



May 31, 2012

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: ICE Clear Credit Swap Submission Related to Mandatory Clearing Determinations

Dear Mr. Stawick:

ICE Clear Credit LLC (“ICE Clear Credit”) hereby submits (pursuant to the information requirements of Title 17 of the Code of Federal Regulations, Chapter 1 §39.5) to the U.S. Commodity Futures Trading Commission (“CFTC” or “Commission”) the Series 17, 16, 15 and 14 CDX Untranchured Emerging Markets indices with five year maturities, maturing on June 20, 2017, December 20, 2016, June 20, 2016, and December 20, 2015 respectively (the “Indices” or “Submitted Swaps”) for a mandatory clearing determination.

§39.5 Review of swaps for Commission determination on clearing requirement.

(b) Swap submissions.

(2) A derivatives clearing organization shall submit swaps to the Commission, to the extent reasonable and practicable to do so, by group, category, type, or class of swaps.

Table 1 below identifies the characteristics of the constituents of the Index; specifically its type, region, rating and spread level, as follows:

Type

The Index has constituent reference obligations that are sovereign bonds.

Region

The Index is composed of sovereign issuers from three regions: (i) Latin America (“Latam”); (ii) Eastern Europe, the Middle East and Africa (“EEMEA”); and Asia.

Rating

The Index is composed of sovereign issuers with a range of credit ratings, consistent with Emerging Markets.

Spread Level

Not applicable. Applicable only when spread level selection criteria are used to determine constituents of an index.

Table 1

Index Classification				Index Name	Swap			
Type	Region	Rating	Spread Level		Series	Maturity	(Tenor)	Currency
Sovereign Bonds	Latam, EEMEA, Asia	Emerging Markets	n/a	CDX.EM	17	6/20/2017	(5Y)	USD
Sovereign Bonds	Latam, EEMEA, Asia	Emerging Markets	n/a	CDX.EM	16	12/20/2016	(5Y)	USD
Sovereign Bonds	Latam, EEMEA, Asia	Emerging Markets	n/a	CDX.EM	15	6/20/2016	(5Y)	USD
Sovereign Bonds	Latam, EEMEA, Asia	Emerging Markets	n/a	CDX.EM	14	12/20/2015	(5Y)	USD

§39.5(b)(3)(i) Statement of Eligibility

“A statement that the derivatives clearing organization is eligible to accept the swap, or group, category, type, or class of swaps for clearing and describes the extent to which, if the Commission were to determine that the swap, or group, category, type, or class of swaps is required to be cleared, the derivatives clearing organization will be able to maintain compliance with section 5b(c)(2) of the Act.”

ICE Clear Credit is a Derivatives Clearing Organization (“DCO”) pursuant to Section 5b of the United States Commodity Exchange Act, as amended (the “CEA”), and as such is supervised by the CFTC. ICE Clear Credit became a DCO on July 16, 2011 pursuant to Section 725 of the Dodd-Frank Act (the “Conversion Date”), and since the Conversion Date, ICE Clear Credit has cleared commodity-based swaps similar to the Index submitted herein in compliance with section 5b(c)(2) of the CEA.

§39.5(b)(3)(ii) Information Related to the Act’s Swap Submission Review Requirements

“A statement that includes, but is not limited to, information that will assist the Commission in making a quantitative and qualitative assessment of the following factors:”

(A) “The existence of significant outstanding notional exposures, trading liquidity, and adequate pricing data.”

Table 2 below identifies the dates when Series 15 through Series 17 were the on-the-run series. It should be noted that the “on-the-run index” changed during the 12-month sample period used to determine the average trading activity and average growth of current positions. Trading activity is typically highest for the on-the-run series.

Table 3 below provides data describing the outstanding notional exposures, observed trading liquidity and adequacy of end-of-day pricing data for the Submitted Swaps.

Index, Series and Tenor

Three columns identify the submitted swaps by index, series and tenor.

Outstanding Positions among 13 ICC CPs

This column provides the gross notional amount of the positions in the Depository Trust & Clearing Corporation (“DTCC”) Trade Information Warehouse (“TIW”) among 13 of ICE Clear Credit’s 15 self-clearing Clearing Participants as of April 27, 2012.

Outstanding Positions among all Market Participants

This column provides the gross notional amount of the positions in the DTCC TIW between all market participants as of April 13, 2012.

12-Month Average of the Weekly Growth of Current CP-CP Positions

Three columns provide information related to the trade-date distribution of current positions among 13 of ICE Clear Credit’s 15 self-clearing Clearing Participants (as-of April 27, 2012). Two columns provide an estimate of the average weekly rate at which the current positions were established from the start of Q2 2011 through the end of Q1 2012; one column provides the activity in terms of the gross notional of current positions established each week, and the other column provides the activity in terms of the number of transactions establishing current positions each week. The third column provides the standard deviation of the number of transactions per week. Please note that in prior submissions to the Commission related to §39.5, these three columns were labeled “Estimated New Positions between CPs”. The heading has been revised in this submission to read 12-Month Average of the Weekly Growth of Current CP-CP Positions.

12-Month Average of Weekly Trading Activity among all Market Participants

Three columns provide information related to the risk-transfer activity among all market participants. Two columns provide the average weekly risk-transfer activity from the start of Q2 2011 through the end of Q1 2012; one column provides the activity in terms of gross notional per week, and the other column provides the activity in terms of transactions per week. The third column provides the standard deviation of the number of transactions per week.

