



BY ELECTRONIC TRANSMISSION

Submission No. 14-110

October 2, 2014

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

**Re: Amendment to ICE Clear US, Inc. Rules
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”) and CFTC Regulation 40.6(a), ICE Clear US, Inc. (“ICUS” or the “Clearing House”) hereby notifies the Commission that it is amending and clarifying certain of its rules with respect to disciplinary proceedings and open interest reporting. ICUS intends to make the amendments effective no earlier than October 17, 2014.

ICUS enforces its rules by issuing summary fines or referring instances of ICUS rule violations to ICE Futures U.S., Inc. (the “Exchange” or “IFUS”) (see Chapter 9 of the ICUS Rulebook). The Exchange recently revised its rules regarding open interest reporting, and, in coordination with the Exchange, ICUS has re-examined its disciplinary procedures, including its open interest reporting rules, which has resulted in the amendments as described below.

First, ICUS Rule 901(b) allows the President to summarily impose fines on any clearing member for either:

1. failing to make timely payments; or
2. failing to provide timely and accurate reports and other information to the Clearing House as required by ICUS Rules or By-Laws.

The rule also provides that the Board shall set the amounts of such summary fines from time to time and that the maximum fine for any one violation shall not exceed \$10,000. ICUS Rules 902 and 903 provide for a summary review process pursuant to which clearing members can request that the Board review summary fines imposed per Rule 901(b).

In order to be consistent with Exchange disciplinary rules and make more efficient use of the Board’s time and resources by recognizing that summary fines are viewed as minor sanctions, ICUS is deleting the language in ICUS Rule 901(b), which states that the Board shall establish the amount of summary fines, and removing the review process for summary fines. As a result, the

Clearing House President will continue to have the authority to impose summary fines in amounts not to exceed \$10,000 and such fines will no longer be subject to Board review. This amendment makes the Clearing House rulebook consistent with Exchange Rule 21.02 where the imposition of summary fines, not to exceed \$10,000, is delegated to the Vice President of Market Regulation whose actions are final.

ICUS is also making conforming changes to Rules 111(a)(1) and 805 to reflect renumbering within Chapter 9, resulting from the amendment described above.

In addition, ICUS is also amending Rule 403 which requires Clearing Members to report open interest to the Clearing House. First, ICUS is making a conforming amendment to Rule 403(a) in order to update the time by which certain open interest reports are currently due. Next, ICUS is amending Rule 403(b) to specify that the Clearing Member should report open interest in accordance with applicable law which may allow for either net or gross reporting (for example, CFTC Reg. 1.46 permits hedgers to keep such positions open and therefore, if appropriate, could be reported gross). ICUS Rule 403(b) is also being amended to specify that positions reported on a net basis may not be re-opened other than by trading or with written authorization from the Clearing House. These changes align ICUS's rulebook with the Exchange's Rule 18.05 regarding open interest in energy contracts. Last, ICUS is revising Rule 403(c) to state that if a Clearing Member discovers an error in any Open Interest report, such Clearing Member shall notify the Exchange, in addition to the current requirement to notify the Clearing House.

The amendments with respect to ICUS Rules 403 and Chapter 9 are consistent with DCO Core Principle H (Rule Enforcement) and related CFTC Rule 39.17. ICUS continues to maintain adequate arrangements and resources for the effective monitoring and enforcement of compliance with its Rules and the resolution of disputes.

There were no substantive opposing views to these rule changes.

ICUS certifies that the amendments comply with the requirements of the Act and the rules and regulations promulgated thereunder. ICUS further certifies that this submission has been concurrently posted on the ICUS website at (<https://www.theice.com/clear-us/regulation>).

If you have any questions or need further information, please contact me at 312-836-6716 or heidi.rauh@theice.com.

Sincerely,



Heidi M. Rauh
General Counsel and Chief Compliance Officer

Cc: Thomas Hammond