



October 5, 2023

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 - Clarifying Certain Aspects of the Documentation of 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 with the Commission, or such later date as ICUS may determine.

1. Overview

ICUS’s Risk Management Framework documents ICE Risk Model 1 (“IRM 1”) which is used to determine the initial margin requirements for all contracts cleared by ICUS, apart from those contracts that reference equity indices and interest rates.² As more fully described below, following its standard, regular review of the Risk Management Framework, ICUS has determined to update and clarify certain aspects of the documentation of IRM 1 to more accurately reflect how the model is implemented in practice.

2. Details of Rule Changes

ICUS is proposing to amend the Risk Management Framework to clarify when an inter-commodity spread will be treated as a headline product. In addition, ICUS is proposing to amend the Risk Management Framework to document how it sets margin rates when certain Autopilot numbers are not available, due to monthly rolls, but a number is available in an adjacent contract. Finally, ICUS is proposing to document how, with respect to agricultural contracts, it limits the impact of

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

² The initial margin requirements for the contracts cleared by ICUS that reference equity indices and interest rates are determined using ICE Risk Model 2 which is also set forth in ICUS’s Risk Management Framework.



illiquidity and volatility during the delivery period. To prevent this illiquidity and volatility from distorting the margin requirement for these contracts generally, ICUS excludes statistics from the relevant “in delivery” agricultural contract in the broader margin calculation for that contract once the delivery process has commenced. These are not substantive changes; they document how IRM 1 is currently being implemented.

ICUS has respectfully requested confidential treatment for the foregoing Risk Management Framework amendments which were submitted concurrently with this submission.

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 proposed changes will enhance ICUS’s Risk Management Framework by more clearly and explicitly identifying and documenting the range of risks to which ICUS is exposed, and addressing how ICUS monitors and manages those risks. In addition, these proposed changes will enhance internal audit’s ability to monitor ICUS’s risk management program. Overall, these amendments will strengthen ICUS’s ability to monitor and manage potential risks, as such they are consistent with the requirements of Core Principle D and Commission Regulations 39.13 and 39.36.

4. Certifications

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

Sincerely,

A handwritten signature in black ink that reads "Eamonn Hahessy".

Eamonn Hahessy
General Counsel and Chief Compliance Officer