



## Clearing Rules

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### 304. Offsets.

- (a) Subject to subsection (b) below and (solely in the case of an Index Swaption) to the Exercise Procedures, where, pursuant to Rule 301, or as otherwise provided in these Rules, a Participant has entered into Trades that are House Positions or Client-Related Positions with ICE Clear Credit that constitute opposite positions which are identical in all material respects (other than notional or other reference amount and the application of Rule 613) in a single Contract, then at the applicable time and in the manner to be specified in the ICE Clear Credit Procedures, the second such Trade shall be deemed pro tanto a settlement or adjustment of the prior transaction and, therefore, a reduction in the relevant Open Position. Thereupon, such Participant shall possess no further rights and be under no further liability with respect thereto only to the extent of such settlement or adjustment.
- (b) In no event shall any Client-Related Position be offset against any House Position or any House Position be offset against any Client-Related Position, in either case pursuant to subsection (a) above, except as provided in subsection (c) below. Client-Related Positions that are part of the same Non-Participant Party Portfolio may be offset against each other pursuant to subsection (a) hereof. Client-Related Positions that are part of different Non-Participant Party Portfolios may not be offset against each other pursuant to subsection (a) hereof; provided that such Client-Related Positions shall be deemed to be offset against each other for purposes of determining the Participant's Net Client-Related Mark-to-Market Margin Requirement and any net payment or settlement amount owed by either ICE Clear Credit to the Participant or the Participant to ICE Clear Credit with respect to such Client-Related Positions under the Rules, and in addition such positions may be offset against each other by ICE Clear Credit following a Default as set forth in these Rules.
- (c) Where a Participant wishes to terminate a Client-Related Position because of a default or termination event with respect to the Non-Participant Party thereunder and the relevant Participant has so notified ICE Clear Credit in writing, the Participant may elect, in a manner to be specified by ICE Clear Credit, (i) to offset such Client-Related Position against a House Position entered into by such Participant for the specific purpose of liquidating such Client-Related Position or (ii) to convert such Client-Related Position into a House Position, whereupon it shall be treated as such for all purposes under these Rules (including subsection (a) above). For the avoidance of doubt, upon the offset of such Client-Related Position or its conversion into a House Position, ICE Clear Credit shall recalculate the applicable Margin Requirements and, if applicable, make margin in respect of the Client-Related Position available for withdrawal in accordance with Rule 401.