

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-73347; File No. SR-ICC-2014-16)

October 14, 2014

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change Related to ICC's Use of House Initial Margin as an Internal Liquidity Resource

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 1, 2014, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by ICC. 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 rule change is to amend ICC Clearing Rule 402(j) ("Rule 402(j)") in order to provide further clarity regarding ICC's intention to return any Clearing Participant's House Initial Margin used as an internal liquidity resource.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

On August 28, 2014, the Securities Exchange Commission (the "Commission") issued an order approving ICC's rule filing consisting of proposed amendments related to ICC's authority to use Guaranty Fund and House Initial Margin as an internal liquidity resource (ICC-2014-08).³ ICC proposes changes to Rule 402(j) to provide further clarity regarding ICC's intention to return any Clearing Participant House Initial Margin used as an internal liquidity resource.

Under Rule 402(j), ICC may, in connection with a Clearing Participant default, (i) exchange House Initial Margin held in the form of cash for securities of equivalent value and/or (ii) exchange House Initial Margin held in the form of cash in one currency for cash of equivalent value in a different currency. ICC proposes adding language to clarify that ICC will engage in liquidity exchanges pursuant to Rule 402(j) on a temporary basis. Further, ICC proposes amending Rule 402(j) to state that ICC will reverse any such exchange involving a Clearing Participant's Initial Margin in its House Account as soon as practicable following the conclusion of the event requiring the exchange of a Clearing Participant's Initial Margin for liquidity purposes (i.e., as quickly as possible following the conclusion of the liquidity event). It is likely that the duration of the liquidity event will be significantly shorter than the amount of time necessary to complete the default management process for the event which gave rise to the liquidity need. ICC also proposes amending Rule 402(j) to delete general references to ICC's liquidity policies and procedures and instead used the defined term "ICE Clear Credit Procedures" found throughout the ICC Rules.

³ Order Approving Proposed Rule Change Related to ICC's Authority to Use Guaranty Fund and House Initial Margin as an Internal Liquidity Resource, Securities Exchange Act Release No. 34-72944 (Aug. 28, 2014), 79 FR 52789 (Sept. 4, 2014) (SR-ICC-2014-08).

Section 17A(b)(3)(F) of the Act⁴ 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 change is 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),⁵ because ICC believes that the proposed rule change will assure the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions. The proposed changes to the ICC Rules provide additional clarity regarding ICC's intention to return any House Initial Margin used as an internal liquidity resource. ICC believes the proposed revisions provide further clarity and transparency in the ICC Rules. ICC believes clarity and transparency in its Rules is of value to the market in order to provide a comprehensive understanding of ICC's available liquidity resources and default management procedures related to liquidity. As such, the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions within the meaning of Section 17A(b)(3)(F)⁶ of the Act.

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

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition. The clarification regarding the unwind of the liquidity exchange with respect to a Clearing Participant's House Initial Margin applies uniformly across all market

⁴ 15 U.S.C. 78q-1(b)(3)(F).

⁵ Id.

⁶ Id.

participants. Therefore, ICC does not believe the proposed rule change imposes 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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days of such date (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the proposed rule change or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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-2014-16 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-2014-16. 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 also will 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-2014-16 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.⁷

Kevin M. O'Neill
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).