



February 22, 2018

**BY ELECTRONIC TRANSMISSION**

Mr. Christopher Kirkpatrick  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: Amendment to ICE Clear US, Inc. Rules Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”) and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), ICE Clear US, Inc. (“ICUS”) hereby submits a self-certification to amend the ICUS Rules, specifically the ICUS Risk Management Framework. ICUS intends to revise the Risk Management Framework no sooner than the tenth business day following the filing of this submission with the Commission, or such later date as ICUS may determine. Certification of the Risk Management Framework pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

ICUS is amending its Risk Management Framework to provide for enhancements related to the calculation of shortfall margin; increasing the size of the guaranty fund; and changing the methodology for allocating the guaranty fund to clearing members.

ICUS will assess a shortfall margin to cover clearing member exposure to the guaranty fund above a threshold which is based on each clearing member’s capital. These changes will only impact clearing member house requirements and will not have any effect on customer margin requirements. All shortfall margin requirements will be required to be posted in cash.

ICUS will increase the size of its guaranty fund from \$400 million to \$650 million.

ICUS will be eliminating surcharges and caps when allocating the guaranty fund to clearing members. ICUS determines each clearing member’s contribution to the guaranty fund by their percentage of total initial margin (80% of the guaranty fund) and total volume (20% of the guaranty fund). Surcharges to clearing members with a significant allocation of either margin or volume relative to their capital will be eliminated. Furthermore, caps for guaranty fund allocations for margin and volume will be eliminated.

**Core Principle Review:**

ICUS reviewed the derivatives clearing organization (“DCO”) core principles as set forth in the Act. During this review, ICUS identified the following core principle as being impacted:

**Risk Management:** The ICUS Risk Management Framework is consistent with the risk management requirements of Core Principle D. ICUS’s Risk Management Framework sets forth



ICUS's margin and guaranty fund procedures, which include the appropriate tools and procedures to manage the risks associated with ICUS's responsibilities as a DCO.

Amended Rules:

The proposed changes consist of revisions to the ICUS Risk Management Framework related to the calculation of shortfall margin; increasing the size of the guaranty fund; and changing the methodology for allocating the guaranty fund to clearing members. ICUS has respectfully requested confidential treatment for the Risk Management Framework revisions which were submitted concurrently with this submission.

Certifications:

ICUS hereby certifies that the ICUS Risk Management Framework complies with the Act and the regulations thereunder. There were no substantive opposing views to the revisions.

ICUS further certifies that, concurrent with this filing, a copy of the submission was posted on ICUS's website, and may be accessed at <https://www.theice.com/clear-us/regulation>.

ICUS would be pleased to respond to any questions the Commission or staff may have regarding this submission. Please direct any questions or requests for information to the attention of the undersigned at (312) 836-6884 or [michelle.weiler@theice.com](mailto:michelle.weiler@theice.com).

Sincerely,

A handwritten signature in blue ink that reads "Michelle Weiler". The signature is fluid and cursive, written in a professional style.

Michelle Weiler  
General Counsel and Chief Compliance Officer