



Clearing Rules

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4. MARGIN

401. Margin Generally.

(a) House Margin

ICE Clear Credit shall, following the close of business on each ICE Business Day, and may, at any other time or times selected by ICE Clear Credit, determine the Margin requirement for a Participant in respect of House Positions with respect to each category of Initial Margin and of Mark-to-Market Margin (each, a “**Margin Category**”, and the related Margin requirement, a “**Margin Requirement**”). For each Margin Category for a Participant and for a given ICE Business Day, ICE Clear Credit shall calculate a net amount (a “**Net House Margin Requirement**”) (i) in the case of an Initial Margin Category, equal to the Participant’s Margin Requirement for such Initial Margin Category as of such ICE Business Day minus the Value of the Participant’s Margin held by ICE Clear Credit as Margin for such Initial Margin Category and (ii) in the case of a Mark-to-Market Margin Category, equal to the Participant’s Margin Requirement for such Mark-to-Market Margin Category (expressed as a positive number if owed by the Participant and a negative number if owed by ICE Clear Credit) minus the Value of the Participant’s Margin held by ICE Clear Credit as Margin for such Mark-to-Market Margin Category or plus the Value of ICE Clear Credit’s Margin held or deemed held by the Participant as Margin for such Mark-to-Market Margin Category, as applicable. With respect to each Margin Category for a Participant:

- (i) if the Net House Margin Requirement is negative, ICE Clear Credit shall (unless the Participant is, or a determination by ICE Clear Credit is pending as to whether the Participant is, in Default), with respect to Eligible Margin having a Value as close as reasonably practicable to (but not to exceed) the absolute value of the Net House Margin Requirement, (A) in the case of Mark-to-Market Margin, Transfer such Eligible Margin to the Participant, which Eligible Margin would, as applicable, either be applied to a Net House Margin Requirement for an Initial Margin Category or be available for withdrawal by the Participant, in accordance with the ICE Clear Credit Procedures, to the extent there is any excess after satisfying the Margin Requirement for each Initial Margin Category or (B) in the case of Initial Margin, Transfer such Eligible Margin to the Participant, in accordance with the ICE Clear Credit Procedures, to the extent there is any excess after satisfying the Margin Requirement for each Initial Margin Category.
- (ii) if the Net House Margin Requirement is positive, the Participant shall Transfer to ICE Clear Credit, in accordance with the ICE Clear Credit Procedures, Eligible Margin having a Value at least equal to the Net

House Margin Requirement, with such Transfer required to be made prior to the time established by ICE Clear Credit in the ICE Clear Credit Procedures for this purpose on the ICE Business Day next following the ICE Business Day to which the close of business Net House Margin Requirement relates (or, if ICE Clear Credit notifies a Participant, in accordance with the ICE Clear Credit Procedures, of a Net House Margin Requirement other than in respect of its close of business determinations, within one ICE Clear Credit business hour of such notice); *provided* that (i) to the extent there is cash in a Participant's House Margin Account in the relevant currency, ICE Clear Credit may withdraw from such account such cash to satisfy a Net House Margin Requirement for a Mark-to-Market Margin Category for the relevant House Position(s), and adjust the Participant's Net House Margin Requirements accordingly; or

- (iii) if the Net House Margin Requirement is zero, no Margin shall be required to be Transferred.

(b) **Client-Related Margin.**

ICE Clear Credit shall, following the close of business on each ICE Business Day, and may, at any other time or times selected by ICE Clear Credit, determine the Margin Requirement for a Participant in respect of Client-Related Positions with respect to each Margin Category.

(i) **Initial Margin.**

ICE Clear Credit shall calculate, in the case of an Initial Margin Category, the Participant's Margin Requirement for each Non-Participant Party Portfolio minus the Value of the Margin held by ICE Clear Credit as Margin for such Initial Margin Category allocated by ICE Clear Credit to such Non-Participant Party Portfolio (each, a the "**Non-Participant Party Portfolio Initial Margin Requirement**"); With respect to each Initial Margin Category for a Participant:

- (A) for each Non-Participant Party Portfolio Initial Margin Requirement that is positive, the Participant shall Transfer to ICE Clear Credit, in accordance with the ICE Clear Credit Procedures, Eligible Margin having a Value at least equal to such Non-Participant Party Portfolio Initial Margin Requirement, with such Transfer required to be made prior to the time established by ICE Clear Credit in the ICE Clear Credit Procedures for this purpose on the ICE Business Day next following the ICE Business Day to which the close of business Non-Participant Party Portfolio Initial Margin Requirement relates (or, if ICE Clear Credit notifies a Participant, in accordance with the ICE Clear Credit Procedures, of a Non-Participant Party Portfolio Initial Margin Requirement other than in respect of its close of business determinations, within one ICE Clear Credit business hour of such notice);