EOD Price Collection Summary

ICE Clear Credit’s rules require CPs to submit end-of-day pricing data for any swap for which they have a cleared interest. The ability for CPs to submit end-of-day pricing data for the Submitted Swaps was recently demonstrated during a two-week price collection period from April 9 to April 20, 2012, throughout which 14 CPs were asked to provide end-of-day quotes for all Indices. This Table 3 entry consists of two columns summarizing the results of the two-week price collection period. The first column provides the number of CPs that contributed end-of-day quotes. The second column provides the average dispersion of submitted quotes. Dispersion is defined as the difference between the highest and lowest quoted mid-levels after removing the highest two quotes and the lowest two quotes from the sample. In the table, Dispersion is expressed as a percentage of the bid-offer width (“BOW”) established each day for the given swap by ICE Clear Credit.

Table 2

Date Range within the Sample Period ¹	No. of Business Days	On-The-Run Series	1st Off-The-Run Series	2nd Off-The-Run Series
3/20/2012 - 3/30/2012	9	17	16	15
9/20/2011 - 3/19/2012	124	16	15	14
4/4/2011 - 9/19/2011	118	15	14	13

Table 3

INDEX	SERIES	TENOR	OUTSTANDING POSITIONS AMONG 13 ICC CPs ²	OUTSTANDING POSITIONS AMONG ALL MARKET PARTICIPANTS ¹	12-MONTH ³ AVERAGE OF THE WEEKLY GROWTH OF CURRENT CP-CP POSITIONS			12-MONTH ³ AVERAGE OF WEEKLY TRADING ACTIVITY AMONG ALL MARKET PARTICIPANTS ⁴			EOD PRICE COLLECTION SUMMARY ⁵	
			Gross Notional (USD millions)	Gross Notional (USD millions)	Mean Gross Notional / Week (USD millions)	Mean Transactions / Week	Std. Dev. of Transactions / Week	Mean Gross Notional / Week (USD millions)	Mean Transactions / Week	Std. Dev. of Transactions / Week	CPs Submitting EOD Quotes	Dispersion % of ICE BOW
CDX.EM	17	5Y	4,598	9,802	995	54	21	4,046	204	78	13	54%
CDX.EM	16	5Y	25,477	30,249	892	54	47	2,785	244	110	13	36% ⁶
CDX.EM	15	5Y	13,811	16,149	236	16	17	1,488	122	130	11	28% ⁶
CDX.EM	14	5Y	17,543	21,118	154	5	10	245	29	37	11	30% ⁶

¹ Source: DTCC Weekly Stock and Volume Reports, Section 1, Table 7, April 13, 2012

² Source: Non-Public DTCC position data, April 27, 2012 (includes 14 of 15 self-clearing Clearing Participants)

³ Beginning of Q2 2011 through the end of Q1 2012, inclusive

⁴ Source: DTCC Weekly Stock and Volume Reports, Section 4, April 4, 2011 to March 30, 2012

⁵ Price collection period from April 9, 2012 to April 20, 2012

⁶ Excludes four days of submissions from one CP, identified as outliers

(B) Clearinghouse Capabilities

“The availability of rule framework, capacity, operational expertise and resources, and credit support infrastructure to clear the contract on terms that are consistent with the material terms and trading conventions on which the contract is then traded.”

Rule Framework – ICE Clear Credit maintains a comprehensive set of rules that are publicly available and may be viewed at https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Rules.pdf and are listed herein as Exhibit A.

Capacity, Operational Expertise and Resources – ICE Clear Credit is the largest, leading, and most active credit default swap (“CDS”) clearinghouse in the world as measured by (1) number and diversification of cleared CDS contracts, (2) volume, (3) open interest, (4) amount of default resources (margin collateral and guaranty fund deposits), and (5) number of active CDS Clearing Participants. Since its launch on March 9, 2009, ICE Clear Credit (f/k/a ICE Trust U.S. LLC) has cleared approximately 464,000 CDS transactions valued at approximately \$18.0 trillion dollars. ICE Clear Credit currently clears 46 CDS indices, 132 CDS corporate single names, and four Latin American sovereign CDS. ICE Clear Credit currently maintains a cleared open interest valued at approximately \$906 billion. (ICE Clear Credit’s open interest may be viewed at www.theice.com/clear_credit.jhtml.)

The following financial institutions have been approved as ICE Clear Credit Clearing Participants: Bank of America, N.A., Barclays Bank PLC, Barclays Capital Inc., BNP Paribas, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Citibank N.A., Credit Suisse International, Credit Suisse Securities (USA) LLC, Deutsche Bank AG, London Branch, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Goldman Sachs International, HSBC Bank USA, N.A., HSBC Securities (USA) Inc., J.P. Morgan Chase Bank, National Association, J.P. Morgan Securities LLC, Merrill Lynch International, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Morgan Stanley & Co. LLC, Morgan Stanley Capital Services LLC, Nomura International PLC, Nomura Securities International, Inc., The Royal Bank of Scotland plc, Société Générale, UBS AG, London Branch and UBS Securities LLC.

Credit Support Infrastructure – As of May 25, 2012, ICE Clear Credit held approximately \$11.3 billion in margin collateral and approximately \$4.4 billion in guaranty fund deposits. On a daily basis, ICE Clear Credit processes millions of dollars in settlements. The average daily settlement for 2011 was approximately \$154 million.

(C) Impact on Systemic Risk

“The effect on the mitigation of systemic risk, taking into account the size of the market for such contract and the resources of the derivatives clearing organization available to clear the contract.”

