

**Maria Zyskind**  
Staff Attorney

March 26, 2019

**Re: ICC Cash Investment Yield Schedule Changes 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 21<sup>st</sup> 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 ICC’s cash investment yield schedule. 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 currently retains a portion of interest earned on cash balances, net of cash management expenses. The portion of interest retained is based on an established cash investment yield schedule, which is set forth in the ICC Collateral Management presentation available on the ICC website.<sup>1</sup> ICC proposes changes to its cash investment yield schedule. The proposed revisions to the cash investment yield schedule are described in detail below. Certification of the cash investment yield schedule changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

Currently, ICC retains a certain basis points (“bps”) spread for interest rate market environments of zero bps or greater, net of expenses. ICC proposes to retain an additional 50 bps spread for non-customer Euro cash posted by Clearing Participants (“CPs”) in excess of certain amounts. ICC identifies Euro House Initial Margin (“IM”) and Euro Guaranty Fund (“GF”) requirements (collectively, the “total Euro requirement”) for CPs who clear Euro denominated products, and US Dollar (“USD”) House IM and USD GF requirements (collectively, the “total USD requirement”) for CPs who clear USD denominated products. A CP may meet up to 100% (but no less than 45%) of its total Euro requirement in Euro cash and up to 35% of its total USD requirement in Euro cash.<sup>2</sup> ICC proposes to retain an additional 50 bps spread for non-customer Euro cash posted by CPs in excess of their total Euro requirement to discourage excess Euro deposits since ICC faces difficulty securitizing Euro deposits and is exposed to the credit and counterparty risk of banks where Euro deposits are held.

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<sup>1</sup> ICC Collateral Management presentation available at:  
[https://www.theice.com/publicdocs/clear\\_credit/ICE\\_Clear\\_Credit\\_Collateral\\_Management.pdf](https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Collateral_Management.pdf).

<sup>2</sup> See Schedule 401 of the ICC Rules.

ICC proposes to make such changes effective on or about June 1, 2019. ICC will issue a circular notification, in advance of the effective date.

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:

**Financial Resources:** The cash investment yield schedule changes are consistent with the financial resource requirements of Core Principle B.

**Public Information:** Information regarding ICC's cash investment yield schedule is publicly available to market participants, enabling them to identify and evaluate any risk and costs associated with using ICC's services.

Amended Rules:

The proposed changes consist of changes to ICC's cash investment yield schedule.

Annexed as Exhibit A hereto is the text of the proposed changes.

Certifications:

ICC hereby certifies that the changes to ICC's cash investment yield schedule comply with the Act and the regulations thereunder. There were no substantive opposing views to the cash investment yield 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>

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,



Maria Zyskind  
Staff Attorney