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BY ELECTRONIC TRANSMISSION

Submission No. 17-05

March 30, 2017

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

Re: Amendment to ICE Clear US, Inc. Fees
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”) and CFTC Regulation 40.6(a), ICE Clear US, Inc. (“ICUS”) hereby notifies the Commission that it is making changes to the acceptable collateral that Clearing Members can deposit to meet initial margin requirements. The change is described below and is to be implemented in connection with ICUS clearing platform Release 8.2 currently scheduled for April 28, 2017. The change is also set forth in the ICUS Risk Management Framework, the relevant portion of which is set forth in Confidential Attachment A hereto.

Explanation and Analysis

Currently, ICE Clear US requires a minimum level of USD cash from clearing members in the amount of 50% of a firm’s guaranty fund requirement and 100% of a firm’s Stress Loss Charge. Due to changing market conditions, ICUS has determined to increase this minimum level in order to provide for a minimum amount of USD cash liquidity. Accordingly, in addition to the above cash deposit requirements, Clearing Members will be required to meet their European Market Infrastructure Regulation (EMIR) top-up house margin requirement with USD cash only.

In connection with ICUS’ recognition by ESMA as a third country CCP under EMIR, ICUS must use margin requirements based on a two-day holding period to margin all house positions (except for agricultural contracts which are exempt).¹ ICUS meets this requirement by first charging clearing members initial margin requirements on all customer and house positions based on a one-day holding period. Then, ICUS calculates initial margin requirements on house positions (except agricultural products) based on a two-day holding period. ICUS collects the difference between the one-day holding

¹ For more background and description of the EMIR requirements, please see ICUS Rule Filing #16-005: https://www.theice.com/publicdocs/regulatory_filings/CFTC_Rule_Submission_16-005_EU_Equivalency.pdf

period and two day holding period margins on the house positions as a separate margin call. The difference in the one-day and two-day holding period margins is called the EMIR top-up margin requirement. Based on its experience with the EMIR top-up margin requirement (which went into effect November 29, 2016) and its analysis of an appropriate level of minimum liquidity resources for ICUS, ICUS has determined that, beginning April 28, 2017 with the implementation of Release 8.2, clearing members will be required to meet the EMIR top-up margin requirement with USD cash rather than US government securities.

Compliance with the Act and Commission Regulations

The changes are consistent with DCO Core Principles as set forth in the Act. In particular, the amendments are consistent with the risk management requirements of Core Principle B (Financial Resources), related Regulation 39.33 (financial resources, liquidity resources) and Core Principle D (Risk Management).

ICUS is not aware of any substantive opposing views to these changes. ICUS certifies that the amendments comply with the requirements of the Act and the rules and regulations promulgated thereunder. ICUS further certifies that this submission has been concurrently posted on the ICUS website at (<https://www.theice.com/clear-us/regulation>).

If you have any questions or need further information, please contact me at 312-836-6716 or heidi.rauh@theice.com.

Sincerely,



Heidi M. Rauh
General Counsel and Chief Compliance Officer

Cc: Hester Serafini, ICE Clear US
Bruce Domash, ICE Clear US

Confidential Treatment Requested for Attachment A