



August 25, 2016

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 Europe Self-Certification Pursuant to Commission Rule 40.6:
Amendments to F&O Intraday Margin Policy

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe”), a registered derivatives clearing organization 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 rule amendments discussed herein. The amendments are to become effective on the business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

Concise Explanation and Analysis

The purpose of the changes is to incorporate certain enhancements to ICE Clear Europe’s F&O intraday risk management policy (the “F&O Intraday Margin Policy”). ICE Clear Europe is not making any changes to its Clearing Rules or Procedures in connection with these amendments.

ICE Clear Europe makes intraday margin calls with respect to F&O Contracts where uncollateralized intraday exposure exceeds defined risk limits. ICE Clear Europe is revising its intraday margin call policy to incorporate an overall clearing member limit for uncollateralized exposure, as well as the existing limits at the individual account level (e.g., proprietary or customer). Under the overall clearing member limit, an intraday margin call will be triggered for a clearing member if the aggregate intraday margin shortfall across all accounts for that member exceeds one of several

specified triggers (based on the member's total collateral on deposit, capital, guaranty fund contribution and original margin level). For this purpose, the intraday margin shortfall for an account will be the excess of the margin requirement (for both original and variation margin), calculated on an intraday basis, over the current amount of margin on deposit for that account.

ICE Clear Europe is also revising the individual intraday account limits to address both accounts margined on a net basis using a two-day margin period of risk and accounts margined on a gross basis using a one-day margin period of risk, as well as individually segregated sponsored accounts. The revised policy specifies procedures for calculation of intraday original margin requirements for gross-margined accounts. Under the revised policy, ICE Clear Europe retains discretion to reduce the trigger levels applicable to individual accounts.

The revised policy also provides for intraday margin calls as a result of intraday declines in the value of collateral posted as margin that exceed the relevant haircut level.

The revised policy implements a US\$ 1 million minimum threshold per account for a margin call, unless otherwise determined by the ICE Clear Europe risk department.

The revised policy also includes certain drafting improvements and clarifications.

Compliance with the Act and Commission Regulations

The rule amendments are potentially relevant to the following core principles: (B) Financial Resources and (D) Risk Management, and the applicable regulations of the Commission thereunder.

- *Financial Resources.* As described herein, the amendments are designed to enhance the F&O Intraday Margin Policy to address the risk of intraday margin exposure because of changes in the margin requirements for cleared positions or the value of collateral posted as margin. The changes will thus ensure that the clearing house maintains sufficient margin resources to support its F&O clearing and protect the clearing house against default by an F&O Clearing Member. In ICE Clear Europe's view, the amendments are therefore consistent with the requirements of Core Principle B and Commission Rule 39.11.
- *Risk Management.* The amendments are designed to further the clearing house's ability to manage the risk of an intraday change in margin requirements (as may result from market movements or changes in positions) or in the value of collateral previously posted to satisfy margin requirements. The amendments add a new trigger for intraday margin calls based on the aggregate margin shortfall for a clearing member across all account categories. The amendments also revise the individual account triggers for intraday calls to reflect the different types of margining used for various account categories by ICE Clear Europe (e.g., net margining with a two-day margin period of risk or gross margining with a one-day margin period of risk). ICE Clear Europe

therefore believes that the amendments will facilitate risk management by the clearing house for F&O Contracts, in furtherance of the requirements of Core Principle D and Commission Rule 39.13.

As set forth herein, the amendments consist of revisions to the F&O Intraday Margin Policy. ICE Clear Europe has requested confidential treatment with respect to the revised policy, which has been submitted concurrently with this self-certification.

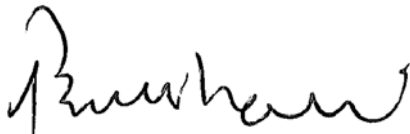
ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission's regulations thereunder.

ICE Clear Europe has received no substantive opposing views in relation to the rule amendments.

ICE Clear Europe has posted a notice of pending certification and a copy of this submission on its website concurrent 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 patrick.davis@theice.com or +44 20 7065 7738, Dee Blake, Director of Regulation, at dee.blake@theice.com or +44 20 7065 7752 or Paul Swann, President & Managing Director, at paul.swann@theice.com or +44 20 7065 7700.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Patrick Davis', written in a cursive style.

Patrick Davis
Head of Legal and Company Secretary