

Sarah Williams
Staff Attorney

January 5, 2015

Re: Additions to Subchapter 26I of the ICC Rules to Provide for Clearing of Additional Standard Western European Sovereign CDS Contracts Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6

VIA E-MAIL

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 and Commodity Futures Trading Commission ("Commission") Regulation 40.6, a self-certification of amended ICC Rules (the "Amended Rules") to provide for the clearance of additional Standard Western European Sovereign CDS contracts (collectively, "SWES Contracts"), namely the Kingdom of Belgium and the Republic of Austria. ICC is registered with the Commission as a derivatives clearing organization ("DCO"). 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.

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.

The purpose of proposed rule change is to adopt rules that will provide the basis for ICC to clear additional credit default swap contracts. ICC currently clears four SWES Contracts: the Republic of Ireland, the Italian Republic, the Portuguese Republic, and the Kingdom of Spain. ICC proposes amending Subchapter 26I of its Rules to provide for the clearance of two additional SWES Contracts, specifically the Kingdom of Belgium and the Republic of Austria. These two additional SWES Contracts will be offered on the 2003 and 2014 ISDA Credit Derivatives Definitions. The addition of these SWES Contracts will benefit the market for credit default swaps on Western European by providing market participants the benefits of clearing, including reduction in counterparty risk and safeguarding of margin assets pursuant to clearing house rules. Clearing of the additional SWES Contracts will not require any changes in ICC's risk management framework (including relevant policies) or margin model.

These additional SWES Contracts have terms consistent with the other SWES Contracts which ICC has been approved to clear and which will be governed by Subchapter 26I of the ICC rules, namely the Republic of Ireland, the Italian Republic, the Portuguese Republic, and the Kingdom of Spain. Minor revisions to Subchapter 26I (Standard Western European Sovereign ("SWES") Single Name) are made to provide for clearing the additional SWES Contracts and described as follows.

Rule 26I-102 is modified to include the Kingdom of Belgium, and the Republic of Austria in the list of specific Eligible SWES Reference Entities to be cleared by ICC.

Additionally, in ICC Rule 26D-102 (Definitions), the definition of “Eligible SES Reference Entity” is modified to correct a typographical error and correctly identify the reference entity for a cleared product as Hungary (as opposed to the Republic of Hungary).

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:

Participant and Product Eligibility: ICC has set appropriate standards in ICC’s policies and procedures for determining the eligibility of contracts. The additional SWES Contracts fulfill ICC’s standards regarding product eligibility.

Risk Management: ICC currently clears four SWES Contracts. ICC will apply its established margin and pricing methodology to the additional SWES Contracts.

Settlement Procedures: The additional SWES Contracts are subject to ICC’s current physical settlement rules under Chapter 22: CDS Physical Settlement.

Amended Rules:

The proposed change consists of revisions to Subchapter 26I of the ICC Rules to provide for the clearance of additional SWES Contracts, namely the Kingdom of Belgium and the Republic of Austria.

Annexed as an Exhibit hereto is the following:

- A. Proposed amendments to the ICC Rules

Certifications:

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

ICC certifies that, concurrent with this filing, a copy of the submission was posted on ICC’s website, which 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) 836-6883.

Sincerely,



Sarah Williams
Staff Attorney

Enclosures

- cc: Brian O’Keefe, Commodity Futures Trading Commission (by email)
Kate Meyer, Commodity Futures Trading Commission (by email)
Tad Polley, Commodity Futures Trading Commission (by email)
Eric Nield, ICE Clear Credit (by email)
Michelle Weiler, ICE Clear Credit (by email)