

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-73231; File No. SR-ICC-2014-15)

September 26, 2014

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Clarify the Implementation of the Revised 2014 ISDA Credit Derivatives Definitions

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder² notice is hereby given that on September 19, 2014, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared primarily by ICC. ICC filed the proposal pursuant to Section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(4)(i)⁴ thereunder, so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The principal purpose of the proposed changes is to amend the ICC Clearing Rules (the “Rules”) in order to make clarifying changes related to the implementation of the revised Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. (“ISDA”) on February 21, 2014 (the “2014 ISDA Definitions”) in light of changes in the timing of the industry-wide ISDA protocol.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4)(i).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. ICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

On September 5, 2014, the Commission issued an order approving ICC's rule filing consisting of proposed amendments to the ICC Rules to incorporate references to the 2014 ISDA Definitions (ICC-2014-11).⁵ At the time of filing, the planned industry implementation date for the 2014 ISDA Definitions was September 22, 2014. As has been publicly announced by ISDA, following member feedback, the implementation date for the conversion of existing transactions to the 2014 ISDA Definitions under the ISDA protocol has been delayed until October 6, 2014. In addition, the industry consensus date for the commencement of trading of new transactions based on the 2014 ISDA Definitions has similarly been delayed until October 6, 2014, with the exception of certain European corporate, financial and sovereign CDS contracts for which new transactions based on the 2014 ISDA Definitions may be entered into commencing on September 22, 2014 (so-called "protocol excluded transactions"). In an effort to maintain consistency across the CDS marketplace, ICC proposes to modify its Rules so that the implementation of

⁵ Order Approving Proposed Rule Change, as Modified by Amendment No. 2 Thereto, to Revise Rules to Provide for the 2014 ISDA Definitions, Securities Exchange Act Release No. 34-73007 (September 5, 2014), 79 FR 54331 (September 15, 2014) (SR-ICC-2014-11).

clearing of contracts using the 2014 ISDA Definitions at ICC is consistent with this revised schedule.

ICC proposes to amend its rules to change the definition of the term “2003/2014 Changeover Effective Date” from September 22, 2014 to October 6, 2014 (or such later date as may be designated by ICE Clear Credit by Circular), in order to remain consistent with the approach being taken throughout the CDS market. ICC also proposes to make conforming changes throughout the ICC Rules to include reference to recently finalized Standard Terms Supplements related to the index products cleared by ICC. ICC believes such changes will facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which it is responsible. The proposed Rule revisions are described in detail as follows.

In Rule 20-102 (Definitions), the 2003/2014 Changeover Effective Date, or the date that ICC will convert converting indices and single names to 2014 ISDA Definitions, was changed to October 6, 2014 (or such later date as may be designated by ICE Clear Credit by Circular) to reflect the delay in the effective date for changes to existing trades under the industry protocol, as described above. Additionally, the definition of Converting Contracts was revised to correct a grammatical typo, revising “components” to the singular, “component.”

Following initial publication of the 2014 ISDA Definitions, two versions of the Standard Terms Supplements referred to in Subchapters 26A, 26C and 26F were issued. In order to be explicitly clear and avoid any potential confusion, ICC has incorporated reference to both the “Legacy 2014 Supplement” and “New 2014 Supplement,” together the “2014 Supplements” in the definitions of “CDX.NA Untranchured Terms Supplement,” “CDX.EM Untranchured Terms Supplement” and “iTraxx Europe Untranchured Terms Supplement.” Reference to such other

supplements as may be specified for each index is also added to reflect ICC's continued intention to be consistent with Standard Terms Supplements issued by the industry. Corresponding clarifying changes are made throughout Subchapters 26A, 26C and 26F to properly reference the 2014 Supplements. Consistent with the approach taken in current provisions in the ICC Rules that apply to pre-2014 Standard Terms Supplements, the revisions clarify that certain provisions of the new referenced standard terms supplements relating to bilateral delivery of credit event notices and certain other notices do not apply in the context of cleared contracts. Specifically updates are made in ICC Rules 26A-316, 26A-317, 26C-316, 26C-317, 26F-316 and 26F-317.

Section 17A(b)(3)(F) of the Act⁶ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions and to comply with the provisions of the Act and the rules and regulations thereunder. ICC believes that the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(F),⁷ because ICC believes that the proposed rule changes will facilitate the prompt and accurate clearance and settlement of swaps. ICC believes the changes proposed herein will provide clarity and accommodate for changes required by the industry following the approval of ICC-2014-11. As stated in ICC-2014-11, in an effort to achieve consistency across the CDS marketplace, ICC's implementation plan is intended to be fully consistent with the planned ISDA protocol implementation. The conforming and clarifying changes related to the revised 2014 ISDA Definitions ensure that ICC's implementation plan is fully consistent with the planned ISDA protocol implementation. As such, the proposed rule changes will facilitate the prompt and

⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ Id.

accurate clearance and settlement of swaps within the control of ICC within the meaning of Section 17A(b)(3)(F)⁸ of the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

ICC does not believe the proposed rule changes would have any impact, or impose any burden, on competition. The clarifying changes related to the revised 2014 ISDA Definitions apply uniformly across all market participants. Therefore, ICC does not believe the proposed rule changes impose any burden on competition that is inappropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)⁹ of the Act and Rule 19b-4(f)(4)(i)¹⁰ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

⁸ Id.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(4)(i).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ICC-2014-15 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-ICC-2014-15. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the

principal office of ICE Clear Credit and on ICE Clear Credit’s website at <https://www.theice.com/clear-credit/regulation>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ICC-2014-15 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Kevin M. O’Neill
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).