The effect on mitigation of systemic risk from the clearing of the submitted swap is believed to be material for the following reasons:

- The swap listed for clearing is actively traded with significant pre-clearing outstanding positions.
- ICE Clear Credit’s CPs are amongst the most active CDS market participants and continue to clear a significant portion of their clearing-eligible portfolio.
- The multi-lateral netting achieved through the clearing process has been significant historically and has substantially reduced the number and notional amount of outstanding bi-lateral positions.
- ICE Clear Credit has developed a robust risk management framework that has been extensively reviewed by regulators, industry participants and third-party experts.

- ICE Clear Credit's price discovery process is working successfully to provide reliable inputs to its risk models.

(D) Competition

“The effect on competition, including appropriate fees and charges applied to clearing.”

ICE Clear Credit's fee structure is appropriate and its margin and guaranty fund computations suitably account for the risk brought to the clearinghouse.

(E) Insolvency Protection

“The existence of reasonable legal certainty in the event of the insolvency of the relevant derivatives clearing organization or one or more of its clearing members with regard to the treatment of customer and swap counterparty positions, funds, and property.”

ICE Clear Credit believes that there is reasonable legal certainty in the event of the insolvency of ICE Clear Credit or a clearing participant of ICE Clear Credit with regard to the treatment of house and customer positions, funds and property in connection with the clearing of the submitted swap.

ICE Clear Credit's clearing participants consist of several types of institutions, principally futures commission merchants (“FCMs”) (including FCMs that are also broker-dealers), U.S. banks and non-U.S. banks. In the event of a clearing participant insolvency, ICE Clear Credit is of the view, based on the advice of counsel in the relevant jurisdictions, that ICE Clear Credit would be permitted to exercise its rights to close out house positions and apply margin and other property of the defaulting clearing participant in accordance with its rules. With respect to customer positions, which must be carried through an FCM clearing participant, the submitted swap would constitute “commodity contracts” for purposes of the commodity broker liquidation provisions of the U.S. Bankruptcy Code. Under the Bankruptcy Code and the Commission's Part 190 regulations, ICE Clear Credit would have the ability to close out customer positions following the insolvency of the clearing participant and/or, in appropriate circumstances, facilitate a transfer of such positions to another, solvent clearing participant. Customer property provided in respect of submitted contracts would be subject to the protections for customer property under the Part 190 regulations for the cleared swaps account class. (Pending implementation of the Commission's Part 23 regulations for cleared swaps, ICE Clear Credit rules require segregation of customer property in a manner analogous to that required for futures under CEA Section 4d and Commission Rules 1.20-1.30.) As such, customer property would be subject to distribution to cleared swap customers of the insolvent FCM in accordance with those regulations.

With respect to an ICE Clear Credit insolvency, ICE Clear Credit would itself be a commodity broker subject to the Bankruptcy Code and Part 190 regulations. ICE Clear Credit believes, based on the advice of counsel, that under the applicable provisions of those laws and regulations, ICE Clear Credit rules providing for the termination of all outstanding contracts and the application and/or return of remaining member and customer property to clearing participants would similarly be enforceable.

§39.5(b)(3)(iii) Product Specifications

“Product specifications, including copies of any standardized legal documentation, generally accepted contract terms, standard practices for managing any life cycle events associated with the swap, and the extent to which the swap is electronically confirmable.”

The submitted swap is electronically confirmable. Lifecycle events are processed by ICE Clear Credit and DTCC subject to determinations committee and industry groups. Product specifications are included below.

26C. CDX Untranchd Emerging Markets.

The rules in this Subchapter 26C apply to the clearance of CDX.EM Untranchd Contracts.

26C-102. Definitions.

CDX.EM Untranchd Contract

A credit default swap in respect of any Eligible CDX.EM Untranchd Index and governed by any CDX.EM Untranchd Terms Supplement. A CDX.EM Untranchd Contract is a CDS Contract for purposes of Chapter 20.

CDX.EM Untranchd Publisher

Markit North America, Inc., or any successor sponsor of the Eligible CDX.EM Untranchd Indexes it publishes.

CDX.EM Untranchd Rules

The rules set forth in Chapters 1 through 8 and 20 through 22, inclusive, as modified by the provisions of this Subchapter 26C.

CDX.EM Untranchd Terms Supplement

The "CDX Untranchd Transactions Standard Terms Supplement", as published by Markit North America, Inc. on January 31, 2011.

Eligible CDX.EM Untranchd Index

Each particular series and version of a CDX.EM index or sub-index, as published by the CDX.EM Untranchd Publisher, included from time to time in the List of Eligible CDX.EM Untranchd Indexes.

List of Eligible CDX.EM Untranchd Indexes

The list of Eligible CDX.EM Untranchd Indexes, maintained, updated and published from time to time by the Board or its designee, specifying the following information with respect to each index:

- (a) the name and series, including any applicable sub-index designation;
- (b) the "Effective Date";
- (c) one or more eligible "Scheduled Termination Dates" and the applicable "Fixed Rate" for each such date;
- (d) the Relevant CDX.EM Untranchd Terms Supplement;

- (e) the versions (and related annex dates) eligible for clearing; and
- (f) any inactive versions (and related annex dates), i.e., those that have been determined to be fungible with later versions.

Relevant CDX.EM Untranching Terms Supplement

With respect to an Eligible CDX.EM Untranching Index, the CDX.EM Untranching Terms Supplement specified for such Eligible CDX.EM Untranching Index in the List of Eligible CDX.EM Untranching Indexes.

26C-309. Acceptance of CDX.EM Untranching Contracts by ICE Clear Credit.

