

Sarah Williams
Compliance Manager

December 4, 2017

Re: Updates to ICC Stress Testing Framework and ICC Liquidity Risk Management Framework Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)

VIA E-MAIL

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 and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), a self-certification of changes to the ICC Stress Testing Framework and ICC Liquidity Risk Management Framework. 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 to update its Stress Testing Framework and Liquidity Risk Management Framework. Specifically, ICC proposes clarifying changes to document current aspects of its stress testing and liquidity stress testing practices. This submission includes a description of the changes to the ICC Stress Testing Framework and ICC Liquidity Risk Management Framework. 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 changes to its Stress Testing Framework to provide further clarity regarding its calculation of the Foreign Exchange (“FX”) shock percentages utilized in ICC’s stress testing practices. Specifically, ICC proposes adding language noting that ICC calculates a FX shock percentage for each considered risk horizon.

ICC proposes changes to its Liquidity Risk Management Framework to provide further clarify regarding the applicability of FX adverse stress scenarios to its predefined liquidity stress tests. Specifically, ICC proposes adding language noting that adverse stress scenarios are applied to the Historically Observed Extreme but Plausible scenarios and Hypothetically Constructed Extreme but Plausible scenarios. ICC also added a description of its FX shock percentage calculation to the ICC Liquidity Risk Management Framework.

Core Principle Review:

ICC reviewed the DCO core principles (“Core Principles”) as set forth in the Commodity Exchange Act. During this review, ICC identified the following Core Principles as being impacted:

Financial Resources: The changes to the ICC Stress Testing Framework are consistent with the financial resource requirements of Core Principle B and the financial resource requirements set forth in Commission Regulation 39.33. The changes to ICC’s Stress Testing Framework clarify ICC’s stress

testing practices, which are designed to ensure the adequacy of systemic risk protections and to ensure that ICC maintains sufficient financial resources to withstand, at a minimum, the default of the two CP Affiliate Groups to which it has the largest exposure in extreme but plausible market conditions. The changes to the Liquidity Risk Management Framework are consistent with the financial resources requirements of Core Principle B and the requirements of Commission Rule 39.33 thereunder. The changes to the Liquidity Risk Management Framework provide additional clarify regarding ICC's liquidity stress testing practices. ICC's liquidity stress testing practices will continue to ensure the sufficiency of ICC's liquidity resources.

Risk Management: The changes to the ICC Stress Testing Framework are consistent with the risk management requirements of Core Principle D and the risk management requirements set forth in Commission Regulation 39.36. The Stress Testing Framework sets forth the methodology by which ICC evaluates potential portfolio profits/losses, compared to the Initial Margin and GF funds maintained, in order to identify any potential weakness in the risk methodology. The proposed changes to the Stress Testing Framework clarify ICC's stress testing approach. The changes to the ICC Liquidity Risk Management Framework are consistent with the risk management requirements of Core Principle D and Commission Rules 39.13 and 39.36. ICC's liquidity stress testing practices will continue to be performed in accordance with the standards and practices set forth in Commission Rules 39.13 and 39.36.

Amended Rules:

The proposed change consists of changes to the ICC Stress Testing Framework and ICC Liquidity Risk Management. ICC has respectfully requested confidential treatment for the ICC Stress Testing Framework and ICC Liquidity Risk Management Framework 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) 836-6883.

Sincerely,



Sarah Williams
Compliance Manager