



September 27, 2019

BY ELECTRONIC TRANSMISSION

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

Re: Amendment to ICE Clear US, Inc. Rules - Submission Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), ICE Clear US, Inc. (“ICUS”) is submitting this self-certification to amend the ICUS Rules,¹ specifically the ICUS Risk Management Framework. ICUS intends to revise the Risk Management Framework no sooner than the tenth business day following the filing of this submission with the Commission, or such later date as ICUS may determine.

1. Overview

ICUS’s Risk Management Framework contains the methodology used by ICUS to perform on-going monitoring of its Clearing Members and financial service providers, including settlement banks, custodians and reverse repo counterparties. ICUS is proposing to amend that methodology in order to further harmonize it with other Intercontinental Exchange, Inc. (“ICE, Inc.”) clearing houses. For administrative ease, the harmonized methodology will be embodied in a separate document, entitled Counterparty Rating System, Model Description, Parameterization & Testing (“Counterparty Rating System”) which is referenced in the amended Risk Management Framework.

2. Details of Rule Changes

The proposed amendments will further harmonize the methodology used by ICUS to monitor Clearing Members and financial service providers with the methodology used by affiliated ICE, Inc. clearing houses. This change is intended to streamline our procedures and ensure that the ICE, Inc. clearing houses make a consistent assessment of their clearing members or participants, as well as their financial service providers, which are often the same or affiliated entities. As part of this harmonization, ICUS is making small changes to the weights accorded to the parameters that make up the methodology. In addition, ICUS is memorializing the governance surrounding the methodology whereby the President and Chief Risk Officer of ICUS must approve any material changes to the parameters. ICUS has respectfully requested

¹ Capitalized terms used and not defined in this submission have the meaning set forth in the ICUS Rules.



confidential treatment for the Risk Management Framework revisions, and the Counterparty Rating System, which were submitted concurrently with this submission.

3. Compliance with the Act and Regulations

ICUS reviewed the foregoing amendments and determined that they comply with the requirements of the Act and the rules and regulations promulgated by the Commission in implementing the Act. In this regard, ICUS reviewed the derivatives clearing organizations (“DCO”) Core Principles and determined that the amendments are potentially relevant to the following Core Principle and the applicable regulations of the Commission thereunder:

Risk Management (Principle D): The proposed amendments to the ICUS Risk Management Framework are consistent with the risk management requirements of DCO Core Principle D. ICUS’s Risk Management Framework sets forth the methodology used by ICUS to perform on-going monitoring of its Clearing Members and financial service providers. By harmonizing this methodology with affiliated clearing houses, ICUS will have a streamlined, consistent and robust monitoring framework. In addition, ICUS will take a view of its Clearing Members and financial service providers that is consistent with its affiliated clearing houses. In many cases, the ICE, Inc. clearing houses share the same clearing members and financial service providers, or they are part of the same integrated financial group. As a result, consistency is important. In addition, by memorializing the governance surrounding material changes to the parameters, ICUS is enhancing the documentation of its risk management framework.

4. Certifications

ICUS certifies that the amendments to the ICUS Risk Management Framework comply with the Act and the rules and regulations promulgated by the Commission thereunder. ICUS is not aware of any substantive opposing views expressed regarding the amendments. ICUS further certifies that, concurrent with this filing, a copy of the submission was posted on ICUS’s website, and may be accessed at <https://www.theice.com/clear-us/regulation>.

If you or your staff have any questions or require further information regarding this submission, please do not hesitate to contact the undersigned at (212) 748-3964 or Eamonn.Hahessy@theice.com.

Sincerely,

Eamonn Hahessy
General Counsel and Chief Compliance Officer