- (a) A CDS Participant shall make all reasonable efforts to not submit a Trade for clearance as a CDX.EM Untranching Contract, and any such Trade shall not be a Conforming Trade, if the Novation Time would be:
 - (i) at a time when the Fallback Settlement Method is applicable to a Credit Event with respect to such CDX.EM Untranching Contract; or
 - (ii) at or after the close of business on the calendar day following the Auction Final Price Determination Date for a Credit Event with respect to such CDX.EM Untranching Contract;

(such time with respect to any CDX.EM Untranching Contract, the “**Clearance Cut-off Time**”); provided that ICE Clear Credit may, by written notice to all CDS Participants following consultation with the Risk Committee, designate a time other than the time determined pursuant to clauses (i) or (ii) above as the Clearance Cut-off Time with respect to any CDX.EM Untranching Contract. CDS Participants may again submit Trades for clearance as such CDX.EM Untranching Contract, and such Trades shall again be Conforming Trades, following receipt of notice from ICE Clear Credit that a Fungibility Date (as defined in Rule 26C-316) has occurred with respect to such CDX.EM Untranching Contract.

- (b) A CDS Participant shall as soon as reasonably practicable notify ICE Clear Credit if any Trade it has submitted for clearance was not at the time of submission, or ceases to be prior to the Novation Time, a Conforming Trade.

26C-315. Terms of the Cleared CDX.EM Untranching Contract.

- (a) Any capitalized term used in this Subchapter 26C but not defined in these CDX.EM Untranching Rules shall have the meaning provided in the Relevant CDX.EM Untranching Terms Supplement.
- (b) For purposes of the CDS Committee Rules, the CDS Region for each CDX.EM Untranching Contract is [the North American Region for Latin American Reference Entities, the European Region for European Reference Entities and the Asian Region for Asian Reference Entities (or for an issue not specific to a particular Reference Entity, the North American Region)].

- (c) Each CDX.EM Untranching Contract will be governed by the Relevant CDX.EM Untranching Terms Supplement, as modified by these CDX.EM Untranching Rules. In the event of any inconsistency between the Relevant CDX.EM Untranching Terms Supplement or the Confirmation (including in electronic form) for a CDX.EM Untranching Contract and these CDX.EM Untranching Rules, these CDX.EM Untranching Rules will govern.

26C-316. Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement.

- (a) Where the CDX.EM Untranching Publisher of an Eligible CDX.EM Untranching Index publishes one or more subsequent versions or annexes of the relevant series following a Credit Event or a Succession Event with respect to a Reference Entity included in such series, and the Board or its designee determines that CDX.EM Untranching Contracts referencing the earlier version or annex of such series are fungible with CDX.EM Untranching Contracts referencing a later version or annex of such series that is an Eligible CDX.EM Untranching Index and so notifies CDS Participants, CDX.EM Untranching Contracts referencing the earlier version or annex of such series shall become CDX.EM Untranching Contracts referencing such later version or annex of such series on the date determined by the Board or its designee (the “**CDX.EM Fungibility Date**”). Any CDX.EM Untranching Contracts referencing the earlier version or annex of such series submitted for clearing after the related CDX.EM Fungibility Date shall, upon acceptance for clearing, become a CDX.EM Untranching Contract referencing the latest version or annex of such series that the Board or its designee has determined is fungible with such earlier version or annex.
- (b) Where a new version of the CDX.EM Untranching Terms Supplement (a “**New CDX.EM Standard Terms**”) is published as of a date that is subsequent to the date of the version that is specified as the Relevant CDX.EM Untranching Terms Supplement for any CDX.EM Untranching Contract(s) (the “**Existing CDX.EM Standard Terms**”), and the Board or its designee determines that CDX.EM Untranching Contracts referencing the Existing CDX.EM Standard Terms are fungible with CDX.EM Untranching Contracts referencing the New CDX.EM Standard Terms, and so notifies CDS Participants, CDX.EM Untranching Contracts referencing the Existing CDX.EM Standard Terms shall become CDX.EM Untranching Contracts referencing the New CDX.EM Standard Terms on the date determined by the Board or its designee (the “**CDX.EM Standard Terms Update Date**” and each prior CDX.EM Untranching Terms Supplement subject to such determination, a “**Superseded CDX.EM Standard Terms**”). Any Trade referencing a Superseded CDX.EM Standard Terms submitted for clearing as a CDX.EM Untranching Contract shall, upon acceptance for clearing, become a CDX.EM Untranching Contract referencing the New CDX.EM Standard Terms.
- (c) The Board or its designee may determine a different Fungibility Date or CDX.EM Standard Terms Update Date applicable to individual CDX.EM Untranching Contracts or groups of CDX.EM Untranching Contracts or may determine a Fungibility Date or CDX.EM Standard Terms Update Date applicable to all CDX.EM Untranching Contracts referencing the earlier version or annex of a series or standard terms described in clauses (a) or (b) of this Rule, as it deems appropriate.

26C-317. Terms of CDX.EM Untranching Contracts.

With respect to each CDX.EM Untranching Contract, the following terms will apply:

- (a) Section 3.2(c)(i) of the Credit Derivatives Definitions is hereby amended by replacing the "or" at the end of subparagraph (B) thereof with an "and" and adding the following as a new subparagraph (C);

"(C) the tenth calendar day after the date of the actual decision by the relevant Regional CDS Committee (or Dispute Resolver) to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such CDX.EM Untranching Contracts; or".

