

**Sarah Williams**  
Staff Attorney

March 29, 2016

**Re: Revisions to the ICC Operational Risk Management Framework Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)**

**VIA E-MAIL**

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 and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), a self-certification of revisions to the ICC Operational Risk Management Framework. ICC is registered with the Commission as a derivatives clearing organization (“DCO”). ICC intends to make the changes to the ICC Operational Risk Management Framework revisions 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.

ICC proposes to update the ICC Operational Risk Management Framework. This submission includes a description of the changes to the ICC Operational Risk Management Framework. Certification of the revisions to the ICC Operational Risk Management Framework pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

ICC has revised the Operational Risk Management Framework to frame its existing operational risk program and processes around an operational risk lifecycle, designed to highlight certain aspects of the processes and present the processes in a more efficient manner. The operational risk lifecycle utilized by ICC has five components: identify, assess, monitor, mitigate and report. Each of these lifecycle components are first defined generally in the document then applied to each of ICC’s two operational risk processes: risk assessment; and performance objectives setting and monitoring. Specifically, the content for each risk process has been reorganized to fall into each of the operational risk lifecycle components (i.e., identify, assess, monitor, mitigate, and report). For completion purposes, ICC added information regarding the ‘assess’ and ‘report’ component of the risk assessment process. Specifically, ICC assesses each of its risk scenarios to determine the inherent risk rating associated with the occurrence of an event or incident, as well as assess the effectiveness of any relevant risk controls. Further, in the ‘report’ component, ICC clarified that the Operational Risk Manager (“ORM”) presents operational risk reporting to an internal committee which includes members of senior management. The responsibilities of the ORM, which were previously listed out in the document, were incorporated into the risk lifecycles. The ORM will continue to provide management and staff with advice and guidance related to the development of controls designed to increase performance and reduce processing risk, as part of the ‘mitigate’ risk lifecycle component. Similarly, the responsibilities of senior management, which were previously listed out in the document, were incorporated into the risk lifecycles.

ICC has categorized those aspects of the operational risk management program which do not fall within this lifecycle as “Operational Risk Focus Areas.” These risk focus areas include: business continuity planning and disaster recovery; vendor assessment; new products and initiatives; information security; and technology control functions. ICC has reorganized the order of these risk focus areas to better distinguish which functions may, with oversight by the ORM, be outsourced to Intercontinental Exchange, Inc. (“ICE, Inc.”) or performed by departments dedicated to that particular risk area.

ICC has made several clarifying and organizational enhancements to the various risk focus area descriptions. Further, specific details contained within other ICC policies and procedures were removed and described more generally within in the Operational Risk Management Framework, in an effort to reduce redundancy amongst ICC policies and procedures. ICC continues to maintain business continuity planning and disaster recovery as two separate programs with separate and distinct components; however, ICC has grouped the description of these programs together for purposes of the Operational Risk Management Framework. ICC enhanced the “Vendor Assessment” risk focus area description to note that the ORM is responsible for conducting a service provider risk assessment for critical vendors, and to list the specific steps taken as part of such risk assessment. ICC also enhanced the “Information Security” risk focus area description to note that the ICE, Inc. Information Security Department conducts its own risk assessments related to information security and physical security/environmental controls, pursuant to internal policies which are maintained by an ICE, Inc. internal committee. Information regarding the Firm Wide Incident Management Program was included in the new ‘Technology Controls Section’. ICC enhanced the ‘Technology Control Functions’ risk focus area description to note that the ICC Systems Operations team is responsible for executing daily clearing functions within established service expectations and performing incident management. ICC described this incident management process generally within the framework, and removed more detailed aspects of the program which are contained in specific program documentation.

General information regarding the development and enforcement of a firm-wide operational risk framework was removed, as the revised framework more clearly lays out in each particular section who is responsible for the development and enforcement of that component of the operational risk management framework. Information regarding the human resource reporting line of the ORM and specific references to titles of documents utilized as part of the risk assessment process were removed. As the Vendor Risk Management policy was retired and encompassed within the Operational Risk Management Framework, reference to the policy was removed from the document. ICC removed internal audit responsibilities from the Operational Risk Management Framework, as such responsibilities are contained within internal audit documentation.

The overall governance of the Operational Risk Framework has been updated to reflect current practices. Specifically, material amendments are reviewed by the Risk Committee, and approved by the Board. The Board reviews the Operational Risk Management Framework at least annually.

Other non-material changes were made to the framework to enhance readability. Previously, ICC included regulatory requirements and industry guidance information within the framework; this information has been moved to a separate appendix to the framework. Further, information regarding Regulation Systems, Compliance, and Integrity has been added for completeness. Certain information regarding governance and governing committees has been resituated to the reporting section of the relevant operational risk lifecycle. Similarly, information regarding the roles and responsibilities of the ORM and senior management has been resituated to the appropriate section the operational risk lifecycle.

#### 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 Principle as being impacted:

**System Safeguards:** The revisions to the ICC Operational Risk Management Framework are consistent with the system safeguards requirements of Core Principle I.

Amended Rules:

The proposed change consists of revisions to ICC's Operational Risk Management Framework. ICC has respectfully requested confidential treatment for the ICC Operational Risk Management Framework which was submitted concurrently with this self-certification submission.

Certifications:

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

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) 836-6883.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Williams".

Sarah Williams  
Staff Attorney