



October 3, 2017

BY ELECTRONIC TRANSMISSION

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

Re: Amendment to ICE Clear US, Inc. By-Laws and Rules 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 Commodities Futures Trading Commission (“Commission”) Regulation 40.6(a), ICE Clear US, Inc. (“ICUS”) hereby submits a self-certification to amend the ICUS Rules. ICUS intends to revise the Rules no sooner than the tenth business day following the filing of this submission with the Commission, or such later date as ICUS may determine. Certification of the ICUS Rules pursuant to Section 5c(c)(1) of the Act and Commission Regulation 40.6(a) is also provided below.

ICUS proposes to adopt amendments to its Rules to enhance certainty, clarity and readability and better reflect current business practices and processes relating to a variety of matters. Unless the context otherwise clearly requires, all terms defined in the Rules have the same meanings when used throughout this summary.

The proposed amendments are described in more detail as follows.

1. Definitions

A new defined term, Clearing Day, is added to specify a day on which ICUS is open to accept Contracts for clearance. Consistent with current practice, a Clearing Day may occur on a day that is a bank holiday. The defined terms Director, Contract and Listing Exchange have been added from the By-Laws to the Rules for clarity and ease of reference. The definition of Defaulted Obligation has been clarified in Rule 302 and used accordingly throughout the Rules. The definition of Approved Financial Institution was moved from Rule 501 to Rule 106 as it is a general definition that applies throughout the Rules.

2. Extension or Waiver of Rules

The amendments to Rule 102 allow greater flexibility to provide an extension to Clearing Members for deliveries as well as payments. The amendments also permit the extension of time for payments and deliveries of up to three Business Days, without requiring Board approval, to permit the Corporation to address operational and similar failures of Clearing Members.

3. Actions by the President

Rule 103 has been revised to clarify that actions to be taken by the President may, in the case of the President's absence or unavailability, be taken by another designated officer. Certain references to Vice Chairman and other positions that are not used by ICUS have been removed.

4. Notices to Clearing Members

Detail has been added to Rule 105 to clarify when delivery of each form of notice is considered to be effective.

5. AML Compliance

Rule 215 was added to state explicitly the obligations of Clearing Members subject to the Bank Secrecy Act, the USA PATRIOT Act, and the regulations promulgated thereunder, to develop and implement a written anti-money laundering program which meets the criteria described in the Rule.

6. Guaranty Fund

Rule 301 included considerable technical detail regarding the Guaranty Fund calculation, including the manner in which Base Volume Amount and Base Margin amount were calculated. These details are already in ICUS's risk management framework, and accordingly have been removed from the Rules.

The revisions provide that permitted forms of Guaranty Fund deposits (and related limitations) will be published on the ICUS website for convenience and transparency.

The amendments also reflect current practice with respect to interest earned on securities deposited in the Guaranty Fund by a Clearing Member.

7. Clearing Mechanism

Rule 402(b), which addresses acceptance of certain off-exchange contracts, has been updated to refer to EFRP and block transactions under the rules of the relevant Listing Exchange.

Rule 404 (regarding reporting of exchange positions of Clearing Members carried by other firms) is being amended such that the reporting will only be necessary if requested by ICUS, to match current practice.

Rule 405 (regarding transfers of open positions of customers) is being amended to match current practice as to the information required regarding the customer and Contracts to be transferred.

8. Margins and Premiums

Part 5 is being generally amended to reference ICUS's risk and operational policies which include detailed payment mechanics.

Rule 502(g), which provides the ability to apply a Clearing Member's initial margin to meet temporary liquidity needs, is being revised to require ICUS to restore the margin used following the end of the liquidity event.

Rule 504(g) is being amended to reflect current practice with respect to the treatment of income generated by any securities, Approved Foreign Currencies or other instruments held as initial margin (and related fees or charges) in accordance with ICUS' policies and procedures.

Rule 504(h) is being added to provide greater clarity with respect to settlement finality, and states that transfers of fund or securities in respect of initial margin, variation margin or option premiums shall constitute a settlement (within the meaning of CFTC Rule 39.14) and will be final as of the time ICUS's accounts are debited or credited with the relevant payment.

Rule 505(a)(i) is being amended to state that the securities eligible for deposit as initial margin (and any limitations thereon), as approved by the Board, will be posted on ICUS's website for convenience and transparency.

References to letters of credit, including Rule 506, are being removed as ICUS does not accept letters of credit as initial margin.

9. Deliveries

Rule 603 is being modified to make clear that if a Customer and the opposite CM are not obligated to make payments of variation margin with respect to a Contract, ICUS likewise will not be obligated to make such payments.

10. Disclosure by Board and Risk Committee Members and ICUS Employees

Rules 703, 704 and 706 relating to disclosures and conflicts of interest of Board and Risk Committee Members and ICUS employees are being removed as they are addressed through ICUS's internal policies.

11. Emergencies and Force Majeure

The definition of "Emergency" is expanded to incorporate certain other events, including the outbreak or escalation of hostilities, declaration of a national emergency or war, cyberattack or similar systems intrusion or disruption, or other calamity or crisis, the effect on financial markets of which makes it impractical, in the judgment of the Board or President for ICUS to continue normal operations.

Similarly, a provision is being added to protect ICUS from the obligation to perform under the Rules or compensate any person during the course of a force majeure event.

12. Defaults

The definition of Event of Default in Rule 801 is being revised to provide ICUS the ability to exercise discretion in whether or not to declare an Event of Default, rather than having an Event of Default occur automatically upon the relevant event. Similar changes are made to the definition of Monetary Default in Rule 302.

Rule 802(b) has been revised to clarify that permissible hedging transactions by ICUS are not limited to cleared contracts. In Rule 803, technical details regarding liquidation by spread or straddle transactions are being deleted as unnecessary.



13. Disciplinary Proceedings

Rule 901 is being amended to add that the President may now summarily impose a fine against a Clearing Member for failing to timely make or accept delivery of any commodity or currency in settlement of any Contract.

Core Principle Review:

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

Governance Fitness Standards: The ICUS Rules are consistent with the governance requirements of Core Principle O and Commission Regulation 39.32. ICUS’s By-Laws and Rules set forth ICUS’s governance arrangements and these revisions improve clarity and transparency regarding such arrangements.

Amended Rules:

The proposed changes consist of changes to the ICUS Rules to enhance certainty, clarity and readability and better reflect current business practices and processes relating to a variety of matters.

Annexed as an Exhibit hereto is the following:

- A. Proposed amendments to the ICUS Rules

Certifications:

ICUS hereby certifies that the ICUS Rules comply with the Act and the regulations thereunder. There were no substantive opposing views to the revisions.

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>.

ICUS would be pleased to respond to any questions the Commission or staff may have regarding this submission. Please direct any questions or requests for information to the attention of the undersigned at (312) 836-6884 or michelle.weiler@theice.com.

Sincerely,

Michelle Weiler
General Counsel and Chief Compliance Officer