

FinOps Report Speaks With Stephen Morris on the SEC's Clearing Mandate for US Treasuries

December 28, 2023

Financial Markets and Funds Partner Stephen Morris spoke with *FinOps Report* on the Securities and Exchange Commission's (SEC) recent adoption of rules that will require central clearing of a broad range of repo and cash market transactions in US Treasuries. Noting the broad impact of the rulemaking, Steve stated, "Trading desks, collateral operations managers, legal counsel, risk managers, and compliance managers will be involved with the transition to central clearing." Speaking to the risk management consideration raised by the rulemaking, Steve added, "The market and non-market risk factors involved in clearing, including the sponsoring/clearing member's credit risk; the risk to sponsored and customer assets in the event of a sponsoring member's default as well as the availability of porting positions; the operational and legal risk of [Fixed Income Clearing Corporation] FICC as the sole clearinghouse, and the allocation of risk under the sponsoring/clearing member's documentation, are critical factors for risk managers to consider."

A Katten advisory with additional detail concerning the new clearing mandate is available [here](#).

"[US Treasuries Central Clearing: Fund Managers' Juggling Act in 2024](#)," *FinOps Report*, December 22, 2023

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Stephen R. Morris

+1.212.940.6654

stephen.morris@katten.com

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2026 Katten Muchin Rosenman LLP.

All rights reserved. Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at [katten.com/disclaimer](https://www.katten.com/disclaimer).