

**Kevin R. McClear**  
General Counsel

February 20, 2012

**Re: Customer Liquidity Thresholds Rule  
Certification Pursuant to Section 5c(c)(1)  
of the Commodity Exchange Act and  
Commission Regulation 40.6**

**VIA E-MAIL**

Mr. David Stawick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, D.C. 20581

Dear Mr. Stawick:

ICE Clear Credit ("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 the amended Rules of ICC to allow clearing participants to satisfy the initial margin-related liquidity requirements for client-related positions cleared in a clearing participant's customer account origin by posting US Treasuries. ICC is registered with the Commission as a derivatives clearing organization. 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.

As noted above, the proposed rule changes provide that one hundred percent (100%) of the initial margin requirement for client-related positions cleared in a clearing participant's customer account origin may be satisfied by the clearing participant utilizing US Treasuries.

The ICC rules currently provide that at least forty-five percent (45%) of initial margin must be posted in US dollar cash. The next twenty percent (20%) must be posted in US dollar cash or US Treasuries. The remaining thirty-five percent (35%) must be posted in US dollar cash or US Treasuries or G7 cash.

The proposed rules provide that at least sixty-five percent (65%) of the initial margin requirement for client-related positions cleared in a clearing participant's customer account origin must be posted in US dollar denominated assets (US dollar cash and/or US Treasuries) and the remaining thirty-five percent (35%) must be posted in US dollar cash or US Treasuries or G7 cash. Again, the proposed changes will apply only to the initial margin liquidity requirements associated with the initial margin requirement for client-related positions cleared in

a clearing participant's customer account origin. The proposed changes will not apply to the ICC liquidity requirements for house initial margin and the guaranty fund.

The proposed rule changes are intended to facilitate client-related clearing. Customers of ICC's clearing participants have indicated that the current US dollar cash liquidity requirement is too restrictive and serves as a barrier to clearing. The proposed rule changes are consistent with recently promulgated CFTC regulation 39.11(e)(1) that provides that the CFTC's "cash" liquidity requirement includes US Treasury obligations.

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.

Amended Rules:

The proposed rule change consists of amendments to Schedule 401 of the Rules of ICE Clear Credit to provide for clearing participants to satisfy the initial margin-related liquidity requirements for client-related positions cleared in a clearing participant's customer account origin by posting US Treasuries.

Annexed as Exhibits hereto are the following:

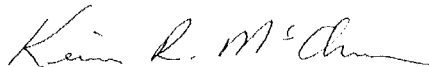
- A. Amendments to Schedule 401 of the ICE Clear Credit Rules

Certification:

ICE Clear Credit hereby certifies that the Amended Rules comply with the Act and the regulations thereunder. There were no substantive opposing views to the Amended Rules.

ICE Clear Credit 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) 836-6833.

Sincerely,



Kevin R. McClear  
General Counsel

cc: John C. Lawton (by email)  
Phyllis Dietz (by email)  
Steve Greska (by email)  
Heidi M. Rauh (by email)

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**Schedule 401: Initial Margin – Guaranty Fund Eligible Collateral & Thresholds**

House Initial Margin and Guaranty Fund Liquidity Requirements

Asset Type	Minimum Percentage* of Requirement	Comments
<b>US dollar cash</b>	45%	45% is equivalent to the maximum assumed one day movement in IM (assuming a 5-day risk horizon)
<b>US dollar denominated assets</b> (Cash and/or US Treasuries)	+ 20% (for a total 65%)	65% is equivalent to the maximum assumed two day movement in IM (assuming a 5-day risk horizon)
<b>All eligible collateral</b> (Cash, US Treasuries and/or G7 cash)	35%	The remaining percentage can be any form of acceptable collateral

\* Subject to GF minimum requirement of \$20 MM being 100% in cash

Client-Related Initial Margin Liquidity Requirements

Asset Type	Minimum Percentage* of Requirement
<b>US dollar denominated assets</b> (Cash and/or US Treasuries)	65%
<b>All eligible collateral</b> (Cash, US Treasuries and/or G7 cash)	35%