

Sarah Williams
Staff Attorney

December 9, 2016

Re: Changes to ICC Rules to Provide for Clearance of Additional CDS Contracts Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6

VIA ELECTRONIC PORTAL

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 self-certification of changes to the ICC Rulebook (the "Rules") to provide for the clearance of Standard Australian Corporate Single Name credit default swap ("CDS") contracts (collectively, "STAC Contracts") and Standard Australian Financial Corporate Single Name CDS contracts (collectively, "ST AFC Contracts"). 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.

The purpose of the proposed rule change is to adopt rules that will provide the basis for ICC to clear additional CDS contracts. ICC believes the addition of these contracts will benefit the market for credit default swaps by providing market participants the benefits of clearing, including reduction in counterparty risk and safeguarding of margin assets pursuant to clearing house rules.

ICC proposes amending Chapter 26 of the ICC Rules to add Subchapter 26M to provide for the clearance of STAC Contracts. STAC Contracts have similar terms to the Standard European Corporate Single Name CDS contracts ("STEC Contracts") currently cleared by ICC and governed by Subchapter 26G of the ICC Rules. Accordingly, the proposed rules found in Subchapter 26M largely mirror the ICC Rules for STEC Contracts in Subchapter 26G, with certain modifications that reflect differences in terms and market conventions between those contracts and STAC Contracts. STAC Contracts will be denominated in United States Dollars.

ICC Rule 26M-102 (Definitions) sets forth the definitions used for the STAC Contracts. The definitions are substantially the same as the definitions found in Subchapter 26G of the ICC Rules, other than certain conforming changes. ICC Rules 26M-203 (Restriction on Activity), 26M-206 (Notices Required of Participants with respect to STAC Contracts), 26M-303 (STAC Contract Adjustments), 26M-309 (Acceptance of STAC Contracts by ICE Clear Credit), 26M-315 (Terms of the Cleared STAC Contract), 26M-316

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(Relevant Physical Settlement Matrix Updates), 26M-502 (Specified Actions), and 26M-616 (Contract Modification) reflect or incorporate the basic contract specifications for STAC Contracts and are substantially the same as under Subchapter 26G of the ICC Rules.

Additionally, ICC proposes amending Chapter 26 of the ICC Rules to add Subchapter 26N to provide for the clearance of STAF C Contracts. STAF C Contracts have similar terms to the Standard European Financial Corporate Single Name CDS contracts (“STEF C Contracts”) currently cleared by ICC and governed by Subchapter 26H of the ICC Rules. Accordingly, the proposed rules found in Subchapter 26N largely mirror the ICC Rules for STEF C Contracts in Subchapter 26H, with certain modifications that reflect differences in terms and market conventions between those contracts and STAF C Contracts. STAF C Contracts will be denominated in United States Dollars.

ICC Rule 26N-102 (Definitions) sets forth the definitions used for the STAF C Contracts. The definitions are substantially the same as the definitions found in Subchapter 26H of the ICC Rules, other than certain conforming changes. ICC Rules 26N-203 (Restriction on Activity), 26N-206 (Notices Required of Participants with respect to STAF C Contracts), 26N-303 (STAF C Contract Adjustments), 26N-309 (Acceptance of STAF C Contracts by ICE Clear Credit), 26N-315 (Terms of the Cleared STAF C Contract), 26N-316 (Relevant Physical Settlement Matrix Updates), 26N-502 (Specified Actions), and 26N-616 (Contract Modification) reflect or incorporate the basic contract specifications for STAF C Contracts and are substantially the same as under Subchapter 26H of the ICC 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: ICC has set appropriate standards in ICC’s policies and procedures for determining the eligibility of contracts. The STAC and STAF C Contracts fulfill ICC’s standards regarding product eligibility.

Risk Management: ICC will apply its established margin and pricing methodology to the STAC and STAF C Contracts.

Settlement Procedures: The STAC and STAF C are subject to ICC’s current physical settlement rules under Chapter 22: CDS Physical Settlement.

Amended Rules:

The proposed change consists of revisions to Chapter 26 of the ICC Rules to provide for the clearance of STAC and STAF C Contracts.

Annexed as an Exhibit hereto is the following:

- A. Proposed amendments to the ICC Rules

Certifications:

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

ICC certifies that, concurrent with this filing, a copy of the submission was posted on ICC’s website, which 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

Enclosure