



Olivia Bazor
Staff Attorney

August 05, 2024

**Re: Updates to Stress Testing Framework
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 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 (the “Act”) and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), a self-certification of changes to the ICC Stress Testing Framework (“STF”). 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 to update the STF. The STF sets forth the ICC stress testing practices that are focused on ensuring the adequacy of systemic risk protections. The proposed changes are limited to clarifying language in Appendix A of the STF. The proposed changes are described in detail as follows.

ICC proposes to update STF Section 18, “Appendix A”. Appendix A provides details on the various equations used within the STF. ICC proposes the addition of a cross-reference to the description of Equation 1, Appendix A. Specifically, the descriptive paragraph to Equation 1 contains a reference to “portfolio hypothetical additional losses related to the Wrong Way Risk stemming from Clearing Participant specific exposure.” ICC proposes the addition of a cross-reference to Section 3 of STF which provides additional details regarding “portfolio hypothetical additional losses related to the Wrong Way Risk stemming from Clearing Participant specific exposure.” The proposed addition of the cross-reference does not revise ICC’s stress testing methods or procedures, rather it is intended to further clarify the STF as required to address a 2023 Commodity Futures Trading Commission exam finding.

ICC proposes minor updates to Section 1 ‘Table of Contents’ to update the page numbers. Lastly, ICC proposes to update Section 17 ‘Revision History’ to include the proposed changes.

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 changes to the STF are consistent with the risk management requirements of Core Principle D and the risk management requirements set forth in Commission Regulations 39.13 and 39.36. The changes strengthen the STF with the addition of a cross-reference to Section 3 of STF. Such changes ensure the STF remains current and continues to ensure that ICC's policies and procedures, including the STF, provide a clear framework for ICC to conduct stress testing and analysis and report the results to appropriate decision makers at ICC. ICC believes that having current policies and procedures that clearly and accurately document its risk management practices, including stress testing, is an important component to the effectiveness of ICC's risk management system. The updates continue to ensure that ICC possesses the ability to manage the risks associated with discharging its responsibilities, consistent with the risk management requirements of Core Principle D. ICC's risk management practices will also continue to be performed in accordance with the standards and practices set forth in Commission Regulations 39.13 and 39.36.

Amended Rules:

The proposed changes consist of revisions to the STF. ICC has respectfully requested confidential treatment for the STF which was submitted concurrently with this self-certification submission.

Certifications:

ICC hereby certifies that the changes to the STF 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.ice.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 904-855-5580.

Sincerely,

A handwritten signature in black ink, appearing to be the initials 'OB'.

Olivia Bazor
Staff Attorney