

Maria Zyskind
Staff Attorney

May 16, 2019

Re: Updates to ICC Risk Management Model Description 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 21st 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 the ICC Risk Management Model Description. 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 proposes revising the ICC Risk Management Model Description. This submission includes a description of the changes to the ICC Risk Management Model Description. Certification of the changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

In revising the Risk Management Model Description, ICC proposes minor, clarifying changes to address comments received from an independent validation, as well as additional clean-up changes. The independent validator comments revolve around clarification updates that do not change ICC’s current risk methodology. The proposed changes are described in detail as follows.

ICC proposes minor changes to the ‘Initial Margin Methodology’ section to maintain uniformity and provide additional clarity in the Risk Management Model Description. ICC proposes to update a symbol representing the portfolio level liquidity charge (“LC”) in an equation in the ‘Portfolio Level LC’ sub-section to match the symbol used throughout the document to reference the portfolio level LC. Moreover, the Risk Management Model Description numbers key equations so they can be easily referenced. As such, ICC proposes to include a number corresponding to the equation for the portfolio level LC and to re-number the equations that follow accordingly. In the ‘Portfolio Level Concentration Charge’ sub-section, ICC proposes to correct a typographical error when referencing the portfolio level concentration charge (“CC”); to update a symbol representing the portfolio level CC in an equation to match the symbol used throughout the document to reference the portfolio level CC; and to include a number corresponding to the equation for the portfolio level CC, re-numbering the equations that follow accordingly. Additionally, ICC proposes to update a symbol representing the portfolio level interest rate (“IR”) sensitivity requirement in an equation in the ‘IR Sensitivity Risk Analysis’ sub-section to match the symbol used throughout the document to refer to the portfolio level IR sensitivity requirement. ICC further proposes updates to the ‘Portfolio Loss Boundary Condition’ sub-section to replace certain general references to sections with more specific references to equations in those sections to provide for additional clarity.

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 Principles as being impacted:

Financial Resources: The revisions to the ICC Risk Management Model Description are consistent with the financial resources requirements of Core Principle B and the financial resource requirements set forth in Commission Regulation 39.33. The proposed changes provide further clarity and transparency regarding ICC's risk methodology and enhance ICC's approach to identifying potential weaknesses in the risk methodology, thereby ensuring that ICC maintains sufficient financial resources to withstand, at a minimum, the default of the two Clearing Participant Affiliate Groups to which it has the largest exposure in extreme but plausible market conditions, consistent with the requirements of Commission Regulation 39.33.

Risk Management: The revisions to the ICC Risk Management Model Description are consistent with the risk management requirements of Core Principle D. The proposed changes provide additional clarity regarding ICC's risk methodology, including the calculation of risk requirements, and maintain uniformity within the document such that ICC's Risk Management Model Description remains up-to-date, clear, and transparent. The proposed changes serve to promote the soundness of ICC's risk management system, thereby ensuring that ICC possesses the ability to manage the risks associated with discharging its responsibilities, consistent with the risk management requirements of Core Principle D.

Amended Rules:

The proposed changes consist of changes to the ICC Risk Management Model Description. ICC has respectfully requested confidential treatment for the ICC Risk Management Model Description, which was submitted concurrently with this self-certification submission.

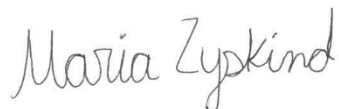
Certifications:

ICC hereby certifies that the changes comply with the Act and the regulations thereunder. There were no substantive opposing views to the 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