

**Michelle Weiler**  
*Assistant General Counsel*

February 13, 2014

**Re: Collateral and Cash Management Fee Changes Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)**

**VIA E-MAIL**

Ms. Melissa Jurgens  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, D.C. 20581

Dear Ms. Jurgens:

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 changes to the method by which ICC charges Clearing Participants for collateral and cash management services. ICC is registered with the Commission as a derivatives clearing organization ("DCO"). ICC intends to make the fee changes 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 collateral and cash management fee changes (contained in ICC Circulars 2013/032 and 2014/04). A description of the collateral and cash management fee changes follows. Certification of the collateral and cash management fee changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

The revisions are intended to implement changes to the method by which ICC charges Clearing Participants for collateral and cash management services (e.g., custody services for collateral; investment/placement of cash deposits; establishing prearranged and highly reliable funding arrangements to allow conversion of non-cash collateral into cash; and managing collateral deposits to ensure all liquidity requirements are met). Such fee changes are the result of changes to ICC's collateral and cash management services that were made in response to new Commission regulations implementing international standards related to liquidity requirements.

With respect to collateral deposited by Clearing Participants with ICC for the purposes of satisfying margin and Guaranty Fund requirements, ICC will impose a 5 basis point (bp) fee (annualized) on U.S. Treasury securities balances (based on par value). This fee will be calculated and charged monthly. In addition, ICC will retain a portion of interest earned on cash balances, net of cash management expenses. The charges apply to both house and client accounts.

**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:

Financial Resources: The collateral and cash management fee changes are consistent with the financial resource requirements of Core Principle B.

Public Information: Information regarding the collateral and cash management fee changes was publicly communicated to market participants, enabling them to identify and evaluate any risk and costs associated with using ICC's services.

Amended Rules:

The proposed fee changes consist of changes to the method by which ICC charges Clearing Participants for collateral and cash management services.

Annexed as an Exhibit hereto is the following:

- A. ICC Circular 2014/04, titled "Collateral Fees and Investment Policy Update, Revised", published on February 13, 2014.
- B. ICC Circular 2013/032, titled "Collateral Fees and Investment Policy Update, Revised", published on December 18, 2013.

Certification:

ICC hereby certifies that the comply with the Act and the regulations thereunder. There were no substantive opposing views to the collateral and cash management fee changes.

ICC 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/notices/Notices.shtml?regulatoryFilings>

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) 836-6884.

Sincerely,



Michelle Weiler  
Assistant General Counsel

Enclosures

cc: Brian O'Keefe (by email)  
Tad Polley (by email)  
Kate Meyer (by email)  
Eric Nield, ICE Clear Credit (by email)  
Sarah Williams, ICE Clear Credit (by email)



# CIRCULAR

## CIRCULAR 2014/004

February 13, 2014

### Categories:

Operations  
Treasury

### Attachments:

None

### Summary of content

Collateral Fees and  
Investment Policy  
Update \*REVISED\*

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## Collateral Fees and Investment Policy Update \*REVISED\*

Clearing Participants were previously notified through [Circular 2013/032](#) that ICE Clear Credit would impose a 5 basis point (bp) fee (annualized) on U.S. Treasury securities balances (based on par value) beginning on February 3, 2014.

Please be advised that the effective date for this fee has been changed. ICC will begin billing for this fee on March 1, 2014, and Clearing Participants will begin to see this monthly fee on their March billing statement.

**Should you have any questions in relation to this Circular or require any further information, please contact your CSS representative.**

**Please ensure that the appropriate members of staff within your organization are advised of the content of this Circular.**



# CIRCULAR

## CIRCULAR 2013/032

December 17, 2013

### Categories:

Operations  
Treasury

### Attachments:

None

### Summary of content

Collateral Fees and  
Investment Policy  
Update \*REVISED\*

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## Collateral Fees and Investment Policy Update \*REVISED\*

In order to comply with new U.S. Commodity Futures Trading Commission (CFTC) regulations and international regulatory standards regarding liquidity arrangements, ICE Clear Credit is implementing changes to the method by which Clearing Participants are charged for collateral and cash management services.

The charges apply to both house and client accounts and will be effective beginning on February 3, 2014.<sup>1</sup>

ICE Clear Credit will impose a 5 basis point (bp) fee (annualized) on U.S. Treasury securities balances (based on par value). This fee will be calculated and charged monthly.

In addition, as detailed in the chart below, ICE Clear Credit will retain a portion of interest earned on cash balances, net of cash management expenses.

Beginning in early 2014, ICE Clear Credit will begin to utilize external investment advisors to manage cash on deposit. With the implementation of such outside investment advisors, ICE Clear Credit expects such cash management expenses to be 6 bps. Currently, such cash management expense is 1 bp.

### ICC Portion of Interest Earned on Cash Balances (all currencies) (bp)

Interest, net of Expenses	0-4	5-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-49	50+
ICC Portion	0	1	2	3	4	5	6	7	8	9	10

**Should you have any questions in relation to this Circular or require any further information, please contact your CSS representative.**

**Please ensure that the appropriate members of staff within your organization are advised of the content of this Circular.**

<sup>1</sup> The prior circular stated January 1, 2014 which has been updated to February 3, 2014.