



2025 SIFMA AMG SAMPLE TERMS FOR CLEARING MEMBER DEFAULT MASTER TREASURY SECURITIES CLEARING AGREEMENT: DONE-WITH

January 22, 2025

This document was developed in consultation with a broad cross-section of market participants and is neither a binding agreement nor a requirement for customer clearing of Treasury securities. The terms and conditions set forth herein should be considered when clearing such transactions, and use of this document is entirely voluntary and it may be modified or adapted to meet individual commercial objectives and legal requirements. This document should not be construed as legal advice, and users should seek their own legal counsel to ensure that their final agreement addresses their specific commercial objectives and legal requirements. SIFMA makes no warranties, express or implied, regarding the suitability, accuracy, or completeness of this document for any particular purpose and expressly disclaims all liability arising from the use of, or reliance on, this document. By using this document, you acknowledge and agree that SIFMA is not responsible for any errors, omissions, or outcomes resulting from its use.

This document is subject to the Terms of Use applicable to SIFMA's website, available at: <https://www.sifma.org/terms-of-use>

Copyright © 2025 by Securities Industry and Financial Markets Association



asset management group

2025 SIFMA AMG SAMPLE TERMS FOR CLEARING MEMBER DEFAULT MASTER TREASURY SECURITIES CLEARING AGREEMENT: DONE-WITH

- (i) If “Customer Remedies” is specified as applicable in the Schedule, then:
- (A) A Clearing Member Performance Event shall occur only if any of the following events have occurred and is continuing and Customer has delivered a notice to Clearing Member designating such event as a Clearing Member Performance Event:
- (1) Clearing Member fails, as processing agent, to make a payment or delivery received or deemed to have been received by Clearing Member for the benefit of Customer by the applicable deadline, unless such failure is cured within the Cure Period (if specified as applicable in the Schedule);
 - (2) Clearing Member fails to return excess Posted Margin (if applicable) by the applicable deadline, unless such failure is cured within the Cure Period (if specified as applicable in the Schedule);
 - (3) Clearing Member fails to materially and timely perform any other obligations under this Agreement, unless such failure is cured within the Cure Period (if specified as applicable in the Schedule),
 - (4) Clearing Member disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, this Agreement (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);
 - (5) An Act of Insolvency in respect of Clearing Member;
 - (6) Clearing Member is suspended by an organization of which Clearing Member is a member, any regulatory authority, or any Specified CCP, in each case if such suspension results from Clearing Member’s failure to meet any applicable financial or credit requirement;
 - (7) Clearing Member ceases to be eligible under Applicable CCP Rules to clear Transactions for Customer at a Specified CCP; and
 - (8) A Specified CCP ceases to act or takes similar actions against Clearing Member.
- (B) Upon effective delivery of a notice by Customer designating a Clearing Member Performance Event, Customer may in its sole discretion exercise one or more of the rights and remedies set forth below (in each case only to the extent permitted under Applicable CCP Rules):

- (1) (x) cancel any Transaction that is in the process of being submitted or has been submitted but not yet novated to a Specified CCP, or (y) otherwise require that Clearing Member shall cancel such Transaction;
- (2) (x) port Cleared Transactions and associated Collateral to a different clearing member of each Specified CCP, or (y) require Clearing Member to terminate and liquidate all Cleared Transactions not ported (including, with respect to Done-With Transactions, entering into and submitting to be novated at each Specified CCP an equal and opposite Transaction to each outstanding Cleared Transaction);
- (3) With respect to any Cleared Transaction that is not terminated or ported, make payments and deliveries relating thereto directly to the relevant Specified CCP rather than through Clearing Member in order to continue the Cleared Transaction, following which Customer shall no longer have payment or delivery obligations to Clearing Member under this Agreement with respect to such payments or deliveries; and
- (4) If a Specified CCP ceases to act for or takes similar actions against Clearing Member and terminates the relevant Cleared Transactions, calculate a Close-Out Amount calculated in respect of such terminated Cleared Transactions (with Clearing Member being the Affected Party), following which Clearing Member shall be liable to Customer for any loss realized by Customer due to the Specified CCP determining a liquidation price that is different from the Close-Out Amount calculated by Customer.

Clearing Member shall be liable to Customer for any reasonable out-of-pocket costs and expenses incurred as a result of exercising such rights and remedies.