

Sarah Williams
Staff Attorney

November 25, 2014

Re: Revisions to the ICC Operational Risk Management Framework 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 revisions to the ICC Operational Risk Management Framework. ICC is registered with the Commission as a derivatives clearing organization (“DCO”). ICC intends to make the ICC Operational Risk Management Framework revisions 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 proposes to update and formalize the ICC Operational Risk Management Framework. This submission includes a description of the ICC Operational Risk Management Framework. Certification of the revisions to the ICC Operational Risk Management Framework pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

The ICC Operational Risk Management Framework is one of several documents that establish the ICC Risk Management Framework. As a central counterparty, ICC occupies an important place in the clearing of credit default swaps and faces operational risks related to the functioning of both personnel and systems. The ICC Operational Risk Management Framework creates a program of risk assessment and oversight designed to identify, monitor and manage plausible sources of operational risk.¹ The operational risk program established by the Operational Risk Management Framework includes pro-active risk identification and mitigation, along with timely management and reporting of operational performance measures. The program applies to all ICC activities, groups, functions and locations and is also designed to evaluate and mitigate operations risk presented to ICC by its partners, related entities, and vendors.

The Operational Risk Framework provides the Operational Risk Manager with the full responsibility and authority to develop and enforce, in consultation with the ICC Board and appropriate members of senior management, the operational risk program. The ICC Board retains responsibility for oversight of ICC’s operational risk management program. The Operational Risk Manager is the owner of the Operational

¹ “Operational risk” is defined in the ICC Operational Risk Management Framework as the risk that deficiencies in information systems, internal processes, personnel, or disruptions from external events will result in the reduction, deterioration, or breakdown of services.

Risk Management Framework document, and the initial document and any material amendments require review and approval by the appropriate members of senior management and the ICC Board. The Operational Risk Manager reports to the Chief Compliance Officer who reports directly to the ICC Board.

There are several components to the ICC Operational Risk Management Framework. The Operational Risk Management Framework establishes clearly defined operational performance objectives that serve as benchmarks to evaluate efficiency and effectiveness, promote confidence among management and participants, and evaluate operational performance against expectations. Further, the Operational Risk Management Framework sets forth goals for risk identification, assessment, and mitigation, which include the identification, monitoring, and management of all plausible sources of operational risk and the establishment of clear policies and procedures to address presented risk scenarios. The Operational Risk Management Framework also contains information regarding how ICC leverages certain shared infrastructures within the Intercontinental Exchange, Inc. family as part of its operational risk management program.

Additionally, the Operational Risk Management Framework details the Operational Risk Manager's responsibilities in terms of business continuity planning, vendor risk management, and the release of new products, processes, and initiatives. The Operational Risk Manager is also responsible for operational risk reporting, which includes reporting and addressing significant operational risk weaknesses or failures timely and appropriately (including escalation to the appropriate members of senior management and the ICC Audit Committee and the Board when necessary), and providing ongoing reporting to appropriate members of senior management and periodic reporting to the ICC Board and the ICC Audit Committee on the operational risk program and significant control matters.

The operational risk management framework is overseen by the ICC Board, ICC department heads and the Chief Compliance Officer. Internal audit performs reviews of the operational risk management processes.

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 Principle as being impacted:

System Safeguards: The revisions to the ICC Operational Risk Management Framework are consistent with the system safeguards requirements of Core Principle I.

Amended Rules:

The proposed change consists of revisions to ICC's Operational Risk Management Framework. ICC has respectfully requested confidential treatment for the ICC Operational Risk Management Framework which was submitted concurrently with this self-certification submission.


Certifications:

ICC hereby certifies that the revisions to the ICC Operational Risk Management Framework 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'.

Sarah Williams
Staff Attorney

cc: Brian O'Keefe, Commodity Futures Trading Commission (by email)
Kate Meyer, Commodity Futures Trading Commission (by email)
Tad Polley, Commodity Futures Trading Commission (by email)
Eric Nield, ICE Clear Credit (by email)
Michelle Weiler, ICE Clear Credit (by email)