

**Maria Alarcon**  
Staff Attorney

May 14, 2020

**Re: Updates to ICC Rules 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 Clearing Rules (the “Rules”) related to ICC membership requirements. 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 amendments to Chapter 2 of the ICC Rules relating to membership requirements. This submission includes a description of the changes to the ICC Rules. 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 ICC Rule 201(b), which contains membership requirements of ICC and includes fitness criteria, financial standards, operational standards, and registration qualifications with applicable regulatory authorities. ICC proposes to add new subsection (xiv) to ICC Rule 201(b) to require Clearing Participants (“CPs”) to participate in default management simulations, new technology testing and other exercises, as notified by ICC from time to time.

ICC proposes further updates to ICC Rule 206, which contains certain notice requirements for CPs. Currently, under ICC Rule 206(a), a CP must immediately notify ICC, orally and in writing, if it is subject to an event described in ICC Rule 206(a). Such events include material adverse changes in financial condition, restrictions or limitations on certain business conducted by the CP, and becoming insolvent, among others. Amended ICC Rule 206(a) removes the oral notification requirement and only requires written notification to ICC. ICC proposes to amend ICC Rule 206(c) which requires CPs that are broker-dealers to notify ICC of any matter required to be notified to FINRA under FINRA Rule 3070, as well as any matter required to be notified to the Securities and Exchange Commission (“SEC”) if a broker-dealer and to the Commission if a futures commission merchant under applicable SEC and Commission regulations. ICC proposes replacing “FINRA Rule 3070” with “FINRA Rule 4530(a)(1)(A),(C),(E) and 4530(b) (or any similar rules),” as FINRA Rule 3070 is no longer applicable and has been superseded by FINRA Rule 4530.

**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:

**Participant and Product Eligibility:** The revisions to the ICC Rules are consistent with the participant eligibility requirements of Core Principle C. The proposed changes promote effective and coordinated testing with participation from relevant stakeholders while facilitating fair and open access and provide greater transparency and clarity regarding the ICC membership requirements that are objective and publicly disclosed.

**Default Management:** The revisions to the ICC Rules are consistent with the default rules and procedures requirements of Core Principle G. The proposed revisions to ICC Rule 201(b) continue to ensure practical and effective default management procedures, as verified by effective and coordinated testing with CP participation, which enhances ICC's ability to manage financial stress from CP defaults. The proposed amendments thus ensure that ICC can take timely action to contain losses and liquidity pressures and to continue meeting its obligations in the event of a participant default.

Amended Rules:

The proposed changes consist of changes to Chapter 2 of the ICC Rules relating to membership requirements.

Annexed as an Exhibit hereto is the following:

- A. Proposed amendments to the ICC Rules

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,



Maria Alarcon  
Staff Attorney