



Maria Alarcon
Manager, Legal

June 30, 2022

**Re: Updates to Risk Management Framework
and 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 Framework (“RMF”) and the ICC Risk Management Model Description (“RMMD”) (collectively, the “Risk Management Policies”). 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 Risk Management Policies. This submission includes a description of the changes to the RMF and RMMD, which consist of clarifications that are intended to promote consistency across related provisions in ICC’s Rules and procedures and would not change any current risk methodologies, practices, or requirements. Certification of the changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

ICC proposes language clarifications to the Risk Management Policies to ensure consistency with the ICC Rules. Under ICC Rule 801(a)(ii), the required contribution to the Guaranty Fund (“GF”) for each Clearing Participant (“CP”) is recalculated daily, and if such calculation results in an increase of 5% or more, the required contribution for such CP is reset to the higher level. The proposed changes replicate the “increase of 5% or more” language in related provisions in the RMF and RMMD to ensure that language in the RMF and RMMD clearly and consistently reflects ICC’s current practices. Section IV.E.4 of the RMF calls for additional GF contributions if a CP’s daily estimated GF requirements exceed 5% of their prior day’s GF collateral on deposit. The proposed changes specify that the estimated GF requirements exceed by an increase of 5% or more the prior day’s GF collateral on deposit. Under Section XI of the RMMD, ICC executes a GF call if the model GF allocation for a CP exceeds the total GF amount on deposit by more than 5%. The proposed changes specify that the model GF allocation exceed by an increase of 5% or more the total GF amount on deposit. These revisions would not change current risk methodologies, practices, or requirements and are intended to ensure that language in the RMF and RMMD clearly reflects ICC’s current practices. Moreover, such changes ensure consistency across related provisions in the ICC Rules and procedures.

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 RMF and RMMD are consistent with the financial resources requirements of Core Principle B and the financial resource requirements in Commission Regulation 39.33. The changes incorporate the “increase of 5% or more” language from ICC Rule 801(a)(ii) in related provisions in the RMF and RMMD to ensure that language in these documents clearly reflects ICC’s current practices. The amendments would not change current risk methodologies, practices, or requirements. ICC will continue to maintain sufficient financial resources to withstand, at 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 RMF and RMMD are consistent with the risk management requirements of Core Principle D and the risk management requirements in Commission Regulations 39.13 and 39.36. The amendments provide clarity with respect to current practices to ensure that the RMF and RMMD remain up-to-date, transparent, and effective. ICC will continue to possess the ability to manage the risks associated with discharging its responsibilities, consistent with the risk management requirements of Core Principle D. ICC’s risk management practices will also continue to be performed in accordance with the standards and practices set forth in Commission Regulations 39.13 and 39.36.

Amended Rules:

The proposed changes consist of clarifications to the RMF and RMMD. ICC has respectfully requested confidential treatment for the RMF and RMMD, which were 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,

A handwritten signature in cursive script that reads "Maria Alarcon".

Maria Alarcon
Manager, Legal