- (b) Intentionally omitted.
- (c) For the purposes of any determination as to whether a Credit Event has occurred in respect of a Reference Entity or an Obligation thereof:
- (i) at any time up to but excluding June 20, 2009; or
 - (ii) if (A) a Credit Event Resolution Request Date occurs or (B) a Credit Event Notice and a Notice of Publicly Available Information are deemed delivered pursuant to Rule 2101-02(f) by a Notifying Party, in either case before June 20, 2009,

the Credit Event Backstop Date with respect to such determination shall be deemed to be the Effective Date.

- (d) Section 6.8 of the CDX.EM Untranching Terms Supplement is hereby modified by inserting "or a Succession Event Notice is deemed delivered pursuant to Rule 2101-02(f), in either case" before the words "before June 20, 2009".
- (e) Except for purposes of Rule 26C-317(c) and Section 1.23 of the Credit Derivatives Definitions, a Credit Event Notice and Notice of Publicly Available Information with respect to a CDX.EM Untranching Contract for a Credit Event other than Restructuring will be deemed to have been effectively delivered by the Notifying Party on the relevant Event Determination Date determined under the CDS Committee Rules only when the Resolution is effective, under the CDS Committee Rules, that a Credit Event other than Restructuring has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii), with respect to such CDX.EM Untranching Contract. Notwithstanding anything to the contrary in the Credit Derivatives Definitions, any delivery of a Credit Event Notice and/or Notice of Publicly Available Information by a CDS Participant (other than (i) the deemed delivery as provided in this Rule 26C-317(e) or (ii) notices with respect to a Restructuring Credit Event as provided in the CDS Restructuring Rules) shall not be valid. For the avoidance of doubt, Section 6.9 of the CDX.EM Untranching Terms Supplement shall not apply.
- (f) (i) Section 1.8(a)(ii)(A)(1)(3)(y) of the Credit Derivatives Definitions is hereby modified by replacing the term "Auction Final Price Determination Date" with the phrase "date that is one Relevant City Business Day prior to the Auction Settlement Date".
- (ii) Section 1.30 of the Credit Derivatives Definitions is hereby modified by replacing the term "Auction Final Price Determination Date" in clause (ii) of the last sentence thereof with the phrase "date that is one Relevant City Business Day prior to the Auction Settlement Date".

- (g) The Settlement Method for particular CDX.EM Untranching Contracts will be Auction Settlement and the Fallback Settlement Method will be Physical Settlement in accordance with the CDS Physical Settlement Rules.
- (h) With respect to CDX.EM Untranching Contracts for which it is Resolved by the applicable Regional CDS Committee (or applicable Dispute Resolver) or Credit Derivatives Determinations Committee that a Credit Event has occurred for which there is Publicly Available Information, as described in CDS Committee Rule 2101-02(a)(iii) or the DC Rules, as applicable, Buyer may not deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is the Fallback Settlement Method due to the occurrence of one of the events in Section 12.1 of the Credit Derivatives Definitions and as further provided in the CDS Physical Settlement Rules. For the avoidance of doubt, the effectiveness of any Notice of Physical Settlement and obligations relating thereto are subject to the suspension and finality provisions of Sections 6.5 and 9.1(c)(iii) of the Credit Derivatives Definitions.
- (i) ICE Clear Credit is deemed an Index Party for purposes of Paragraph 6.1(b) of the CDX.EM Untranching Standard Terms Supplement.
- (j) Section 6.5(c)(ii) of the CDX.EM Untranching Standard Terms Supplement is amended by adding at the end, immediately after "(such new Transaction, a 'New Trade') the following: "and except that the Reference Obligation for the purposes of the New Trade will be the Reference Obligation for the Restructured Entity in question as specified by ICE Clear Credit following consultation with the CDS Risk Committee."
- (k) The following terms will apply to each CDX.EM Untranching Contract:
 - (i) The "Agreement" is the Participant Agreement between the relevant CDS Participant and ICE Clear Credit.
 - (ii) The "Source of Relevant Annex" is "Publisher".
 - (iii) The "Effective Date" is the date specified in the List of Eligible CDX.EM Indexes for the relevant Index.
 - (iv) The "Calculation Agent" is ICE Clear Credit, except as provided in the CDS Committee Rules.
 - (v) There are no "Excluded Reference Entities".
 - (vi) "De Minimis Cash Settlement" is not applicable.
 - (vii) The "Fixed Rate" is the rate specified in the List of Eligible CDX.EM Indexes for the relevant Index and Scheduled Termination Date.
 - (viii) The "Initial Payment Date" will be the date that is the first Business Day immediately following the Trade Date; provided that with respect to a CDX.EM Untranching Contract that is accepted for clearing pursuant to Rule 309 after the Trade Date thereof, the "Initial Payment Date" will be the date that is the first Business Day following the date as of which such CDX.EM Untranching Contract is accepted for clearing pursuant to Rule 309.

- (l) For each CDX.EM Untranching Contract, the following terms will be determined according to the particular CDX.EM Untranching Contract submitted for clearing:
- (i) Which of the Eligible CDX.EM Untranching Indexes is the "Index".
 - (ii) The "Annex Date".
 - (iii) The "Trade Date".
 - (iv) Which of the eligible Scheduled Termination Dates specified for the Index in the List of Eligible CDX.EM Untranching Indexes is the "Scheduled Termination Date".
 - (v) The "Original Notional Amount".
 - (vi) The "Floating Rate Payer".
 - (vii) The "Fixed Rate Payer".
 - (viii) The "Initial Payment Payer".
 - (ix) The "Initial Payment Amount".