- (B) following the settlement in full of all amounts due to be Transferred to ICE Clear Credit pursuant to clause (A) above, for each Non-Participant Party Portfolio Initial Margin Requirement that is negative, ICE Clear Credit shall (unless the Participant is, or a determination by ICE Clear Credit is pending as to whether the Participant is, in Default), with respect to Eligible Margin having a Value as close as reasonably practicable to (but not to exceed) the absolute value of such Non-Participant Party Portfolio Initial Margin Requirement, Transfer such Eligible Margin to the Participant, in accordance with the ICE Clear Credit Procedures;
- (C) if a Non-Participant Party Portfolio Initial Margin Requirement is zero, no Margin shall be required to be Transferred in respect thereof;
- (ii) **Mark-to-Market Margin.**

ICE Clear Credit shall calculate, in the case of a Mark-to-Market Margin Category, a net amount equal to the Participant's net Margin Requirement for such Mark-to-Market Margin Category for all Client-Related Positions in all Non-Participant Party Portfolios (expressed as a positive number if owed by the Participant and a negative number if owed by ICE Clear Credit) minus the Value of the Participant's Margin held by ICE Clear Credit as Margin for such Mark-to-Market Margin Category or plus the Value of ICE Clear Credit's Margin held or deemed held by the Participant as Margin for such Mark-to-Market Margin Category, as applicable (the "**Net Client-Related Mark-to-Market Margin Requirement**"). With respect to each Mark-to-Market Margin Category for a Participant:

- (A) if the Net Client-Related Mark-to-Market Margin Requirement is positive, the Participant shall Transfer to ICE Clear Credit, in accordance with the ICE Clear Credit Procedures, Eligible Margin having a Value at least equal to the Net Client-Related Mark-to-Market Margin Requirement, with such Transfer required to be made prior to the time established by ICE Clear Credit in the ICE Clear Credit Procedures for this purpose on the ICE Business Day next following the ICE Business Day to which the close of business Net Client-Related Mark-to-Market Margin Requirement relates (or, if ICE Clear Credit notifies a Participant, in accordance with the ICE Clear Credit Procedures, of a Net Client-Related Mark-to-Market Margin Requirement other than in respect of its close of business determinations, within one ICE Clear Credit business hour of such notice);
- (B) if the Net Client-Related Mark-to-Market Margin Requirement is negative, ICE Clear Credit shall (unless the Participant is, or a determination by ICE Clear Credit is pending as to whether the Participant is, in Default), with respect to Eligible Margin having a Value as close as reasonably practicable to (but not to exceed) the absolute value of the Net Client-

Related Mark-to-Market Margin Requirement, Transfer such Eligible Margin to the Participant, in accordance with the ICE Clear Credit Procedures; and

- (C) if the Net Client-Related Mark-to-Market Margin Requirement is zero, no Margin shall be required to be Transferred in respect thereof.

Notwithstanding anything to the contrary herein, amounts required to be Transferred between a Participant and ICE Clear Credit pursuant to any of clauses (i)(A)-(C) and/or (ii)(A)-(C) above of this subsection (b) shall not be netted or offset, except to the extent such netting or offset may be permitted by applicable law (including CFTC regulation or interpretation thereof).

- (c) Notwithstanding anything to the contrary herein, in determining each Participant's Margin Requirement as described above, ICE Clear Credit shall make separate Margin Requirement calculations for a Participant's Client-Related Positions and for a Participant's House Positions, notwithstanding that such positions would otherwise be in the same Margin Category. In no event shall the Margin Requirements for a Participant's Client-Related Positions and House Positions be netted or offset against each other (except as specifically provided in these Rules), nor shall any Margin held or released in respect of Client-Related Positions be applied at any time to any Margin Requirement in respect of House Positions.

The Margin Requirement in respect of Initial Margin for a Participant's Client-Related Positions shall be calculated on a gross basis across each Non-Participant Party Portfolio (i.e., on the basis that all Client-Related Positions related to different Non-Participant Party Portfolios have not been offset pursuant to Rule 304).

- (d) “**Eligible Margin**” means (i) with respect to Initial Margin, (A) in the case of satisfaction of an Initial Margin requirement, dollars or other currencies acceptable to ICE Clear Credit for this purpose and (B) in the case of substitutions of Initial Margin, assets, in the case of each of clauses (A) and (B), as specified in Schedule 401 as in effect from time to time and (ii) with respect to Mark-to-Market Margin, the currency in which the Contracts for the applicable Mark-to-Market Margin Category are denominated. Currencies must be in immediately available funds to qualify as Eligible Margin.
- (e) “**Value**” means, (i) with respect to Eligible Margin consisting of dollars or another currency that qualifies as Eligible Margin for the applicable Margin Category, the amount thereof converted, if applicable, to the currency of the relevant Margin Requirement at such exchange rate as ICE Clear Credit in its discretion may determine from time to time pursuant to the ICE Clear Credit Procedures, (ii) with respect to Eligible Margin consisting of assets, other than currencies, that qualify

as Eligible Margin for the applicable Margin Category, the value thereof as determined by ICE Clear Credit (or its agent or custodian) pursuant to a methodology established by ICE Clear Credit from time to time in the ICE Clear Credit Procedures, and (iii) with respect to any currency or asset that does not qualify as Eligible Margin for the applicable Margin Category, zero.

