Submission No. 15-119

June 29, 2015

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

Re: ICE Clear US, Inc. Self-Certification Pursuant to Commission Rule 40.6 - Amendment to By-Laws Section 5.5 Regarding Clearinghouse Contribution to Default Resources

Dear Mr. Kirkpatrick:

ICE Clear US, Inc. ("ICE Clear US"), a registered derivatives clearing organization ("DCO") under the Commodity Exchange Act, as amended (the "Act"), hereby submits to the Commodity Futures Trading Commission (the "Commission"), for self-certification pursuant to Commission Rule 40.6, the amendment to its By-Laws attached hereto and discussed herein. The amendment is to become effective on the first business day following the tenth business day after submission, or such later date as ICE Clear US may designate.

Explanation and Analysis

ICE Clear US proposes to amend Section 5.5 of its By-Laws with respect to the clearinghouse's contribution to the waterfall of default resources. Currently, Section 5.5(b) provides that ICE Clear US commits to make (i) a "priority contribution" of $25 million to the default resources, which would be applied after the assets of a defaulting clearing member but before the guaranty fund contributions of non-defaulting clearing members; and (ii) a "pro rata contribution" of an additional $25 million, which would be applied on a pro rata basis with the guaranty fund contributions of non-defaulting clearing members. ICE Clear US is amending Section 5.5(b) to increase the priority contribution to $50 million and to eliminate the pro rata contribution. Thus, ICE Clear US's commitment will be maintained at $50 million, but the entire commitment will be in the form of the priority contribution, which will be applied prior to the use of guaranty fund contributions of non-defaulting clearing members. Consistent with the existing provisions of Section 5.5, if the ICE Clear US contribution is applied, ICE Clear US will have no obligation to provide additional funds to replenish the contribution. The proposed amendments to Section 5.5 are attached as an exhibit hereto.

ICE Clear US is making this amendment as part of its ongoing evaluation regarding the appropriate amount and order of the clearinghouse's contribution to default resources (in other

words, the clearinghouse's "skin in the game"). Although ICE Clear US is not changing the overall amount of its contribution, it is in effect moving that contribution earlier in the order of priority of default resources. This approach should accordingly reduce the risk that guaranty fund contributions of non-defaulting clearing members would be used following the default of a clearing member.

Compliance with the Act and Commission Regulations

The rule amendment is potentially relevant to Core Principle B (Financial Resources) under the Act, and the applicable regulations of the Commission thereunder.

- Financial Resources. As noted above, the amendment does not change the overall amount of default resources supporting the clearing operations of ICE Clear US but moves the current $25 million pro rata contribution into the priority contribution. As a result, all of ICE Clear US's $50 million contribution would be applied before any use of guaranty fund contributions of non-defaulting clearing members. The change thus enhances the clearinghouse's "skin in the game" and reduces the likelihood that funds of non-defaulting clearing members would be used to cover default losses. As a result, in ICE Clear US's view, the amendment is consistent with the financial resources requirements applicable to it under Core Principle B and Commission Rules 39.11 and 39.33.

ICE Clear US hereby certifies that the amendment complies with the Act and the Commission's regulations thereunder.

ICE Clear US has received no substantive opposing views in relation to the proposed rule amendment.

ICE Clear US has posted a notice of pending certification and a copy of this submission on its website concurrently with the filing of this submission.

If you or your staff should have any questions or comments or require further information regarding this submission, please do not hesitate to contact the undersigned at Heidi.Rauh@theice.com or (312) 836-6716.

Sincerely,

Heidi M. Rauh

Heidi M. Rauh
General Counsel

ICE Clear US By-Laws Section 5.5(b)

Section 5.5

(b) If, after the application of funds in accordance with paragraph (a) of this Section 5.5, the Defaulted Obligation has not been satisfied, and if the Defaulting Clearing Member fails to pay the Corporation the amount of the deficiency on demand, such Defaulting Clearing Member shall continue to be liable therefor, but the amount of the deficiency, until collected from the Defaulting Clearing Member, shall be met from the following sources of funds, provided, however, that the sources identified in subparagraphs (i), (ii), (iii), and (iv) shall be fully utilized before the sources identified in subparagraphs (v), (vi) and (vii) may be utilized, and, provided further that the sources identified in subparagraphs (v), (vi) and (vii) must be applied in the order listed (each such source to be fully utilized before the next following source is applied):

