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: January 15, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Almaroof Agoro; *Comments Due*: January 24, 2025.

9. *Docket No(s)*.: MC2025–1141 and K2025–1141; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage

Contract 1315 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: January 15, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Elsie Lee-Robbins; *Comments Due*: January 24, 2025.

10. *Docket No(s)*.: MC2025–1142 and K2025–1142; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1316 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: January 15, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Elsie Lee-Robbins; *Comments Due*: January 24, 2025.

### III. Summary Proceeding(s)

None. See Section II for public proceedings.

This Notice will be published in the **Federal Register**.

Jennie L. Jbara,

Primary Certifying Official.

[FR Doc. 2025–01500 Filed 1–21–25; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–102200; File No. 600–44]

### CME Securities Clearing, Inc.; Notice of Filing of an Application for Registration as a Clearing Agency Under Section 17A of the Securities Exchange Act of 1934

January 15, 2025.

On December 13, 2024, CME Securities Clearing, Inc. (“CMESC”) filed with the Securities and Exchange Commission (“Commission”) an application on Form CA–1 (“Application”) under section 17A of the Securities Exchange Act of 1934 (“Exchange Act”) seeking to register as a clearing agency.<sup>1</sup> Specifically, the Application states that CMESC is applying to register as a clearing agency to provide central counterparty clearing services to market participants for their secondary cash market transactions in U.S. Treasury securities and transactions in repurchase and reverse repurchase agreements involving U.S. Treasury securities.<sup>2</sup> The Application provides detailed information regarding how CMESC proposes to satisfy the requirements of the Exchange Act. The proposed Rules of CMESC are included

<sup>1</sup> 15 U.S.C. 78q–1.

<sup>2</sup> See Exhibit J.

as Exhibit E–3 to CMESC’s Form CA–1 application.

The Commission is publishing this notice to solicit comments on the Application. To grant CMESC’s request to register as a clearing agency, the Commission must find that it satisfies the requirements of the Exchange Act and the rules and regulations thereunder, including the determinations required under Exchange Act section 17A(b)(3)(A) through (I).<sup>3</sup> Pursuant to section 17A of the Exchange Act, the Commission is directed, having due regard for the public interest, the protection of investors, the safeguarding of securities and funds, and maintenance of fair competition among brokers and dealers, clearing agencies, and transfer agents, to use its authority to: (i) facilitate the establishment of a national system for the prompt and accurate clearance and settlement of transactions in securities (other than exempt securities); and (ii) facilitate the establishment of linked or coordinated facilities for clearance and settlement of transactions in securities in accordance with the findings and to carry out the objectives set forth in section 17A.<sup>4</sup> The Commission will consider any comments it receives in making its determination about whether to grant CMESC’s request to be registered as a clearing agency.

The Application states that CMESC would be wholly owned by its parent company, CME Group, Inc.<sup>5</sup> CMESC is a corporation registered in the state of Delaware.<sup>6</sup> CMESC would have its own Board of Directors, made up of at least five independent directors, one member representative, and one user representative.<sup>7</sup> CMESC would also have several Board committees, including a Nominating Committee, Audit Committee, Regulatory Oversight Committee, and Risk Management Committee.<sup>8</sup>

CMESC’s proposed Rules describe two types of participants: first, Members, which would be able to clear proprietary Eligible Securities Transactions through CMESC and to authorize Users with respect to clearing Eligible Securities Transactions through CMESC; and second, Users, which

<sup>3</sup> 15 U.S.C. 78s(a); 15 U.S.C. 78q–1(b)(3).

<sup>4</sup> 15 U.S.C. 78q–1(a)(2)(A).

<sup>5</sup> See Exhibit C and C–1 (narrative description of ownership and diagrams of overall CME Group structure).

<sup>6</sup> See Exhibit E–1 (certificate of incorporation).

<sup>7</sup> See Exhibit C–2 (diagram of CMESC’s structure); Exhibit E–2B (Board of Directors Charter).