26E. CDS Restructuring Rules.

The rules in this Subchapter 26E apply to the clearance of Contracts for which Restructuring is a Credit Event.

26E-102 Definitions

Matched CDS Buyer

The Buyer in a Matched Restructuring Pair.

Matched CDS Buyer Contract

A CDS Contract (or part thereof) between a Matched CDS Buyer for a Matched Restructuring Pair and ICE Clear Credit having a Floating Rate Payer Calculation Amount equal to the MP Amount relating to that Matched Restructuring Pair.

Matched CDS Contract

A Matched CDS Seller Contract or a Matched CDS Buyer Contract.

Matched CDS Seller

The Seller in a Matched Restructuring Pair.

Matched CDS Seller Contract

A CDS Contract (or part thereof) between a Matched CDS Seller for a Matched Restructuring Pair and ICE Clear Credit having a Floating Rate Payer Calculation Amount equal to the MP Amount relating to that Matched Restructuring Pair.

Matched Restructuring Pair

Following a CDS Contract becoming a Restructuring CDS Contract pursuant to these Rules, a matched pair of a Buyer and a Seller under such Restructuring CDS Contract with an allocated Floating Rate Payer Calculation Amount, as determined by ICE Clear Credit in accordance with the CDS Restructuring Rules.

MP Amount

An amount equal to the portion of a Floating Rate Payer Calculation Amount in respect of which ICE Clear Credit matches a Matched Restructuring Pair.

Regional CDS Committee Restructuring Announcement

The announcement by ICE Clear Credit that a Regional CDS Committee (or Dispute Resolver) has Resolved that an event that constitutes a Restructuring has occurred with respect to one or more CDS Contracts.

Restructuring CDS Contract

A CDS Contract (or, in respect of a CDS Contract that relates to an index, a CDS Contract which is a Component Transaction (including a New Trade)) that is subject to a Restructuring Credit Event Announcement; provided that if, after such announcement has been made, a further DC Credit Event Announcement or Regional CDS Committee Announcement is made of the occurrence of a Credit Event other than Restructuring in relation to the Reference Entity, such CDS Contract, to the extent that it has not become a Triggered Restructuring CDS Contract, will cease to be a Restructuring CDS Contract and provided further that any Restructuring CDS Contract, to the extent that it is not a Triggered Restructuring CDS Contract, in respect of which an effective Restructuring Credit Event Notice can no longer be delivered will cease to be a Restructuring CDS Contract and will thereafter be a CDS Contract subject to the provisions of these Rules.

Restructuring Credit Event Announcement

A DC Credit Event Announcement in respect of Restructuring Credit Event or a Regional CDS Committee Restructuring Announcement.

Restructuring Reference Entity

The Reference Entity in respect of which a DC Credit Event Announcement or Regional CDS Committee Restructuring Announcement has been made in respect of a Restructuring Credit Event.

Triggered Restructuring CDS Contract

An Open CDS Position (or portion thereof) in a Restructuring CDS Contract that is the subject of an effective Restructuring Credit Event Notice pursuant to the CDS Restructuring Rules.

26E-103 Allocation of Matched Restructuring Pairs

- (a) With respect to a Restructuring CDS Contract, following the occurrence of the DC Credit Event Announcement or Regional CDS Committee Restructuring Announcement:
 - (i) ICE Clear Credit will match each Seller with one or more Buyers each of which is party to a Restructuring CDS Contract of the same type (such

Restructuring CDS Contracts thereby becoming Matched CDS Contracts and each matched CDS Seller and CDS Buyer becoming a Matched Restructuring Pair), such that the Floating Rate Payer Calculation Amount related to each Matched CDS Seller under each Matched CDS Contract is fully allocated to one or more CDS Buyers under Matched CDS Contracts of the same type as the Matched CDS Seller Contract; and

(ii) ICE Clear Credit will notify each relevant CDS Buyer and CDS Seller of the Matched CDS Contracts, Matched CDS Buyer and Matched CDS Seller (such notice, for purposes of this Rule, the "**Matched Restructuring Pair Notice**") and the associated MP Amount.

- (b) If ICE Clear Credit has delivered a Matched Restructuring Pair Notice that specifies a MP Amount that is less than the outstanding Floating Rate Payer Calculation Amount applicable to a Matched CDS Contract to which such Matched Restructuring Pair Notice relates, the relevant rights and obligations of ICE Clear Credit and the relevant CDS Participant pursuant to the Matched CDS Contract shall, with effect from the date such Matched Restructuring Pair Notice is effective, be construed as if ICE Clear Credit and the relevant CDS Participant have entered into two Restructuring CDS Contracts, one of which has a Floating Rate Payer Calculation Amount equal to the MP Amount and the other of which has a Floating Rate Payer Calculation Amount equal to the Floating Rate Payer Calculation Amount outstanding immediately prior to delivery of such Matched Restructuring Pair Notice minus the MP Amount.
- (c) With respect to a Triggered Restructuring CDS contract to which Physical Settlement applies (including as a result of a fallback settlement) under Chapter 22 of the Rules, the related Matched Restructuring Pair will also constitute a Matched Delivery Pair for purposes of Chapter 22 of the Rules.

