



Maria Alarcon
Staff Attorney

July 14, 2021

Re: Updates to ICC Governance Playbook, ICC Risk Management Framework, and ICC Treasury Operations Policies and Procedures 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 Governance Playbook, Risk Management Framework, and Treasury Operations Policies and Procedures (“Treasury Policy”) (together, the “Documents”). 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 revising the Governance Playbook, Risk Management Framework, and Treasury Policy. This submission includes a description of the changes to the Documents. Certification of the changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

ICC proposes amendments to the Documents to update descriptions of certain internal committees and make other clarification or clean-up changes. ICC maintains the Participant Review Committee (“PRC”) and the Credit Review Subcommittee of the PRC (“CRS”) (together, the “Committees”), which are internal committees that assist in fulfilling counterparty review responsibilities with respect to ICC’s Clearing Participants (“CPs”) and financial service providers (“FSPs”). The proposed changes amend descriptions related to membership composition, meeting frequency, and responsibilities of the Committees in the Documents to reflect recent changes to the Committees’ charters. The proposed revisions are described in detail as follows.

I. Governance Playbook

The Governance Playbook contains information regarding the roles and responsibilities of the ICC Board of Managers (the “Board”) and various committees at ICC. ICC proposes amendments in respect of the Committees in Section IV (Committees) to reflect recent changes to their charters. ICC proposes a grammatical edit to refer to “financial services providers” as “financial service providers” in the description of the PRC and throughout the document. ICC proposes updated language on the membership composition of the PRC, including to add the ICC Risk Oversight Officer as a member. With respect to the CRS, the proposed changes remove the authority to approve FSPs and specify that the CRS has an advisory role. In this role, the CRS may make recommendations to the PRC with respect to matters of creditworthiness of CPs and creditworthiness and performance of FSPs. The proposed changes also update the membership composition of the CRS to include the Risk Oversight Officer and remove the ICC Risk



Management representative as a voting member. Risk Management representatives will participate as non-voting members and continue to present materials to allow the CRS to perform its responsibilities and duties.

II. Risk Management Framework

ICC proposes conforming revisions to the Risk Management Framework to update descriptions of the Committees and to make other clarification or clean-up changes. ICC proposes to amend Section II (Governance and Organization) to update a chart that details the governance and committee structure at ICC. The updated chart indicates that the Intercontinental Exchange, Inc. ("ICE, Inc.") Enterprise Risk Management Department ("ERM") reports to the Board and corrects a typographical error to replace the "BCP Oversight Committee" with the "BCP & DR Oversight Committee."¹ In Section II.A (Committees), the proposed changes further clarify the review and approval process of the policies and procedures that comprise ICC's overall risk management framework, which consists of review by the ICC Risk Committee and review and approval by the Board at least annually.

In Section II.A (Committees), ICC also proposes to update descriptions of the Committees to align with their amended charters. ICC proposes a grammatical edit to refer to "financial services providers" as "financial service providers" and a footnote to further define the entities included as FSPs. The proposed changes specify that the PRC meets at least quarterly and more frequently as needed. Additionally, the proposed changes further distinguish PRC and CRS responsibilities with respect to FSPs, noting that the PRC is responsible for overseeing the due diligence and approval of FSPs and the CRS is responsible for overseeing initial due diligence and monitoring ongoing credit due diligence for FSPs. ICC also proposes language describing the advisory role of the CRS to the PRC for matters regarding the creditworthiness of CPs and the creditworthiness and performance of FSPs. ICC further proposes to amend Appendix 1 to the document to update language related to the membership composition of the PRC, including to add the Risk Oversight Officer as a member, and the meeting frequency of the PRC.

III. Treasury Policy

ICC proposes corresponding changes to Section IV (Cash Settlement) of the Treasury Policy to update responsibilities of the Committees based on their amended charters. Currently, a bank's capitalization, creditworthiness, access to liquidity, operational reliability and supervision are reviewed prior to accepting services, and approval of the CRS is required before ICC may begin using the bank's services. Under the amended policy, approval of the PRC is required before ICC may begin using the bank's services and the CRS may make recommendations to the PRC regarding approval.

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:

Financial Resources: The revisions to the Documents are consistent with the financial resources requirements of Core Principle B and the financial resource requirements set forth in Commission Regulation 39.33. The proposed changes enhance ICC's ability to manage its financial resources by clearly articulating the review, approval, and monitoring process for CPs and FSPs by the Committees across the

¹ ERM provides the oversight and framework for identifying, assessing, managing, monitoring and reporting on risk across the ICE, Inc. organization and has dedicated resources focused on various ICE, Inc. business units, including ICC. The ICC BCP & DR Oversight Committee assists in fulfilling oversight responsibilities with respect to business continuity planning ("BCP") and disaster recovery ("DR") for ICC.



Documents to ensure that such policies and procedures remain transparent and up-to-date. The proposed changes further define the entities included as FSPs to ensure that ICC appropriately identifies and monitors its counterparty relationships. Such amendments ensure financial health and the ability to fulfill obligations by ICC's counterparties, which promotes and strengthens ICC's own financial condition and supports ICC's ability to maintain its financial resources and withstand the pressures of defaults.

Risk Management: The revisions to the Documents are consistent with the risk management requirements of Core Principle D and the risk management requirements set forth in Commission regulation 39.36. The proposed changes update descriptions of the PRC and CRS related to membership composition, meeting frequency, and responsibilities to ensure that the Documents clearly and accurately set out the functions of the Committees and remain effective. The proposed clarification and clean-up changes further ensure readability and transparency and enhance the implementation of such policies and procedures. ICC believes that the amendments continue to ensure that ICC possesses the ability to manage the risks associated with discharging its responsibilities.

Participant and Product Eligibility: The revisions to the Documents are consistent with the participant eligibility requirements of Core Principle C. The proposed changes ensure that the Committees carry out the functions required in their charters and promote proper review and ongoing monitoring of CPs and FSPs, including by clarifying the responsibilities and interaction of the Committees and further defining the entities included as FSPs. The proposed changes thus strengthen ICC's ability to manage and mitigate the potential risks associated with its CPs and FSPs, thereby continuing to ensure that CPs and FSPs have sufficient financial resources and operational capacity to meet obligations and promoting ICC's ability to monitor compliance with such requirements on an ongoing basis.

Amended Rules:

The proposed changes consist of changes to ICC's Governance Playbook, Risk Management Framework, and Treasury Policy. ICC has respectfully requested confidential treatment for these Documents, which were submitted concurrently with this self-certification submission.

Certifications:

ICC hereby certifies that the changes 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.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) 836-6854.

Sincerely,

A handwritten signature in black ink that reads "Maria Alarcon". The signature is written in a cursive, flowing style.

Maria Alarcon
Staff Attorney