



January 19, 2024

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 Rule 40.6  
– Model Risk Policy Amendments

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 Model Risk Policy (the “Policy”).<sup>1</sup> 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 updating its Model Risk Policy to clarify that the timeframe for re-validation of existing models is at least annually. Additionally, the amendments will update the Policy to allow for the President (in consultation with the Head of Risk and Chief Risk Officer, or if unavailable their delegates) to override elements of the Policy if it is deemed to be in the risk management interest of the Clearing House or important for market stability. If the President takes such actions, the amendments require that the Board be notified as soon as practicable. This will allow for ICEU to respond to unexpected situations in a timely manner while maintaining appropriate governance oversight.

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

The amendments to the Model Risk Policy are potentially relevant to the following core principles: (D) Risk Management and (O) Governance, and the applicable regulations of the Commission thereunder.

---

<sup>1</sup> Capitalized terms used but not defined herein have the meanings specified in the Model Risk Policy or, if not defined therein, the ICE Clear Europe Clearing Rules.

- *Risk Management.* The amendments to the Policy are designed to enhance risk management related to models used by the Clearing House. The amendments clarify the timing for re-validation of models. Furthermore, the amendments to the Policy will address situations where deviations from the Policy may be needed for risk management purposes or to further market stability. The amendments thus enhance the Clearing House's overall risk management, consistent with the requirements of Core Principle D and CFTC Rule 39.13.
- *Governance.* As discussed above, the amendments to the Policy would clarify the authority of the Clearing House's President to make certain deviations from the Policy to address unexpected risk events, in consultation with the Head of Risk and Chief Risk Officer. The amendments would also clarify the role of the Board in such situations. In ICE Clear Europe's view, the amendments are therefore consistent with the requirements of Core Principle O and CFTC Rule 39.24

As set forth herein, the amendments consist of the amendments to the Model Risk Policy. 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.

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