

Sarah Williams
Staff Attorney

June 8, 2017

Re: ICC Cash Investment Yield Schedule Changes 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 changes to ICC’s cash investment yield schedule. ICC is registered with the Commission as a derivatives clearing organization (“DCO”). ICC intends to make the changes 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.

ICC currently retains a portion of interest earned on cash balances, net of cash management expenses. The portion of interest retained is based on an established cash investment yield schedule, which is set forth in the ICC Collateral Management presentation available on the ICC website¹. ICC proposes changes to its cash investment yield schedule. The proposed revisions to the cash investment yield schedule are described in detail below. Certification of the cash investment yield schedule changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

Currently ICC retains a 10 bps spread for interest rate market environments of 50 bps or greater, net of expenses. As a result of increased treasury expenses due to continued business and regulatory focus on liquidity, ICC proposes an increase to the ICC portion of investment yield on cash balances for higher interest rate market environments (i.e. greater than 100 bps) to 10% of investment yield, net of expenses. ICC also proposes moving the five bps yield section to the ‘zero’ ICC portion of investment yield on cash balances. Currently, a five bps yield results in an ICC investment yield of one bps.

The investment yield schedule changes will apply to both house and client accounts, and ICC proposes to make such changes effective July 3, 2017. ICC will issue the circular notification attached as Exhibit A, in advance of the effective date.

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:

¹ https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Collateral_Management.pdf

Financial Resources: The cash investment yield schedule changes are consistent with the financial resource requirements of Core Principle B.

Public Information: Information regarding ICC's cash investment yield schedule is publicly available to market participants, enabling them to identify and evaluate any risk and costs associated with using ICC's services.

Amended Rules:

The proposed changes consist of changes to ICC's cash investment yield schedule.

Annexed as Exhibit A hereto is the circular notification that ICC will publicly issue in advance of July 3, 2017 (the effective date).

Certification:

ICC hereby certifies that the changes to ICC's cash investment yield schedule comply with the Act and the regulations thereunder. There were no substantive opposing views to the cash investment yield schedule 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) 836-6883.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Williams".

Sarah Williams
Staff Attorney