

**Olivia Bazor**  
*Staff Attorney*

April 21, 2023

**Re: ICE Clear Credit LLC Advance  
Notice of Proposed Rule Change  
Pursuant to Commission Regulation 40.10**

**VIA ELECTRONIC PORTAL**

Mr. Christopher Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> 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 self-certification of changes to the ICC Rulebook (the “Rules”) to adopt a new Subchapter 26S of its Rules, which will set out the contract terms and specifications for Standard Subordinated European Insurance Corporate (“STSEIC”) Single Name Contracts. ICC is registered with the Commission as a derivatives clearing organization (“DCO”). ICC intends to make the amended Rules effective 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.

This submission includes the amended Rules. A description of the principal changes contained in the amended Rules follows. Certification of the amended Rules pursuant to Section 5c(c)(1) of the Act (the “Act”) and Commission Regulation 40.6 is also provided below.

The purpose of the proposed rule change is to adopt rules that will provide the basis for ICC to clear an additional category of credit default swap contracts. Specifically, ICC proposes amending Chapter 26 of the ICC Rules to add Subchapter 26S to provide for the clearance of STSEIC Contracts. ICC believes the addition of these contracts will benefit the market for credit default swaps by providing market participants the benefits of clearing, including the reduction in counterparty risk, and safeguarding of margin assets pursuant to clearing house rules. The clearing of STSEIC Contracts will not require any changes to ICC’s Risk Management Framework.

ICC proposes amendments to its Rules, to adopt a new Subchapter 26S of its Rules. This submission includes a description of the changes to the Rules. Certification of the changes pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.10 is also provided below.

STSEIC Contracts have similar terms to Standard European Corporate Single Name CDS contracts (“STEC Contracts”) currently cleared by ICC and governed by Subchapter 26G of the ICC Rules. Accordingly, the proposed rules found in Subchapter 26S mirror the ICC Rules for STEC Contracts in Subchapter 26G, with certain modifications that reflect differences in terms and market conventions between STEC Contracts and STSEIC Contracts. STSEIC contracts will be denominated in Euro.

In new Subchapter 26S, Rule 26S-102 (Definitions) sets forth the definitions used for STSEIC Contracts. The definitions are substantially the same as the definitions found in Subchapter 26G, other than certain conforming changes. ICC Rules 26S-203 (Restrictions on Activity), 26S-206 (Notices Required of Participants with respect to STSEIC Contracts), 26S-303 (STSEIC Contract Adjustments), 26S-309 (Acceptance of STSEIC Contracts by ICE Clear Credit), 26S-315 (Terms of the Cleared STSEIC Contract), 26S-316 (Relevant Physical Settlement Matrix Updates), 26S-502 (Specified Actions), and 26S-616 (Contract Modifications) reflect or incorporate the basic contract specifications for STSEIC Contracts and are substantially the same as under Subchapter 26G of the ICC Rules.

#### 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:

**Participant and Product Eligibility:** ICC has set appropriate standards in ICC’s policies and procedures for determining the eligibility of contracts. The additional STSEIC Contracts fulfill ICC’s standards regarding product eligibility.

**Risk Management:** ICC will apply its established margin and pricing methodology to the additional STSEIC Contracts.

**Settlement Procedures:** The additional STSEIC Contracts are subject to ICC’s current physical settlement rules under Chapter 22: CDS Physical Settlement.

#### Amended Rules:

The proposed changes consist of changes to the ICC Rules.

Annexed as an Exhibit hereto is the following:

- A. Proposed amendments to the ICC Rules

#### Certifications:

ICC hereby certifies that the changes comply with the Act and the regulations thereunder. The changes were unanimously recommended for approval by the ICC Risk Committee and unanimously approved by the ICC Board of Managers. 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 (904) 855-5580.

Sincerely,

A handwritten signature in black ink, appearing to read "Olivia Bazor". The signature is fluid and cursive, with the first name "Olivia" being more prominent than the last name "Bazor".

Olivia Bazor  
Staff Attorney