



**Maria Alarcon**  
Staff Attorney

October 5, 2021

**Re: Updates to ICC CDS Instrument On-boarding 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 CDS Instrument On-boarding Policies and Procedures ("Instrument On-boarding 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 Instrument On-boarding Policy. This submission includes a description of the changes to the Instrument On-boarding Policy. Certification of the changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

The Instrument On-boarding Policy provides an overview of ICC's on-boarding process for new instruments, which includes selecting new instruments for clearing, configuring internal systems, notifying and receiving feedback from stakeholders, and ensuring operational readiness by ICC and its Clearing Participants ("CPs"). The proposed changes amend the guiding principles that ICC maintains for instrument selection.

Specifically, ICC proposes amendments to Subsection III.A which discusses the guiding principles that ICC maintains for considering instruments for clearing. Such principles are designed to ensure that ICC proceeds in a prudent manner with respect to instrument selection while also providing the best opportunity for CPs to minimize their risk. The proposed changes incorporate an additional guiding principle to consider instruments that are constituents of the currently clearable On-The-Run ("OTR") indices to become clearing eligible in order to provide additional instruments to hedge and mitigate indirect risk exposure from the OTR indices. For other instruments that are not constituents of currently clearable OTR indices, the current guiding principles would remain and ICC would continue to consider instrument open interest and volume. For all instruments, ICC would continue to consider instruments that can be cleared through ICC's systems and processes and to support industry wide initiatives and protocols.

**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:

**Risk Management:** The revisions to the Instrument On-boarding Policy are consistent with the risk management requirements of Core Principle D. The document will continue to ensure that ICC's risk models



adequately capture the risks associated with proposed new instruments and that the end-of-day price discovery process operates effectively and provides reliable prices for proposed new instruments. ICC believes that the Instrument On-boarding Policy will continue to ensure that ICC possesses the ability to manage the risks associated with discharging its responsibilities.

**Participant and Product Eligibility:** The revisions to the Instrument On-boarding Policy are consistent with the requirements of Core Principle C and Commission Regulation 39.12. ICC's policies and procedures continue to set appropriate standards for determining the eligibility of contracts. The changes are designed to provide additional instruments to hedge and mitigate indirect risk exposure from the OTR indices. Such changes support the guiding principles by ensuring that ICC continues to proceed in a prudent manner with respect to instrument selection while also providing CPs the best opportunity to minimize their risk.

**System Safeguards:** The Instrument On-boarding Policy is consistent with the system safeguards requirements of Core Principle I. The document continues to describe the process, including testing and preparation, for the introduction of new instruments to ensure that ICC and its CPs are operationally ready and that ICC proceeds in a controlled manner, thereby supporting ICC's ability to identify and minimize sources of operational risk through appropriate controls and procedures.

Amended Rules:

The proposed changes consist of changes to the Instrument On-boarding Policy. ICC has respectfully requested confidential treatment for the Instrument On-boarding 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 black ink that reads "Maria Alarcon". The signature is written in a cursive, flowing style.

Maria Alarcon  
Staff Attorney