**U.S. COMMODITY FUTURES TRADING COMMISSION**
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**Division of Clearing and Risk**

May 4, 2012

**ELECTRONIC MAIL**

Thomas Hammond
President and Chief Operating Officer
ICE Clear U.S.
353 North Clark Street
Suite 3100
Chicago, IL 60654

Re: Extension for Compliance with Regulation 39.13(g)(8)(ii)

Dear Mr. Hammond:

By correspondence of May 3, 2012, you requested that the Division of Clearing and Risk (Division) grant an extension of 90 days from May 7, 2012, for compliance with the requirements of Commission Regulation 39.13(g)(8)(ii).[1]

You have represented that based on a number of substantive issues that have come to light regarding the potential negative impact this regulation could have on market participants and clearing member operations, additional time is required to address implementation of the regulation.

The Division herein grants an extension to ICE Clear U.S., thereby requiring compliance with Regulation 39.13(g)(8)(ii), as it applies to customers that are exchange members (member-customers) and to customer omnibus accounts, no later than August 5, 2012, unless ICE Clear U.S. is notified otherwise. This extension is granted by the Division in reliance on the representations contained in your request, and any different, changed, or omitted material facts or circumstances may require termination of the extension and immediate action by ICE Clear U.S., its clearing members, member-customers, or other FCMs, to facilitate compliance. The Division

[1] *See* 76 Fed. Reg. 69,334, 69,439 (Nov. 8, 2011). Regulation 39.13(g)(8)(ii) provides as follows:

> (ii) *Customer initial margin requirements.* A derivatives clearing organization shall require its clearing members to collect customer initial margin, as defined in § 1.3 of this chapter, from their customers, for nonhedge positions, at a level that is greater than 100 percent of the derivatives clearing organization's initial margin requirements with respect to each product and swap portfolio. The derivatives clearing organization shall have reasonable discretion in determining the percentage by which customer initial margins must exceed the derivatives clearing organization's initial margin requirements with respect to particular products or swap portfolios. The Commission may review such percentage levels and require different percentage levels if the Commission deems the levels insufficient to protect the financial integrity of the clearing members or the derivatives clearing organization.

retains the authority to condition further, modify, suspend, or otherwise restrict the extension granted herein.

Should you have questions regarding this matter, please contact Phyllis P. Dietz, Deputy Director (pdietz@cftc.gov, 202-418-5449) or Heidi M. Rauh, Special Counsel (hrauh@cftc.gov, 312-596-0644).

Sincerely,

Ananda Radhakrishnan /PD

Ananda Radhakrishnan
Director

cc: Phyllis P. Dietz
Anne C. Polaski
Heidi M. Rauh