26E-104 Matched Restructuring Pairs: Designations and Notices

- (a) In respect of each Matched CDS Buyer Contract which is the subject of a Matched Restructuring Pair, ICE Clear Credit, pursuant to Section 9.2(c)(iv) of the Credit Derivatives Definitions (as may be modified in the ICE Clear Credit Procedures), as designator, shall be deemed to have designated the Matched CDS Seller in such Matched Restructuring Pair as its designee:
- (i) to receive on its behalf from the Matched CDS Buyer in the Matched Restructuring Pair, Credit Event Notices in relation to any Restructuring CDS Contract in respect of which a Restructuring Credit Event Announcement has been made;
- (ii) to deliver on its behalf to the Matched CDS Buyer in the Matched Restructuring Pair Credit Event Notices in respect of which a Restructuring Credit Event Announcement has been made.
- (b) In respect of each Matched CDS Seller Contract which is the subject of a Matched Restructuring Pair, ICE Clear Credit, pursuant to Section 9.2(c)(iv) of the Credit Derivatives Definitions (as may be modified in the ICE Clear Credit Procedures), as designator, shall be deemed to have designated the Matched CDS Buyer in such Matched Restructuring Pair as its designee:

- (i) to deliver on its behalf to the Matched CDS Seller in the Matched Restructuring Pair, Credit Event Notices in relation to any Restructuring CDS Contract in respect of which a Restructuring Credit Event Announcement has been made;
- (ii) to receive on its behalf from the Matched CDS Seller in the Matched Restructuring Pair Credit Event Notices in relation to any Restructuring CDS Contract in respect of which a Restructuring Credit Event Announcement has been made;
- (c) In relation to each Matched Restructuring Pair:
 - (i) the exercise of any rights by the Matched CDS Buyer against ICE Clear Credit under a Matched CDS Buyer Contract shall be deemed to constitute the exercise of equal and simultaneous rights by ICE Clear Credit against the Matched CDS Seller under the Matched CDS Seller Contract in the relevant Matched Restructuring Pair;
 - (ii) the exercise of any rights of the Matched CDS Seller against ICE Clear Credit under a Matched CDS Seller Contract shall be deemed to constitute the exercise of equal and simultaneous rights by ICE Clear Credit against the Matched CDS Buyer under the Matched CDS Buyer Contract in the relevant Matched Restructuring Pair;
 - (iii) where the Matched CDS Buyer validly delivers or serves any notice to the Matched CDS Seller in accordance with the Rules, such notice shall be effective with respect to both the Matched CDS Buyer Contract and the Matched CDS Seller Contract; and
 - (iv) where the Matched CDS Seller validly delivers or serves any notice to the Matched CDS Buyer in accordance with the Rules, such notice shall be effective with respect to both the Matched CDS Buyer Contract and the Matched CDS Seller Contract.
- (d) Following delivery by a Matched CDS Buyer or Matched CDS Seller of any notice of a nature referred to in subsection (a) or (b) (any such notice, a "**MP Notice**"), the CDS Participant that delivered such MP Notice shall, at the times and in the circumstances specified by ICE Clear Credit, deliver a written copy of such MP Notice to ICE Clear Credit. ICE Clear Credit will provide a copy of the copy of each MP Notice received by it to both CDS Participants in each Matched Restructuring Pair under which an MP Notice has been served or appears to have been served. Any CDS Participant in a Matched Restructuring Pair which disputes any MP Notice, or which considers that an MP Notice additional to those copied to it by ICE Clear Credit has been served, must inform ICE Clear Credit. Unless ICE Clear Credit receives any notice disputing an MP Notice, ICE Clear Credit will update its and Deriv/SERV's records and will require the relevant CDS Participants to update Deriv/SERV's records on the basis of the MP Notices (or on the basis of equivalent information) notified by ICE Clear Credit to the Matched CDS Buyer and Matched CDS Seller in the Matched Restructuring Pair. ICE Clear Credit shall not be obliged to act upon any disputed MP Notice until the relevant dispute has been resolved.
- (e) The Matched CDS Buyer and Matched CDS Seller in each Matched Restructuring Pair shall each make such payments and deliveries and deliver

such notices in relation to settlement to one another and to ICE Clear Credit as are required pursuant to a Matched CDS Contract, these Rules or Applicable Laws.

26E-105 Separation of Matched Restructuring Pairs

(a) If:-

- (i) a Restructuring Credit Event Announcement has been made; and
- (ii) a subsequent announcement by the relevant decision body has been made that the relevant Restructuring Credit Event did not in fact occur,

then:

(I) to the extent that ICE Clear Credit has not by then matched Sellers with Buyers to form Matched Restructuring Pairs in relation to the relevant CDS Contracts, pursuant to Rule 26E-103, it shall not do so; and

(II) to the extent that ICE Clear Credit has by then matched Sellers with Buyers to form Matched Restructuring Pairs in relation to the relevant CDS Contracts pursuant to Rule 26E-103, ICE Clear Credit shall:

(A) with respect to relevant CDS Contracts to which Auction Settlement is applicable and where the subsequent resolution of the relevant decision body in (ii) above occurs prior to the Auction Final Price Determination Date, reverse such matching; and

(B) with respect to relevant CDS Contracts to which the Fallback Settlement Method is applicable, to the extent that ICE Clear Credit has by then matched CDS Sellers with CDS Buyers to form Matched Restructuring Pairs in relation to the relevant CDS Contracts pursuant to Rule 26E-103, ICE Clear Credit shall, as soon as reasonably practicable, give a Matching Reversal Notice to the Seller and Buyer forming each affected Matched Restructuring Pair of the proposal to reverse such matching and shall thereafter reverse such matching, provided that ICE Clear Credit will not reverse any matching to the extent that the Matched CDS Buyer or Matched CDS Seller has, not later than one Business Day after the Matching Reversal Notice, given notice to ICE Clear Credit that the relevant Matched Restructuring Pair have settled the relevant Matched CDS Contracts (or part thereof).

