

[Securities Regulation Daily Wrap Up, CLEARANCE AND SETTLEMENT—SEC, CFTC allow cross-margining in Treasuries, \(Apr. 16, 2026\)](#)

Securities Regulation Daily Wrap Up

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By Anne Sherry, J.D.

Agency leaders said the move will improve liquidity and resilience in the Treasury securities markets.

The SEC and CFTC coordinated to issue exemptive orders permitting customer cross-margining in the U.S. Treasury market. The orders enable cross-margining by dual registrants that are registered with the SEC as broker-dealers and with the CFTC as futures commission merchants. Prior to these orders, only clearing members could cross-margin futures positions cleared at CME with cash market positions cleared at FICC.

The SEC also [approved](#) a proposed rule change filed by FICC (Fixed Income Clearing Corporation) to incorporate into its rules a cross-margining agreement with CME (Chicago Mercantile Exchange).

SEC Commissioner Mark T. Uyeda, who has been leading the SEC's efforts in Treasury clearing, [said](#) the orders advance both agencies' goal to unlock liquidity and ensure the market remains resilient. CFTC Chairman Michael S. Selig [explained](#), "By enabling more efficient risk management across related products, this proposal moves us closer toward a more modern, robust market structure."

Background. By 2024 rule, the SEC required that most U.S. Treasury cash and repurchase transactions be cleared through a central counterparty (in practice, FICC). Cross-margining is a method to increase clearing efficiency and thereby reduce the cost to market participants of the Treasury clearing requirement.

Cross-margining arrangements allow joint members of two clearing organizations to have their initial margin requirements reduced by accounting for risk offsets between positions held at each clearing organization. FICC and CME have a proprietary cross-margining arrangement, but prior to the agencies' orders, the arrangement was only available for the proprietary positions of clearing members, not for the positions of customers clearing through an intermediary.

On behalf of Eligible BD-FCMs, FICC and CME made rule filings and exemptive applications with the SEC and CFTC to enable a customer cross-margin program. The [SEC's order](#) allows an exemption from the broker-dealer customer protection rule (Exchange Act Rule 15c3-3). The [CFTC allowed](#) a partial and conditional exemption from Commodity Exchange Act Section 4d and Commission Regulations 1.20 and 1.49.

Eligibility. Under the orders, the cross-margin program would be available to customers of a dually registered broker-dealer/futures commission merchant that is also a joint clearing member of a clearing agency that clears U.S. Treasury securities positions and a member of a derivatives clearing organization that clears related futures contracts ("Eligible BD-FCM").

An Eligible BD-FCM would be permitted to hold eligible U.S. Treasury securities positions and the customer assets used to margin, secure, or guarantee such positions in a futures account from novation through settlement. BD-FCMs would also be allowed to deposit customer funds and margin at FICC, notwithstanding that FICC is not a permitted depository under CFTC regulations.

These are [Exchange Act Release No. 105248](#), [Exchange Act Release No. 105249](#), and [CFTC Release No. 9214-26](#).

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