



Maria Alarcon
Staff Attorney

February 7, 2022

Re: Updates to ICC Fee Schedules 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 its fee schedules to implement reduced fees for credit default index swaptions (“Index Options”) through calendar year 2022. 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.

The proposed changes are intended to modify ICC’s fee schedules to implement reduced fees for Index Options through calendar year 2022.¹ This submission includes a description of the changes. Certification of the changes to the fee schedules pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

ICC maintains a Clearing Participant (“CP”) fee schedule² and client fee schedule³ (collectively, the “fee schedules”) that are publicly available on its website, which ICC proposes to update. Clearing fees are due by CPs and clients in accordance with the product, amount and currency set out in the fee schedules and subject to any incentive program described in the fee schedules. The proposed changes to the fee schedules are described in detail as follows.

¹ Pursuant to an Index Option, one party (the “Swaption Buyer”) has the right (but not the obligation) to cause the other party (the “Swaption Seller”) to enter into an index credit default swap transaction at a pre-determined strike price on a specified expiration date on specified terms. In the case of Index Options that may be cleared by ICC, the underlying index credit default swap is limited to certain CDX and iTraxx index credit default swaps that are accepted for clearing by ICC, and which would be automatically cleared by ICC upon exercise of the Index Option by the Swaption Buyer in accordance with its terms.

² CP fee details available at:
https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Fees_Clearing_Participant.pdf.

³ Client fee details available at:
https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Fees.pdf. As specified, all fees are charged directly to a client’s CP.



The amended CP fee schedule would reduce Index Option fees to \$1/million or €1/million through calendar year 2022. Under the current CP fee schedule, Index Option fees are \$3/million or €3/million, subject to an incentive program that provides a tiered discount schedule based on U.S. Dollar equivalent, non-discounted Index Option fees billed since the start of the year. ICC previously offered certain other incentive programs as part of the CP fee schedule, which expired at the end of calendar year 2021, and were removed upon expiration from the fee schedule.⁴ Under the proposed changes, in addition to updating the fee table, ICC would include a footnote to indicate that the listed fees of \$1/million or €1/million are applicable from the effective date through calendar year 2022 and reflect a discount from ICC's regular Index Option fees of \$3/million or €3/million. The effective date would follow the completion of any applicable regulatory review process.

The amended client fee schedule would also reduce Index Option fees to \$1/million or €1/million through calendar year 2022. Under the current client fee schedule, Index Option fees are \$4/million or €4/million. ICC previously offered an incentive program as part of the client fee schedule, which expired at the end of calendar year 2021, and was removed upon expiration from the fee schedule.⁵ Under the proposed changes, in addition to updating the fee table, ICC would indicate in a footnote that the listed fees of \$1/million or €1/million are applicable from the effective date through calendar year 2022 and reflect a discount from ICC's regular Index Option fees of \$4/million or €4/million. The effective date would similarly follow the completion of any applicable regulatory review process.

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 Principle as being impacted:

Public Information: The changes to the ICC fee schedules are consistent with the public information requirements of Core Principle L. The fee schedules are publicly available on ICC's website. Moreover, such changes to the fee schedules to temporarily reduce Index Option fees for CPs and clients would also be publicly available on ICC's website and provide market participants sufficient information to enable them to identify and evaluate accurately the risks and costs associated with using ICC's services.

Amended Rules:

The proposed changes consist of updates to ICC's fee schedules.

Annexed as Exhibits hereto are the following:

- A. Proposed changes to the CP fee schedule
- B. Proposed changes to the client fee schedule

Certifications:

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

⁴ A description of these incentive programs is included in prior filings. Submission No. 2011-1614-5402-14, dated November 16, 2020; Submission No. 2105-0715-5653-13, dated May 7, 2021.

⁵ A description of this incentive program is included in a prior filing. Submission No. 2105-0715-5653-13, dated May 7, 2021.



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