



October 20, 2022

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 –  
Investment Management Procedures

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Rule 40.6 for self-certification, amendments to its Investment Management Procedures (the “Investment Management Procedures” or “Procedures”)<sup>1</sup> discussed herein. The amendments will become effective on the first business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

*Concise Explanation and Analysis*

ICE Clear Europe is amending its Investment Management Procedures to clarify certain permitted investments and related limits for the Clearing House when managing cash received from Clearing Members as margin or from the Clearing House’s contribution to the guaranty fund.

ICE Clear Europe has updated the Table of Authorised Investments and Concentration Limits for Cash from CMs and from Skin In The Game (the “Table”) in the Procedures

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Clearing Rules and the Investment Management Procedures.

to make certain clarifications that reflect limitations on investments that can be made with customer funds provided by FCM Clearing Members under applicable law. The amendments reflect restrictions that ICE Clear Europe currently observes (and are described elsewhere in the existing Procedures), and accordingly will not constitute a change in practice. Specifically, the amendment provides that the reference in the Table to there being “no limit” for counterparty concentration in respect to investments in (i) US government agency bonds and (ii) UK government agency bonds, as well as the 15% concentration limit specified for the purchase of EU government agency bonds each applies to cash provided by non-FCM Clearing Members. The amendments also state explicitly in the Table that FCM customer funds may not be invested in such assets. The changes reflect limitations under Commission regulations, including Commission Rule 1.25.<sup>2</sup> Such updates are intended to provide greater clarity in the Table as to the permissible investment of customer cash provided by Clearing Members and accurately document existing practices, consistent with legal requirements.

#### *Compliance with the Act and CFTC Regulations*

The amendments to the Procedures are potentially relevant to the following core principles: (F) Treatment of Funds, and the applicable regulations of the Commission thereunder.

- *Treatment of Funds.* As discussed above, the amendments to the Investment Management Procedures are intended to more clearly document investment limitations in connection with the investment of customer funds provided by FCM Clearing Members to reflect current practice and applicable law, including the requirements of CFTC regulations. As such, the revised Investment Management Procedures will help enable the Clearing House to safeguard such assets and ensure that such assets are invested in instruments with minimal credit, market and liquidity risks that comply with the requirements of Commission Rule 1.25. As such, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle F and Commission Rule 39.15.

As set forth herein, the amendments consist of the amendments to the Investment Management Procedures, a copy of which is attached hereto. ICE Clear Europe has requested confidential treatment with respect to the amendments, which have been submitted concurrently with this self-certification submission.

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

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

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<sup>2</sup> Consistent with ICE Clear Europe’s current practice, certain limitations in the amendments are more restrictive than required under CFTC regulations. For example, investment of FCM customer funds by ICE Clear Europe in U.S. agency securities is not permitted, as described in the amendments, although CFTC Rule 1.25(b)(3)(i)(B) would permit investment in U.S. agency obligations up to a maximum of 50 percent of the total assets held in segregation by the derivatives clearing organization. 17 C.F.R. 1.25(b)(3)(i)(B). A footnote referencing this rule would be included in the Table.

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 [George.milton@theice.com](mailto:George.milton@theice.com) or +44 20 7429 4564.

Very truly yours,



George Milton  
Head of Regulation & Compliance