

**Maria Alarcon**  
Staff Attorney

May 4, 2020

**Re: Updates to ICC Treasury Operations Policies and Procedures Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)**

**VIA ELECTRONIC PORTAL**

Mr. Christopher Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> 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 (the “Act”) and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), a self-certification of changes to the ICC Treasury Operations Policies and Procedures (“Treasury Policy”). ICC is registered with the Commission as a derivatives clearing organization (“DCO”). ICC intends to implement the changes 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.

ICC proposes revising the ICC Treasury Policy. This submission includes a description of the changes to the ICC Treasury Policy. Certification of the changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

ICC proposes to amend its Treasury Policy, including clarification changes related to ICC’s approval process for new banking relationships, ICC’s minimum criteria applicable to settlement banks, and ICC’s backup settlement banks. The proposed revisions are described in detail as follows.

ICC proposes amendments to the “Direct Settlement” section of the ICC Treasury Policy. With respect to banking relationships, ICC proposes to clarify that approval of the Credit Review Subcommittee of the Participant Review Committee (“CRS”) is required before ICC may begin using the bank’s services. The CRS is comprised of ICC staff, including the ICC President, ICC Chief Operating Officer, and representatives from various departments, and is tasked with counterparty review responsibilities. Further, ICC proposes to set forth the minimum criteria applicable to ICC’s settlement banks in the Treasury Policy, which includes criteria related to regulation and supervision, completion of required documentation to allow ICC to assess financial stability and credit/counterparty risk, and operational capability, among others. With respect to settlement banks, ICC maintains one primary banking relationship and two backup banking relationships. Currently, the Treasury Policy notes ICC’s primary banking relationship and one backup banking relationship. The proposed changes incorporate reference to the second backup banking relationship, which was inadvertently excluded and does not represent a new banking relationship.

**Core Principle Review:**

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

**Financial Resources:** The revisions to the ICC Treasury Policy are consistent with the financial resources requirements of Core Principle B and the financial resource requirements set forth in Commission Regulation 39.33. The proposed changes clearly articulate ICC's approval process for new banking relationships and the minimum criteria applicable to ICC's settlement banks. Such changes ensure financial health and the ability to fulfill obligations by ICC's banking relationships, which promotes and strengthens ICC's own financial condition, thereby ensuring that ICC continues to maintain sufficient financial resources to withstand, at a minimum, the default of the two CP AGs to which it has the largest exposure in extreme but plausible market conditions, consistent with the requirements of Commission Regulation 39.33.

**Risk Management:** The revisions to the ICC Treasury Policy are consistent with the risk management requirements of Core Principle D. The clarifications related to the approval process for new banking relationships and the minimum criteria for ICC's settlement banks ensure that ICC has clear and comprehensive procedures for approving new banking relationships and is following its process for review and approval of new banking relationships. The incorporation of the second backup banking relationship corrects an omission to ensure that ICC's policies and procedures clearly and accurately document ICC's banking relationships. ICC believes that such updates to the Treasury Policy continue to ensure that ICC possesses the ability to manage the risks associated with discharging its responsibilities.

**Treatment of Funds:** The revisions to the ICC Treasury Policy are consistent with the treatment of funds requirements of Core Principle F. The proposed changes strengthen ICC's ability to safeguard assets and limit the potential for loss or delay in access to such assets by ensuring that ICC has clear and comprehensive procedures that describe the minimum criteria applicable to ICC's settlement banks and the approval process for new banking relationships. The proposed changes thus serve to ensure the safety of such funds and assets and to allow ICC to continue to hold such funds and assets in a manner by which to minimize the risk of loss or of delay in ICC's access to the assets and funds.

**Settlement Procedures:** The revisions to the ICC Treasury Policy are consistent with the settlement procedures requirements of Core Principle E. The proposed changes enhance ICC's ability to manage and limit its credit and liquidity risk arising from its settlement banks, including by establishing the minimum criteria applicable to ICC's settlement banks and clarifying that approval of the CRS is required before ICC may begin using the bank's services. As such, ICC believes that the proposed amendments are consistent with the requirements of Core Principle E and Commission Regulation 39.14.

Amended Rules:

The proposed changes consist of changes to the ICC Treasury Policy. ICC has respectfully requested confidential treatment for the ICC Treasury Policy, which was submitted concurrently with this self-certification submission.

Certifications:

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

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) 836-6854.

Sincerely,

A handwritten signature in cursive script that reads "Maria Alarcon".

Maria Alarcon  
Staff Attorney