

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103487; File No. SR-ICC-2025-007]

Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICE Clear Credit Recovery Plan and the ICE Clear Credit Wind-Down Plan

July 17, 2025.

I. Introduction

On May 19, 2025, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change (the “Proposed Rule Change”) to revise its (i) Recovery Plan (the “Recovery Plan”), and (ii) the Wind-Down Plan (the “Wind-Down Plan”) (collectively, the “Plans”). The Proposed Rule Change was published for comment in the *Federal Register* on June 4, 2025.³ The Commission has not received any comments on the Proposed Rule Change. For the reasons discussed below, the Commission is approving the Proposed Rule Change.

II. Description of the Proposed Rule Change

A. Background

ICC is registered with the Commission as a clearing agency for the purpose of clearing CDS contracts.⁴ ICC is a central counterparty, which means that it interposes itself as the buyer

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Exchange Act Release No. 103151 (May 29, 2025), 90 FR 23744 (June 4, 2025) (File No. SR-ICC-2025-007) (“Notice ICC-2025-007”).

⁴ Capitalized terms not otherwise defined herein have the meanings assigned to them in ICC’s Clearing Rules or the Treasury Policy Plans, as applicable.

to every seller and the seller to every buyer for transactions in CDS contracts. Because it acts as a central counterparty, ICC is a “covered clearing agency” as defined in Rule 17ad-22(a).⁵ As such, ICC is regulatorily obligated to have (i) a recovery plan to address any uncovered loss, liquidity shortfall, or capital inadequacy, whether arising from participant default or other causes, as necessary to maintain its viability as a going concern and to continue its provision of core services and (ii) a wind-down plan which describes the tools and strategies for conducting an orderly wind-down of ICC.⁶

ICC proposes to make changes to the Plans, which include the policies and procedures that ICC uses to govern its recovery and wind-down. ICC has stated that the Proposed Rule Change amends its Plans to satisfy the requirements of Rule 17ad-26,⁷ which establishes the definitions of “Recovery” and “Orderly wind-down,” and requires that plans for the recovery and orderly wind-down of a covered clearing agency, such as ICC, identify and include certain specific elements.⁸ In addition to incorporating the required elements, the Proposed Rule Change makes conforming updates and technical revisions consistent with Rule 17ad-26, including incorporating key terms as defined in the Rule. The Proposed Rule Change also amends the Plans to reflect changes ICC made to its internal governance last year; remove outdated references; and update financial and operational information related to ICC.

⁵ Rule 17ad-22(a) defines “covered clearing agency” as a “registered clearing agency that provides the services of a central counterparty or central securities depository.” Rule 17ad-22(a) further defines “central counterparty” as “a clearing agency that interposes itself between the counterparties to securities transactions, acting functionally as the buyer to every seller and the seller to every buyer.” 17 CFR 240.17ad-22(a).

⁶ Rule 17ad-26(b) defines “orderly wind-down” as “the actions of a covered clearing agency to effect the permanent cessation, sale, or transfer of one or more of its core services . . . in a manner that would not increase the risk of significant liquidity, credit, or operational problems spreading among financial institutions or markets and thereby threaten the stability of the U.S. financial system.”

⁷ 17 CFR 240.17ad-26.

⁸ *See* Notice ICC-2025-007, 90 FR at 23745.

B. Updates to incorporate new SEC requirements as to a covered clearing agency's Recovery Plan and Wind-Down Plan.

ICC proposes to update the Plans due to the adoption of new Rule 17ad-26.⁹ The new rule broadly covers certain requirements for the recovery and orderly wind-down plans of covered clearing agencies. ICC's Recovery Plan is designed to maintain its viability as a going concern under certain financial conditions that threatens its viability, and ICC proposes to amend the plan, specifically Section III, entitled "Regulatory Requirements for the Recovery Plan," to incorporate a summary describing Rule 17ad-26 and its applicability. In addition to the summary, ICC also proposes to add multiple references to Rule 17ad-26 throughout the Recovery Plan, where applicable. ICC proposes to make the same changes to its Wind-Down Plan.

ICC also proposes to add additional language in the Plans to identify core services necessary for its viability. Proposed Section V.B of the Recovery Plan and proposed Section VII.B.1 of the Wind-Down Plan adds language discussing such core services, the availability of such services through both internal and external service providers, and the staffing roles and functions necessary to support such services, both on a daily basis, as well as in the event of a recovery.

C. The documentation of the removal and addition of groups in the Plans in order to align with previously made governance changes.

ICC proposes to make changes to relevant aspects of the Plans relating to ICC's Board of Managers and internal committees and groups to ensure that certain governance changes made

⁹ Covered Clearing Agency Resilience and Recovery and Orderly Wind-Down Plans, Exchange Act Release No. 101446 (Oct. 25, 2024), 89 FR 9100 (Nov. 18, 2024) (File No. S7-10-23).

by ICC last year to comport with SEC Rules are accurately reflected in the Plans.¹⁰

For example, to comport with Rule 17ad-25(c), which lays out certain requirements for clearing agency board of directors and conflict of interests, ICC added a Board level Nominating Committee in 2024.¹¹ To ensure that the new Nominating Committee is reflected in the Plans, ICC proposes to add references to the Nominating Committee where applicable throughout the Recovery Plan, and to add to the Recovery Plan Sub-Section IV.C.3.vi, ‘Nominating Committee,’ which would describe the composition of the Committee and the role of the Committee, including in evaluating the independence of members of ICC’s Board.

