

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-70496; File No. SR-ICC-2013-07)

September 25, 2013

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change to Provide for the Clearance of Standard Emerging European and Middle Eastern Sovereign Single Names

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 17, 2013, 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 purpose of proposed rule change is to adopt rules that will provide the basis for ICC to clear additional credit default swap contracts. Specifically, ICC is proposing to amend Section 26D of its Rules to provide for the clearance of additional Standard Emerging Sovereign Single Name constituents of the CDX Emerging Markets Index (“SES Contracts”). Currently, ICC clears four Standard Latin America Sovereign Single Name constituents of the CDX Emerging Markets Index. The proposed changes to the ICC Rules would provide for the clearance of Standard Emerging European and Middle Eastern Sovereign Single Name constituents of the CDX Emerging Markets Index, specifically the Republic of Turkey and the Russian Federation (the “SEEME Contracts”).

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

ICC currently clears four Standard Latin America Sovereign SES Contracts. The addition of the SEEME Contracts will allow market participants an increased ability to manage risk. ICC believes that clearance of the SEEME Contracts will facilitate the prompt and accurate settlement of security-based swaps and contribute to the safeguarding of securities and funds associated with security-based swap transactions. ICC is requesting approval for SEEME Contracts on two sovereign reference entities, the Republic of Turkey and the Russian Federation.

SEEME Contracts have similar terms to the Standard Latin America Sovereign Single Name constituents of the CDX Emerging Markets Index currently cleared by ICC and governed by Section 26D of the ICC rules. Accordingly, the proposed changes to Section 26D of the ICC rules include the addition of "Standard Emerging European and Middle Eastern Sovereign" as a Transaction Type for SES Contracts and the addition of the European Region as the CDS Region for SEEME Contracts.

Rule 26D-102 is modified to indicate the specific Eligible SES Reference Entities to be cleared by ICC, namely the Federative Republic of Brazil, the United Mexican States, the

Bolivian Republic of Venezuela, the Argentine Republic, the Republic of Turkey and the Russian Federation.

Rules 26D-303 (SES Contract Adjustments) and 26D-315 (Terms of the Cleared SES Contract) are modified to incorporate SEEME Contracts as a Transaction Type for SES Contracts.

Rule 26D-309 is modified to state specifically that ICC will not accept a trade for clearance and settlement if at the time of submission or acceptance of the trade or at the time of novation the CDS Participant submitting the trade is domiciled in the country of the Eligible SES Reference Entity for such SES Contract.

Rule 26D-315(b) is also modified to indicate that for purposes of the CDS Committee Rules, for SEEME Contracts the CDS Region is the European Region.

Section 17A(b)(3)(F) of the Act<sup>3</sup> 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. 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), because ICC believes that the clearance of SEEME Contracts will facilitate the prompt and accurate settlement of securities, specifically security-based swaps, and contribute to the safeguarding of securities and funds associated with security-based swap transactions in ICC's custody or control, or for which ICC is responsible.

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<sup>3</sup> 15 U.S.C. 78q-1(b)(3)(F).

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

SEEME Contracts will be available to all ICC Participants for clearing. The clearing of SEEME Contracts by ICC does not preclude the offering of SEEME Contracts for clearing by other market participants. Therefore, ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition.

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 (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](mailto:rule-comments@sec.gov). Please include File Number SR-ICC-2013-07 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-ICC-2013-07. 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/notices/Notices.shtml?regulatoryFilings>.

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-2013-07 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.<sup>4</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>4</sup> 17 CFR 200.30-3(a)(12).