

Sarah Williams
Staff Attorney

October 15, 2015

Re: Revisions to the ICC Rulebook 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 amended ICC Clearing Rules (“Amended Rules”) related to the ICC rule enforcement process for Missed Submissions¹. ICC is registered with the Commission as a derivatives clearing organization (“DCO”). ICC intends to make the Amended Rules 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.

This submission includes the Amended Rules. A description of the principal changes contained in the Amended Rules follows. Certification of the Amended Rules pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6 is also provided below.

As part of ICC’s end-of-day price discovery process, ICC Clearing Participants (“CPs”) are required to submit end-of-day prices for specific instruments related to their open interest at ICC, in accordance with Rule 404(b) and ICC Procedures. Failure of a CP to provide submissions required by ICC pursuant to Rule 404(b) and ICC Procedures constitute a Missed Submission. In order to provide incentive against Missed Submissions, ICC has adopted a summary assessment approach described in Rule 702(e) and Schedule 702 of the Rules.

Currently, under Rule 702(e)(ii)(2), a CP may be eligible for a once-in-a-lifetime conditional waiver from such assessments, if one or more Missed Submissions are the first instance(s) of a Missed Submission for the type of instrument (index or single name) and the CP provides adequate explanation of the cause and plans for remedial actions.

Given the increased automation of price submissions, ICC recognizes that there may be circumstances, due to technological failures, which may result in Missed Submissions. Furthermore, due to the significant length of time since the inception of the end-of-day process, many CPs have utilized their once-in-a-lifetime waiver. As such, ICC believes it is reasonable to provide, under limited circumstances, a conditional once-a-year waiver for such Missed Submissions caused by technical failures, as described

¹ Pursuant to Rule 702, failure of a CP to submit end of day prices as required by ICC pursuant to Rule 404(b) and ICC Procedures constitute a “Missed Submission.”

below. Such Rule changes will not affect the integrity and effectiveness of the end-of-day price discovery process. ICC believes such Rule changes provide a valuable and practical balance between the technicalities of the price discovery process and appropriate penalization for Missed Submissions.

The proposed Amended Rules provide for the replacement of ICC's current once-in-a-lifetime waiver for Missed Submissions with a conditional once-a-year waiver for Missed Submissions caused by technical failures. Under revised Rule 702(e)(ii)(2), a CP would be eligible for one waiver per year for single name Missed Submissions, and one waiver per year for index Missed Submissions. A CP may request such waiver(s) be applied against all Missed Submissions for a given instrument class on a given day. A CP would be required to provide documentation with a waiver request, explaining that the root-cause of the Missed Submission was a technology issue and including a remediation plan to fix the cause of the Missed Submission. ICC would review and evaluate the waiver request and accept unless it had legitimate concerns that the root-cause of the Missed Submission had not been adequately identified, was not due to a technical issue, and/or would not be corrected by the provided remediation plan. ICC would maintain its current ability to provide waivers for missed submissions deemed to be due to extraordinary circumstances outside of a CP's control, as set forth in Rule 702(e)(ii)(3). Pending regulatory approval, ICC plans to implement these changes on January 1, 2016, and apply the once-a-year waiver to the 2016 calendar year, and each calendar year going forward. There are no changes to ICC policies and procedures as result of the Amended Rules.

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:

Participant and Product Eligibility: The Amended Rules are consistent with the participant eligibility requirements of Core Principle C. The Amended Rules are designed to provide a fair structure under which to assess on-going compliance with participant requirements, specifically the submission of appropriate end-of-day prices.

Rule Enforcement: The Amended Rules are consistent with the rule enforcement requirements of Core Principle H. The Amended Rules are designed to ensure that CPs are appropriately disciplined for violations of ICC's Rules and Procedures related to the end-of-day price submission process, through an appropriate and fair fining structure. Under the Amended Rules, ICC maintains adequate arrangements and resources for the effective monitoring and enforcement of compliance with its Rules and Procedures, as related to the end-of-day price submission process.

Amended Rules:

The proposed change consists of revisions to Rule 702(e)(ii) related to the ICC rule enforcement process for Missed Submissions.

Annexed as an Exhibit hereto is the following:

- A. Proposed amendments to the ICC Rulebook

Certifications:

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

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 black ink that reads "Sarah Williams". The signature is written in a cursive style with a large initial 'S' and a long horizontal flourish at the end.

Sarah Williams
Staff Attorney