- (b) In relation to any Matched CDS Contract for which the matching of the related Matched Restructuring Pair is reversed pursuant to subsection (a) of this Rule, ICE Clear Credit will recalculate Margin on the basis that such CDS Contract is no longer a Matched CDS Contract and will adjust the Margin required by it accordingly.
- (c) In relation to any Matched CDS Contract for which the matching of the related Matched Restructuring Pair is reversed pursuant to subsection (a) of this Rule, any notices sent by the Matched CDS Buyer or the Matched CDS Seller to the other for the purposes or in connection with the settlement of the relevant Matched CDS Contracts will be deemed not to have been delivered and will be ineffective.

- (d) For the avoidance of doubt, reversal of a Matched CDS Contract means that the relevant CDS Participants together with ICE Clear Credit will restore the CDS Contracts that existed before the initial Credit Event determination occurred including by amending records in Deriv/SERV.

§39.5(b)(3)(iv) Participant Eligibility

“Participant eligibility standards, if different from the derivatives clearing organization’s general participant eligibility standards.”

The participant eligibility standards related to the Index are not different from ICE Clear Credit’s general participant eligibility standards.

§39.5(b)(3)(v) Price Discovery

“Pricing sources, models, and procedures, demonstrating an ability to obtain sufficient price data to measure credit exposures in a timely and accurate manner, including any agreements with clearing members to provide price data and copies of executed agreements with third-party price vendors, and information about any price reference index used, such as the name of the index, the source that calculates it, the methodology used to calculate the price reference index and how often it is calculated, and when and where it is published publicly.”

See Appendix 7 of the ICE Clear Credit Risk Management Framework attached hereto as Confidential Exhibit B.

See Markit Data and Settlement Price Data License Agreement dated March 6, 2009, previously submitted as Confidential Exhibit C on March 27, 2012.

See Amendment to Markit Data and Settlement Price Data License Agreement dated December 17, 2010, previously submitted as Confidential Exhibit D on March 27, 2012.

§39.5(b)(3)(vi) Risk Management

“Risk management procedures, including measurement and monitoring of credit exposures, initial and variation margin methodology, methodologies for stress testing and back testing, settlement procedures, and default management procedures.”

See the ICE Clear Credit Risk Management Framework attached hereto as Confidential Exhibit B.

See the ICE Clear Credit Risk Management Backtesting Framework, previously submitted as Confidential Exhibit E on March 27, 2012.

See the ICE Clear Credit Risk Management Stress Testing Framework, previously submitted as Confidential Exhibit F on March 27, 2012.

§39.5(b)(3)(vii) Rules, Policies and Procedures

ICE Clear Credit maintains a comprehensive set of rules that are publicly available and may be viewed at https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Rules.pdf and are listed herein as Exhibit A.

See the ICE Clear Credit Risk Management Framework attached hereto as Confidential Exhibit B.

§39.5(b)(3)(viii) Communication to Members Regarding this Submission

“A description of the manner in which the derivatives clearing organization has provided notice of the submission to its members and a summary of any views on the submission expressed by the members (a copy of the notice to members shall be included with the submission).”

ICE Clear Credit posted a copy of this submission (absent any confidential exhibits) on its public website on May 31, 2012. Written comments relating to the submission have not been solicited or received. ICE Clear Credit will notify the CFTC of any written comments received by ICE Clear Credit.

Pursuant to applicable law, ICE Clear Credit respectfully requests confidential treatment of the confidential exhibits attached as part of this submission and any other information or documents which may at any time be submitted in connection with this submission and which may be marked “Confidential” or for which confidential treatment may be requested.

Confidential treatment of the confidential exhibits attached as part of this submission and any subsequent related documents is justified under the Freedom of Information Act, 5 U.S.C. § 552, *et seq.* and the Rules Regarding Availability of Information, 12 C.F.R. § 261.15 (2006). The confidential exhibits attached as part of this submission contain confidential business and commercial information regarding (together with confidential intellectual property) related to ICE Clear Credit’s clearing facility for credit default swaps and ICE Clear Credit’s clearing participants, the disclosure of which could have a material adverse effect on, and cause injury to, the operations and competitive position of ICE Clear Credit and its clearing participants. We believe that the confidential exhibits are entitled to protection pursuant to exemptions (b)(4) and (b)(8) of the Freedom of Information Act. In particular, the confidential exhibits provide information that is useful to potential competitors and would be competitively harmful to ICE Clear Credit and its clearing participants if disclosed to the public.

In the event that a determination is made to release any confidential portion of this submission, we respectfully request an opportunity to discuss or to revise as appropriate prior to such release.

If you should have any questions or comments, please do not hesitate to contact me at 312-836-6810.

Respectfully submitted,



Christopher S. Edmonds
President

cc: Ananda Radhakrishnan, U.S. Commodity Futures Trading Commission
Erik Remmler, U.S. Commodity Futures Trading Commission
Brian O'Keefe, U.S. Commodity Futures Trading Commission
Sara Josephson, U.S. Commodity Futures Trading Commission
Phyllis Dietz, U.S. Commodity Futures Trading Commission
Heidi M. Rauh, U.S. Commodity Futures Trading Commission
Kevin R. McClear, ICE Clear Credit LLC
Ian Springle, ICE Clear Credit LLC

Enc: Exhibit A – ICE Clear Credit Rules available at:
https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Rules.pdf
Confidential Exhibit B – ICE Clear Credit Risk Management Framework