

Sarah Williams
Staff Attorney

April 16, 2015

Re: Revisions to the ICC Rulebook Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)

VIA E-MAIL

Mr. Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C. 20581

Dear Mr. Kirkpatrick:

ICE Clear Credit LLC (“ICC”) hereby submits, pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), a self-certification of amended ICC Clearing Rules (“Amended Rules”) to provide additional clarity regarding settlement finality with respect to Mark-to-Market Margin¹. ICC is registered with the Commission as a derivatives clearing organization (“DCO”). ICC intends to make the Amended Rules effective no sooner than the tenth business day following the filing of this submission with the Commission at its Washington, D.C. headquarters and with its Chicago regional office.

This submission includes the Amended Rules. A description of the principal changes contained in the Amended Rules follows. Certification of the Amended Rules pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6 is also provided below.

ICC proposes changes to ICC Clearing Rule 401 (“Rule 401”) in order to provide additional clarity regarding settlement finality with respect to Mark-to-Market Margin. Specifically, ICC is proposing to add new subsections (k) and (l) to Rule 401. The new subsections are not intended to change any current ICC practices; rather, such changes are intended to provide additional clarity regarding settlement finality in respect to Mark-to-Market Margin. All capitalized terms not defined herein are defined in the ICC Rules.

ICC proposes adding language in Rule 401(k) to clarify that each Transfer of Mark-to-Market Margin shall constitute a settlement (within the meaning of Commission Rule 39.14²) and shall be final as of the time ICC’s accounts are debited or credited with the relevant payment. Further, ICC proposes adding language in Rule 401(l) to state that once settlement of a Transfer of Mark-to-Market Margin in respect of the Margin Requirements for a Mark-to-Market Margin Category is final, the fair value of the outstanding exposures for the relevant Contracts in that Mark-to-Market Margin Category (taking into account the Margin provided in respect of such Margin Requirement) will be reset to zero. Such additional language is consistent with ICC’s current practices and is intended to provide further clarity regarding ICC’s settlement cycle.

¹ As defined in ICC Rule 401.

² 17 CFR 39.14(a)

Core Principle Review:

ICC reviewed the DCO core principles (“Core Principles”) as set forth in the Commodity Exchange Act. During this review, ICC identified the following Core Principles as being impacted:

Settlement Procedures: The Amended Rules are consistent with the settlement procedures requirements of Core Principle E. The Amended Rules are intended to provide additional clarity regarding ICC’s current settlement cycle.

Amended Rules:

The proposed change consists of revisions to Rule 401 in order to provide additional clarity regarding settlement finality with respect to Mark-to-Market Margin.

Annexed as an Exhibit hereto is the following:

- A. Proposed amendments to the ICC Rulebook

Certifications:

ICC hereby certifies that the Amended Rules comply with the Act and the regulations thereunder. There were no substantive opposing views to the revisions.

ICC further certifies that, concurrent with this filing, a copy of the submission was posted on ICC’s website, and may be accessed at: <https://www.theice.com/clear-credit/regulation>

ICC would be pleased to respond to any questions the Commission or the staff may have regarding this submission. Please direct any questions or requests for information to the attention of the undersigned at (312) 836-6883.

Sincerely,



Sarah Williams
Staff Attorney

cc: Kate Meyer, Commodity Futures Trading Commission (by email)
Tad Polley, Commodity Futures Trading Commission (by email)
Eric Nield, ICE Clear Credit (by email)
Michelle Weiler, ICE Clear Credit (by email)