- (f) ICE Clear Credit shall establish and maintain a House Margin Account and a Client Omnibus Margin Account for each Participant. All Initial Margin required with respect to a Participant's Client-Related Positions shall be Transferred to such Participant's Client Omnibus Margin Account. All Initial Margin required with respect to House Positions of such Participant shall be Transferred to such Participant's House Margin Account.
- (g) ICE Clear Credit shall charge a Participant interest for any net Mark-to-Market Margin Transferred by ICE Clear Credit to the Participant and shall pay a Participant interest for any net Mark-to-Market Margin Transferred by the Participant to ICE Clear Credit and for any cash Margin in such Participant's Margin Accounts, in each case at an interest rate and on a frequency determined from time to time by ICE Clear Credit in the ICE Clear Credit Procedures.
- (h) A Participant may substitute, in accordance with the ICE Clear Credit Procedures and applicable law, Eligible Margin for an amount of Margin in such Participant's House Margin Account or Client Omnibus Margin Account, as applicable, having a Value not to exceed such substitute Eligible Margin.
- (i) Margin required to be provided by a Participant hereunder shall be provided at the time and in the manner specified in the ICE Clear Credit Procedures. Where Margin is available for withdrawal by a Participant in accordance with these Rules, if such Participant requests such withdrawal on an ICE Business Day by the deadline established in the ICE Clear Credit Procedures, ICE Clear Credit will transfer such margin to the relevant account of the Participant on such ICE Business Day.
- (j) Notwithstanding anything to the contrary herein, if ICE Clear Credit determines one or more Non-Participant Party Portfolio Initial Margin Requirements or a Net Client-Related Mark-to-Market Margin Requirement in respect of a time other than its close of business determination (i.e., an intraday margin call) that would otherwise be required to be Transferred by a Participant in accordance with subsection (b) above, ICE Clear Credit may in lieu thereof increase the applicable Margin Requirement for House Positions for the applicable Margin Category.
- (k) Each Transfer of Mark-to-Market Margin shall constitute a settlement (within the meaning of CFTC Rule 39.14) and shall be final as of the time ICE Clear Credit's accounts are debited or credited with the relevant payment.

- (l) Once settlement of a Transfer of Mark-to-Market Margin in respect of the Margin Requirement 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.

... **Interpretations and Policies:**

- .01 Margin required to be Transferred by a Participant shall be considered timely Transferred to ICE Clear Credit if (i) such Participant's settlement bank guarantees, in a form acceptable to ICE Clear Credit, Transfer of such Margin prior to the time such Margin would be due in accordance with these Rules and (ii) such Margin is actually Transferred to ICE Clear Credit within a time period established by ICE Clear Credit.
- .02 For the purposes of Chapter 4, the term "Open Positions" shall also include Trades that have been accepted by ICE Clear Credit pursuant to Rule 309 but not yet novated or established because the Novation Time has not yet occurred.

402. Transfer of Title; Liens.

- (a) Each Participant (other than a Participant that is an FCM or a Broker-Dealer) agrees that all right, title and interest in and to any cash Transferred by such Participant to ICE Clear Credit under the terms of these Rules as Margin or Collateral consisting of cash and all cash proceeds of any Margin or Collateral (collectively, "**Cash Margin**") shall vest in ICE Clear Credit free and clear of any liens, claims charges or encumbrances. Upon the occurrence of a Default, ICE Clear Credit shall be entitled to apply such cash Transferred to ICE Clear Credit by such Defaulting Participant and any cash proceeds of the Margin and Collateral of such Defaulting Participant to the Obligations of such Defaulting Participant to ICE Clear Credit in accordance with the provisions herein; provided that cash Transferred in respect of Client-Related Positions and constituting Margin and cash proceeds of Margin provided in respect of Client-Related Positions may only be applied to Obligations in respect of Client-Related Positions as set forth herein and only subject to the limitation set forth in subsection (h) below. Prior to the completion of the requirements under these Rules for the occurrence of a Default, ICE Clear Credit shall also be entitled to apply such cash to the Obligations of a Participant (but subject to the proviso to the preceding sentence) if such Participant has defaulted with respect to making a payment or delivery when due under these Rules or a Contract.
- (b) Each Participant hereby grants to ICE Clear Credit a continuing lien and security interest in and to and right of set-off against all of the Participant's right, title and