



Atlanta Calgary Chicago Houston London New York Singapore

16 March 2012

By email to [submissions@cftc.gov](mailto:submissions@cftc.gov) in pdf format  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

Dear Sir or Madam,

**ICE Clear Europe Limited – Regulation 40.6 Self-Certification**

ICE Clear Europe Limited (“ICE Clear”), a derivatives clearing organization and a private limited company organized under the laws of England and Wales, hereby submits a rule amendment pursuant to CFTC Regulation 40.6, effective not before 2 April 2012.

Please find enclosed:

1. a submission cover sheet; and,
2. confirmation of the proposed rule amendments as contained in Circular C12/023.

The proposed rule amendments relate to an alteration to the list of Permitted Cover, along with the corresponding haircut rates, and further, the introduction of absolute and relative limits on government bonds lodged by Clearing Members with the Clearing House in respect of Original Margin and Guaranty Fund requirements.

ICE Clear hereby certifies that the proposed rule amendment complies with the applicable provisions of the Commodity Exchange Act, including the DCO core principles and the Commission’s regulations thereunder.

Specifically, the following Core Principle is potentially impacted by these proposed rule amendments: (D) Risk Management; and, (L) Public information.

ICE Clear has received no opposing views in relation to the proposed rule amendment.

The proposed rule amendment has been provided to ICE Clear Clearing Members by Circular C12/023:  
[https://www.theice.com/publicdocs/clear\\_europe/circulars/C12023.pdf](https://www.theice.com/publicdocs/clear_europe/circulars/C12023.pdf)

If you have any further questions, or require any further information, please feel free to call the undersigned at +44 (0)20 7065 7738.

Yours faithfully

**Patrick Davis – Head of Legal and Company Secretary**  
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Enclosures

**Review of the List of Permitted Cover, Haircuts and Collateral Concentration Limits**

**CIRCULAR  
C12/023**

Further to Circular C11/160 dated 09 November 2011, ICE Clear Europe (the "Clearing House") has reviewed the list of Permitted Cover and further developed collateral limits in respect of government bonds provided to the Clearing House as Permitted Cover.

16 March 2012

The new list of Permitted Cover and the collateral limits will become effective on **Monday 02 April 2012**.

**Category:**

Risk Management

**Attachments:**

None

**Summary of content**

List of Permitted Cover

**1. List of Permitted Cover and Haircuts**

The updated list of Permitted Cover, along with the corresponding haircut rates is attached and can be found at the following location:

[https://www.theice.com/publicdocs/clear\\_europe/list-of-permitted-covers.pdf](https://www.theice.com/publicdocs/clear_europe/list-of-permitted-covers.pdf)

The full list of Permitted Cover ISINs can be found at the following location:

[https://www.theice.com/publicdocs/clear\\_europe/spanParameters/PublishAcceptedCollateral.xls](https://www.theice.com/publicdocs/clear_europe/spanParameters/PublishAcceptedCollateral.xls)

**For more information please contact:**

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**2. Collateral Limits on Government Bonds**

Additionally, the Clearing House will introduce absolute and relative limits on government bonds lodged in respect of Original Margin and Guaranty Fund requirements. These limits are subject to existing procedures relating to the collateral structure of the Energy and CDS Guaranty Funds (See Section 14 (Guaranty Fund Parameters and Restrictions) of the Finance Procedures).

The following absolute limits will be reset at least semi-annually based on dealer polls conducted in order to estimate the average daily volume of government bonds traded. The absolute limits will be set at 5% of the median of dealer estimates by country of origin.

The absolute limits by country of issuance are as follows:

Country of Issuance	Absolute limit (mm EUR Cover Value)
Austria	35
Belgium	90
Canada	150
Finland	20
France	350
Germany	640
Italy	350
Netherlands	100
Spain	120
Sweden	75
Switzerland	125
United Kingdom	570

The following relative limit will apply to all bonds, except those issued by the U.S. Government:

Country of Issuance	Relative limit
All non-US countries	25% of total collateral requirement (including GF)

The limits listed above will not apply to Clearing Members with a total collateral requirement (Original Margin + Guaranty Fund requirements) of less than EUR 20mm (or USD equivalent).

If you have any questions on the information contained in this Circular, please contact Camiel Janmaat, Head of Treasury & Banking Services, by email [camiel.janmaat@theice.com](mailto:camiel.janmaat@theice.com) or by phone on +44 (0)20 7065 7603, or Risk Management by email [iceclearerisk@theice.com](mailto:iceclearerisk@theice.com) or by phone on +44 (0)20 7065 7630.

Operational Enquiries should be directed to Operations by email [iceuops@theice.com](mailto:iceuops@theice.com) or by phone on +44 (0)20 7065 7600.

Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.  
Signed:



Paul Swann  
President & Chief Operating Officer