



February 22, 2024

VIA CFTC PORTAL

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

Re: Amendments to the ICE Clear U.S., Inc. Risk Management Framework - ICE Risk Model 1 - 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 U.S., 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, or such later date as ICUS may determine. ICUS has respectfully requested confidential treatment for these amendments to the Risk Management Framework which were submitted concurrently with this submission.

1. Overview

ICUS is proposing to extend the scope of ICE Risk Model 1 (“IRM 1”) which requires amendments to ICUS’s Risk Management Framework. These changes will facilitate ICUS’s decision to initially clear total return futures that reference equity indices (“Equity Index TRFs”) using IRM 1 to determine initial margin requirements.² At present, all contracts that ICUS clears that reference equity indices (as well as interest rate indices) are cleared using ICE Risk Model 2 (“IRM 2”) to determine initial margin requirements.

2. Details of Rule Changes

ICUS decided to initially use IRM 1 to determine the initial margin requirements for Equity Index TRFs in order to make these contracts available expeditiously. ICUS received feedback from market participants indicating a demand for access to these contracts because they replicate the economics of existing bilateral swaps using listed derivatives which, among other benefits, provide greater price transparency and enhanced liquidity, in a cost-effective manner. Shifting these contracts from the bilateral sphere, to the listed and cleared sphere, also supports the

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

² In the near term, ICUS is planning to clear 4 such total return futures. Specifically, (i) MSCI USA Total Return Index Futures; (ii) MSCI Emerging Markets Total Return Index Futures; (iii) MSCI EAFE Total Return Index Futures; and (iv) MSCI World Total Return Index Futures.



broader goal of global financial market regulators to clear derivatives through central clearing counterparties. ICUS successfully independently validated the use of IRM 1 to determine the initial margin requirement for Equity Index TRFs. In due course, following the completion of additional analysis and development work, ICUS plans to margin Equity Index TRFs using IRM 2.

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 core principles (“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 (Core Principle D):

These amendments, which have been independently validated, ensure that the Risk Management Framework clearly and appropriately identifies, addresses and documents the range of risks to which ICUS is exposed. As a result, the proposed amendments are consistent with the requirements of Core Principle D and Commission Regulations 39.13 and 39.36.

4. Certifications

ICUS certifies that the proposed amendment to its Risk Management Framework complies 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 amendment. ICUS further certifies that, concurrent with this filing, a copy of this submission was posted on ICUS’s website and may be accessed at <https://www.ice.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@ice.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eamonn Hahessy', written over a horizontal line.

Eamonn Hahessy
General Counsel and Chief Compliance Officer