



**Maria Alarcon**  
Staff Attorney

May 7, 2021

**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 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 its fee schedules to introduce credit default index swaption (“Index Option”) incentive programs for the second half of 2021. 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 introduce Index Option incentive programs for the second half of 2021.<sup>1</sup> 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 schedule<sup>2</sup> and client fee schedule<sup>3</sup> (collectively, the “fee schedules”) that are publicly available on its website, which ICC proposes to update in connection with the proposed incentive programs. Currently, 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 programs described in the fee schedules. ICC proposes to amend the fee schedules to include details on the proposed incentive programs for the second half of 2021, subject to any regulatory review or approval process. These incentive programs are designed to encourage the clearing of Index Options by CPs and clients while properly

---

<sup>1</sup> 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.

<sup>2</sup> CP fee details available at:  
[https://www.theice.com/publicdocs/clear\\_credit/ICE\\_Clear\\_Credit\\_Fees\\_Clearing\\_Participant.pdf](https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Fees_Clearing_Participant.pdf).

<sup>3</sup> Client fee details available at:  
[https://www.theice.com/publicdocs/clear\\_credit/ICE\\_Clear\\_Credit\\_Fees.pdf](https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Fees.pdf). As specified, all fees are charged directly to a client’s CP.



compensating ICC for the risks, costs and expenses of clearing Index Options. The proposed changes are set forth in Exhibits A and B hereto, and described in detail as follows.

Under the amended CP fee schedule, the proposed 2H 2021 Standard Program automatically, and without further action by CPs, applies to CPs and provides a 25% discount, such that Index Option fees are \$2.25/million or €2.25/million, from June 1 through December 31, 2021. As an alternative, CPs may elect to participate in the 2H 2021 Prepaid Program from June 1 through December 31, 2021. Participation requires a non-refundable upfront payment of \$300,000 by June 25, 2021. Index Option fees are \$1.5/million or €1.5/million and the upfront payment is applied toward the first \$300,000 of option clearing fees due in the second half of 2021.

The amended client fee schedule offers the 2H 2021 Index Option Incentive Program, which is similar to the 2H 2021 Standard Program described above. This program automatically, and without further action by CPs or clients, applies to clients and provides a 25% discount, such that Index Option fees are \$3/million or €3/million, from June 1 through December 31, 2021. The discount or prepaid fee schedule would be applied at the time of invoice under both amended fee schedules.

#### 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 introduce the Index Option incentive programs 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>.



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