<sup>8</sup> See Exhibit E–2C (Risk Management Committee Charter); E–2D (Nominating Committee Charter); E–2E (Audit Committee Charter), and Exhibit E–2F (Regulatory Oversight Committee Charter).

would be authorized by a Member and would be further classified as Independent Users or Supported Users. CMESC states that the primary difference between these User Types is that an Independent User is obligated to post margin and make variation payments to CMESC for its Independent User Account, whereas that obligation falls to a Supported User's authorizing Member in relation to the Supported User's Supported User Account at the Corporation. For both types of Users, the User is directly liable to the Corporation for settlement of their cleared transactions.<sup>9</sup>

A Member that authorizes a User is responsible for guaranteeing the financial performance of that User beyond the margin posted to the User's Account at the Applicant, and in this respect Members, but not Users, are required to make contributions to the Applicant's Guaranty Fund. A person will be admitted as a User only with the authorization of a Member and may utilize the Clearing Services as a User only for so long as it has a Member's authorization in place. In contrast to Members, CMESC does not impose direct financial responsibility requirements on User applicants and instead relies upon Members that authorize Users to determine the appropriate financial responsibility standards to impose, based on their assessment of a User's financial circumstances and their obligations to conduct due diligence of their authorized Users.<sup>10</sup>

In Exhibit J, the Application provides information regarding CMESC's risk management framework, which CMESC describes as being intended to: (i) reduce the potential impact of a participant default via credit risk management standards and ongoing monitoring, and (ii) ensure that CMESC has sufficient financial and liquidity resources to manage the default of a certain number of participants. CMESC states that it would use onboarding requirements for each of its Members to mitigate counterparty risk and would apply financial responsibility requirements to its Members. CMESC may take action against a Member for its failure to remain in compliance with such requirements. Additionally, CMESC states that it would seek to mitigate counterparty and liquidity risk through various mechanisms, including its credit rating process for Members, credit limits, daily risk monitoring, margin collection, settlement variation

exchange, backtesting, and stress testing.<sup>11</sup>

With respect to risk management, the Application states that CMESC would maintain and structure a Guaranty Fund using its stress test methodology that is designed to ensure that the size of the Guaranty Fund is at least equal to the largest theoretical loss to the Registrant resulting from the Default of two Member Families, covering, if applicable, a predefined number of User accounts, in extreme but plausible market conditions.<sup>12</sup> The Application also states that CMESC would establish credit and liquidity "waterfalls" that would apply in the event of a default, to prevent losses to its Participants and minimize the potential for market disruption.<sup>13</sup>

With respect to systems, the Application states that CMESC's systems will be hosted in a virtual private cloud environment and in physical datacenters.<sup>14</sup> Among other things, the Application describes CMESC's approach to operational resilience, availability and disaster recovery, and data backup.<sup>15</sup>

With respect to fees, the Application states that CMESC continues to engage the marketplace on its ultimate fee structure, which it plans to finalize as it approaches the launch date for operating its clearing agency. The Application also states that cleared repo and cleared U.S. Treasuries services that it offers will operate in a competitive environment, which in turn is expected to impact fees, and that fees for Members and Users will be published on CMESC's website when its clearing services are launched after filing a proposed rule change with the Commission pursuant to section 19(b)(3)(A) of the Exchange Act.<sup>16</sup>

CMESC's application on Form CA-1, including each exhibit thereto referenced above, is available online at [www.sec.gov/rules/other/shtml](http://www.sec.gov/rules/other/shtml) as well as in the Commission's Public Reference Room. Interested persons are invited to submit written data, views, and arguments concerning the Application, including whether the application is consistent with the Exchange Act and the rules and regulations thereunder applicable to clearing agencies (e.g., Exchange Act Rules 17Ad-22, 17Ad-25, 17Ad-26, and Regulation SCI, among others).<sup>17</sup>

<sup>11</sup> See *id.*

<sup>12</sup> See *id.*

<sup>13</sup> See *id.*

<sup>14</sup> See Exhibit K; Exhibit M.

<sup>15</sup> See Exhibit M.

<sup>16</sup> See Exhibit E-5.

<sup>17</sup> See 17 CFR 240.17Ad-22, 240.17Ad-25, and 240.17Ad-26; 17 CFR 242.1000 through 242.1007.

Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's internet comment form (<https://www.sec.gov/rules/proposed.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number 600-44 on the subject line.

#### *Paper Comments*

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to File Number 600-44.

To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/other.shtml>).

Copies of the Form CA-1, all subsequent amendments, all written statements with respect to the Form CA-1 that are filed with the Commission, and all written communications relating to the Form CA-1 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 website viewing and printing in the Commission's Public Reference Section, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m.

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number 600-44 and should be submitted on or before March 10, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>9</sup> See Exhibit J.

<sup>10</sup> See *id.*

<sup>18</sup> 17 CFR 200.30-3(a)(16).