Similarly, ICC proposes to make additional updates to the Plans to describe the addition of other groups and committees, or, where applicable, their removal.¹²

First, ICC proposes to update the Plans to reflect changes to the composition of ICC’s Risk Committee, which occurred in 2024, specifically as to size and membership. To describe these changes, ICC proposes to revise ‘Management/Governance’, Section IV.C of the Recovery Plan and IV.B of the Wind-Down Plan.

ICC also proposes to amend the Plans to reflect the addition of the Risk Advisory Group to ICC’s governance structure in 2024 by adding Sub-Section IV.C.2.ii, ‘Risk Advisory Working Group,’ to the Recovery Plan and Section IV.C.2.ii to the Wind-Down Plan. ICC has stated that the Risk Advisory Group is required by regulation and is a forum to seek risk-based input from a broad array of market participants regarding matters that could materially affect the risk profile

¹⁰ See Notice ICC-2025-007, 90 FR at 23745. The proposed changes would update the Plans to accurately reflect prior governance changes, but would not make additional substantive changes to the Plans.

¹¹ See Exchange Act Release No. 101820 (Dec. 5, 2024), 89 FR 99917 (Dec. 11, 2024) (File No. ICC-2024-010).

¹² See Exchange Act Release No. 101382 (Oct. 18, 2024), 89 FR 84979 (Oct. 24, 2024) (File No. ICC-2024-009) (“Notice ICC-2024-009”).

of ICC.¹³ ICC proposes that these amendments to the Plans include information regarding the description, role and composition of the working group.

ICC proposes to amend the Plans to reflect the elimination of the Advisory Committee and the Risk Management Subcommittee by removing references to those groups from the Plans,¹⁴ and also to change references within the Plans that summarize ICC’s current governance structure and reflect the changes listed above. For example, ICC proposes to revise a chart in Section IV.C of the Recovery Plan and Section IV.B of the Wind-Down Plan, titled ‘Management/Governance,’ to reflect the addition and removal of these groups.

ICC also proposes to make changes to the Plans to reflect non-policy personnel changes to its Board. As ICC has stated, certain Board members were replaced by ICC due to varied circumstances, and ICC has proposed including those changes within the Plans.¹⁵ Such personnel changes, as outlined by ICC, also include title changes, and the Plans are intended to reflect such changes as well.

D. Terminology and other substantive changes related to the ORMF

ICC also proposes to make changes to the Recovery Plan to reflect both substantive updates and non-substantive terminology changes that ICC made to its Operational Risk Management Framework (“ORMF”) in 2024.¹⁶ For example, regarding non-substantive terminology changes, ICC proposes renaming Section V of the Recovery Plan from “Critical Services & Providers of Critical Services” to “Clearing Services & Service Providers,” and renaming Section VI.C of the Wind-Down Plan from “Continuation of the Critical Operation and

¹³ See Notice ICC-2025-007, 90 FR at 23745.

¹⁴ See Notice ICC-2025-007, 89 FR at 84979.

¹⁵ See Notice ICC-2025-007, 90 FR at 23746.

¹⁶ See Exchange Act Release No. 101819 (Dec. 5, 2024), 89 FR 99949 (Dec. 11, 2024) (File No. ICC-2024-011).

Critical Service in Wind Down” to “Continuation of the Critical Operations and Clearing Services in Wind Down” to be consistent with and reflect changes and clarifications previously made to the ORMF.¹⁷

Other changes to the Plans proposed by ICC would reflect more substantive prior changes to the ORMF. For example, ICC proposes to remove a bullet point list of items in Section V.A.2. of the Recovery Plan and Section VII.B of the Wind-Down Plan that may be included in the risk assessments of third parties providing critical services, and to include a bullet point list of items that may be included in the risk assessments of external service providers for core services (“SPCS”) in new Section V.B of the Recovery Plan and Section V.B.1 of the Wind-Down Plan. Additionally, ICC proposes to update a description of how ICC identifies and manages its SPCS, both external and internal, consistent with the prior changes to its ORMF noted above.

Similarly, ICC previously updated its internal analysis of various contractual agreements with its external service providers. To reflect those changes in the Plans, ICC now proposes to update the relevant contractual agreements analysis within Section VI of the Recovery Plan, titled ‘Interconnections and Interdependencies,’ and within Section VIII of the Wind-Down Plan, titled ‘Contractual Agreements-Impact on Wind-Down Plan.’

Similarly, in 2024 ICC reorganized and consolidated certain of its key internal reports to increase efficiency and transparency.¹⁸ To reflect these changes in the Plans, ICC proposes to update ‘Exhibit 35: Key ICC Reports and Descriptions’ within Section XII of the Recovery Plan to reflect the changes to these reports it made in 2024.

