



October 16, 2024

VIA CFTC PORTAL

Mr. Christopher Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Amendments to the ICE Clear U.S., Inc. Risk Management Framework -- Liquidity Requirements and Cash Investments -- Submission Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), ICE Clear U.S., Inc. (“ICUS”) is submitting this self-certification to amend the ICUS Rules,¹ specifically the ICUS Risk Management Framework. ICUS intends to revise the Risk Management Framework no sooner than the tenth business day following the filing of this submission, or such later date as ICUS may determine. ICUS has respectfully requested confidential treatment for these amendments to the Risk Management Framework which were submitted concurrently with this submission.

1. Overview

ICUS’s Risk Management Framework sets forth the formula used by ICUS to calculate its daily liquidity requirement. ICUS is proposing to clarify aspects of that calculation. In addition, ICUS is proposing to add details related to the principles guiding its investments of Clearing Member and Clearing Member customer assets, in practice cash.

2. Details of Rule Changes

ICUS uses 3 stress scenarios to calculate its daily liquidity requirement. 2 of those scenarios involve an analysis of historic variation margin movements. ICUS is proposing amendments to its Risk Management Framework (“Liquidity Requirements Amendments”) to clarify the historic period that ICUS has selected to use in this analysis and the rationale for selecting that specific historic period. In addition, ICUS is proposing amendments to its Risk Management Framework to clarify the principles guiding its investments of Clearing Member and Clearing Member customer assets (“Investment Amendments”). These Liquidity Requirements and Investment Amendments are not substantive, they enhance the Risk Management Framework to reflect what ICUS does in practice.

¹ Capitalized terms used and not defined in this submission have the meaning set forth in the ICUS Rules.



3. Compliance with the Act and Regulations

ICUS reviewed the foregoing amendments and determined that they comply with the requirements of the Act and the rules and regulations promulgated by the Commission in implementing the Act. In this regard, ICUS reviewed the derivatives clearing organizations core principles (“Core Principles”) and determined that the amendments are potentially relevant to the following Core Principles and the applicable regulations of the Commission thereunder:

Financial Resources (Core Principle B):

The proposed Liquidity Requirements Amendments ensure that the ICUS Risk Management Framework clearly reflects how ICUS determines its daily liquidity requirement. As a result, the proposed Liquidity Requirements Amendments are consistent with the requirements of Core Principle B and Commission Regulations 39.11 and 39.33.

Risk Management (Core Principle D):

The proposed Liquidity Requirements and Investment Amendments ensure that the Risk Management Framework is clear and appropriately documented, with language that reflects what ICUS does in practice. This will enhance the Risk Management Framework by clearly identifying and documenting the range of risks to which ICUS is exposed, improving the monitoring and management of the entirety of those risks, and facilitating internal audit’s ability to perform its role. As a result, the proposed Liquidity Requirements and Investment Amendments are consistent with the requirements of Core Principle D and Commission Regulations 39.13 and 39.36.

Treatment of Funds (Core Principle F):

The proposed Investment Amendments, in conjunction with existing ICUS policies and procedures, memorialize the standards that ICUS has adopted to protect and ensure the safety of funds and assets belonging to ICUS’s Clearing Members, and their customers, when those assets are invested by ICUS. As a result, the proposed Investment Amendments are consistent with the requirements of Core Principle F and Commission Regulation 39.15.

4. Certifications

ICUS certifies that the proposed amendments to its Risk Management Framework comply with the Act and the rules and regulations promulgated by the Commission thereunder. ICUS is not aware of any substantive opposing views expressed regarding these amendments. ICUS further certifies that, concurrent with this filing, a copy of this submission was posted on ICUS’s website and may be accessed at <https://www.theice.com/clear-us/regulation>.



If you or your staff have any questions or require further information regarding this submission, please do not hesitate to contact the undersigned at (212) 748-3964 or Eamonn.Hahessy@ice.com.

Sincerely,

A handwritten signature in black ink that reads "Eamonn Hahessy". The signature is written in a cursive style with a long horizontal stroke extending from the end of the name.

Eamonn Hahessy
General Counsel and Chief Compliance Officer