(i) such portion, if any, of the surplus of the Corporation as the Board determines to be available for such purpose;

(ii) if the President, with the concurrence of the Chairman or the Vice Chairman, or, in the absence of both the Chairman and the Vice Chairman, any director, so determines, a loan or repurchase agreement or similar transaction on such terms and conditions as they may determine to be necessary or appropriate (including without limitation granting an assignment, pledge or other lien on or security interest in the Guaranty Fund or the cash, securities and other property held in the Guaranty Fund or transferring such cash, securities or other property as provided in Section 5.4(f) of these By-Laws);

(iii) if, and to the extent that, a Monetary Default relates to any Contract carried in any customer account carried by the Corporation for the Defaulting Clearing Member, the original margin on deposit with the Corporation in all such customer accounts of the Defaulting Clearing Member to the extent that such deposits have not been applied pursuant to paragraph (a) hereof;

(iv) the Corporation Priority Contribution. **As used herein, the "Corporation Priority Contribution" shall be a commitment of the Corporation to provide $50 million in the aggregate as resources to be applied pursuant to this Section 5.5(b)(iv). If the Corporation Priority Contribution is applied, the Corporation will have no obligation to provide additional funds to replenish such contribution or otherwise provide additional funds in respect thereof;**

(v) subject to Section 5.4(g)(ii) and the last paragraph of this Section 5.5(b) of these By-Laws, the Guaranty Fund ~~and the Corporation Pro Rata Contribution, pro rata based on the required amounts of the Guaranty Fund and the Corporation Pro Rata Contribution~~;

(vi) insurance proceeds, if any, received by the Corporation in connection with the Monetary Default giving rise to the Defaulted Obligation; and

(vii) assessments levied by the Corporation upon all the Clearing Members (other than the Defaulting Clearing Member) as hereafter provided in this Section 5.5 ("Assessments").

The total amount to be assessed at any one time pursuant to clause (vii) of this paragraph (b) is hereinafter called an "Assessment Amount." For the avoidance of doubt, the Corporation may at any time following the occurrence of a Monetary Default and in anticipation of any charge against the Guaranty Fund make Assessments upon Clearing Members to post Assessments, subject to the limitations set forth in these By-Laws in respect of such Assessments.

~~As used herein, the "Corporation Priority Contribution" shall be a commitment of the Corporation to provide $25 million in the aggregate as resources to be applied pursuant to Section 5.5(b)(iv). If the Corporation Priority Contribution is applied pursuant to Section 5.5(b)(iv), the Corporation will have~~

~~no obligation to provide additional funds to replenish such contribution or otherwise provide additional funds in respect thereof.~~

~~As used herein, the "Corporation Pro Rata Contribution" shall be a commitment of the Corporation to provide $25 million as resources to be applied pursuant to Section 5.5(b)(v). If the Corporation Pro Rata Contribution is applied pursuant to Section 5.5(b)(v), the Corporation will have no obligation to provide additional funds to replenish such contribution or otherwise provide additional funds in respect thereof.~~

The amount of a Replenishment that each Clearing Member must deposit in the Guaranty Fund to satisfy its obligation, pursuant to Section 5.4(g)(ii), to restore the Guaranty Fund deficiency in the event of the application of some part or all of the Guaranty Fund pursuant to Section 5.5(b)(v) (the total Guaranty Fund amount so applied referred to herein as the "Aggregate Guaranty Fund Deficiency"), shall be determined by multiplying the Aggregate Guaranty Fund Deficiency by a fraction, the numerator of which shall be the sum of the amount of the Clearing Member's Base Margin Amount and Base Volume Amount (determined in each case without reference to the maximum Guaranty Fund deposit amounts imposed by subsections (b)(i), (b)(iii) and (b)(v)(A) of Section 5.4) for the period of three (3) calendar months prior to the Monetary Default, and the denominator of which shall be the total of the Base Margin Amounts and the Base Volume Amounts for such period for all Clearing Members (in each case determined without reference to the maximum Guaranty Fund deposit amounts imposed by subsections (b)(i), (b)(iii) and (b)(v)(A) of Section 5.4). The resulting product shall constitute the amount of the Replenishment that each Clearing Member must restore to the Guaranty Fund pursuant to Section 5.4(g) as a result of the application of the Guaranty Fund pursuant to Section 5.5(b)(v).