



December 1, 2011

Elizabeth Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: File Number SR-ICC-2011-03: ICE Clear Credit LLC's Proposed Rule  
Change to Adopt Enhanced Margin Methodology, dated November 7, 2011

Dear Ms. Murphy,

The Swaps & Derivatives Market Association ("SDMA") appreciates the opportunity to provide comment to the Securities and Exchange Commission ("SEC") regarding ICE Clear Credit LLC's ("ICE Credit") Proposed Rule Change to Adopt Enhanced Margin Methodology (the "Proposed Rule Change"), dated November 7, 2011.

The SDMA is a non-profit financial trade group formed in 2010 to support the goals of the Dodd Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). It believes that the systemic risk of OTC derivatives can be mitigated through their regulation, the creation of central clearing, and by ensuring open and transparent access to ensure greater competition, lower transaction costs and improved liquidity. The SDMA is comprised of many US and internationally based Broker-Dealers, Investment Banks, Futures Commission Merchants and Asset Managers participating in all segments of the exchange-traded and over-the-counter derivatives and securities markets. The SDMA supports the goals of the Title VII of the Dodd-Frank Act, and the amendments to the Securities Exchange Act which create a comprehensive regulatory framework for the trading of security-based swaps.

One of the key goals of the Dodd-Frank Act is the reduction of systemic risk through the use of central clearing. The inability to net the margin of single name credit default swaps ("CDS") with credit indices, where appropriate, significantly reduces the economic efficiencies that can be gained from portfolio margining thus limiting clearing's ability to work effectively.

As a result of the high correlation between single name CDS and credit indices, it is a common practice for market participants to maintain hedged portfolios of single name CDS and credit index positions.

The clearing member portfolio margining program will allow proprietary account holders to gain the significant benefits in capital efficiency that result from portfolio margining.

The SDMA supports the movement of the industry towards portfolio margining generally as it provides capital efficiencies and lower costs. We support ICE Credit's Proposed Rule Change because it optimizes more efficient risk management through netting which in turn promotes a more stable regime.

The SDMA believes that portfolio margining is good for the marketplace. We understand that ICE Credit filed a separate petition with the SEC on November 7, 2011 for Exemptive Relief pursuant to Section 716 of Title VII of the Dodd-Frank Act to permit ICE Credit to: (a) commingle customer funds in omnibus accounts for positions in single name CDS and broad-based credit indices; (b) calculate margin for commingled accounts pursuant to a portfolio margining program approved by the Commodity Futures Trading Commission ("CFTC") and the SEC; and (c) provide similar relief to entities that have dual registration as Broker-Dealers and Futures Commission Merchants that maintain clearing accounts for customers at ICE Credit. The SDMA supports the approval of ICE Credit's Proposed Rule Change as an initial positive step for the industry and urges the SEC to grant the pending Exemptive Relief petition in conjunction with, or as soon as possible thereafter, the approval of ICE Credit's Proposed Rule Change. The comingling of customer accounts and portfolio margining will encourage the maintenance of hedged portfolios of CDS positions. The SDMA believes that hedged CDS portfolios promote the reduction of systemic risk.

Therefore, the SDMA respectfully requests that ICE Credit's Proposed Rule Change to Adopt Enhanced Margin Methodology be granted and additionally encourages the SEC to grant the pending Exemptive Relief petition in conjunction with, or as soon as possible thereafter, the approval of ICE Credit's Proposed Rule Change.

Respectfully Submitted,



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