¹⁷ See Notice ICC-2025-007, 90 FR at 23746.

¹⁸ See Exchange Act Release No. 100620 (July 31, 2024), 89 FR 63997 (Aug. 6, 2024) (File No. SR-ICC-2024-004).

E. Non-substantive informational updates

ICC also proposes to make routine informational updates to the Plans to ensure that references to certain financial and other data remain current and accurate as that data changes or is updated. For example, the proposed changes would update certain financial data in Section IV.D of the Recovery Plan, such as ICC's revenue, volume, and expense data, as well as the balance sheet information reflected in Section VIII.B of the Recovery Plan. As another example, ICC would update the employee headcounts referenced in the Recovery Plan with current headcounts. ICC intends to make identical updates to the corresponding sections of the Wind-Down Plan.

F. Testing of the Plan

ICC also proposes to update Section IX.B of the Recovery Plan, titled 'Governance Structure and Controls,' and Section X of the Wind-Down Plan, titled 'Wind-Down Plan Governance,' to provide additional details regarding ICC's testing of the Plans. ICC proposes several changes, including: clarification that the Plans will be tested at least every twelve months, rather than annually; clarification that testing of the Recovery Plan will include the participation of Clearing Participants and, when practical, other stakeholders;¹⁹ confirmation that its testing of the Recovery Plan will be in addition to ICC's annual default management drills and exercises; including that when Recovery Plan testing is of a non-default loss scenario, ICC will consider whether it is appropriate or practical to have Clearing Participants involved in the testing; and adding that ICC will also consider including certain other stakeholders in such testing, which ICC has stated is regulatorily required.²⁰ Additionally, ICC proposes to update

¹⁹ With respect to the Wind-Down Plan, ICC will consider whether it is appropriate or practical to have Clearing Participants involved in the testing.

²⁰ See Notice ICC-2025-007, 90 FR at 23746.

Section X of the Wind-Down Plan to add the process that certain members of ICC, including senior management, the Risk Committee, and the Board, must take following the test of a wind-down.

G. Administrative corrections to the Plans

ICC proposes certain other non-substantive drafting changes and improvements to the Plans, such as the correction of typographical errors, the re-numbering of sub-sections to reflect the addition and deletion of sub-sections as described above, and updating the revision history in the Plans.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the organization.²¹ Under the Commission’s Rules of Practice, the “burden to demonstrate that a proposed rule change is consistent with the Exchange Act and the rules and regulations issued thereunder . . . is on the self-regulatory organization [‘SRO’] that proposed the rule change.”²²

The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding,²³ and any failure of an SRO to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Exchange Act and the

²¹ 15 U.S.C. 78s(b)(2)(C).

²² Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

²³ *Id.*

applicable rules and regulations.²⁴ Moreover, “unquestioning reliance” on an SRO’s representations in a proposed rule change is not sufficient to justify Commission approval of a proposed rule change.²⁵

After carefully considering the Proposed Rule Change, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC. More specifically, for the reasons given below, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Act,²⁶ and Rules 17ad-22(e)(3)(ii),²⁷ 17ad-26(a)(1),²⁸ and 17ad-26(a)(8)²⁹ thereunder, as described in detail below.

A. Consistency with Section 17A(b)(3)(F) of the Act

Under Section 17A(b)(3)(F) of the Act, ICC’s rules, among other things, must be designed to promote the prompt and accurate clearance and settlement of securities transactions.³⁰ Based on a review of the record, and for the reasons discussed below, the Proposed Rule Change is consistent with Section 17A(b)(3)(F).³¹

A recovery, wind-down, or business disruption could lead to the failure of ICC’s business operations, which could, in turn, inhibit the safeguarding of securities and funds that ICC controls. Because the Recovery Plan and the Wind-Down Plan would facilitate the continuity

²⁴ *Id.*

²⁵ *Susquehanna Int’l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017).

²⁶ 15 U.S.C. 78q-1(b)(3)(F).

²⁷ 17 CFR 240.17ad-22(e)(3)(ii).

²⁸ 17 CFR 240.17ad-26(a)(1).

²⁹ 17 CFR 240.17ad-26(a)(8).

³⁰ 15 U.S.C. 78q-1(b)(3)(F).

³¹ *See infra* Section III.B (Consistency with Rule 17ad-22(e)(3)(ii) under the Act) and Sections III.C – G (Consistency with Rule 17ad-26(a) under the Act).

and orderly functioning of ICC's clearing services in the case of a recovery, wind-down, or business disruption, the plans help ensure that ICC can continue to operate in those situations, and thus continue clearing and settling securities transactions. Improving the Plans through the updates and changes described above is therefore consistent with Section 17A(b)(3)(F).³²

As noted above, the Proposed Rule Change primarily would update the Plans with current information about ICC's internal governance groups and committees, finances, and Board. By providing the most current information for ICC's Board, internal governance, and finances, the proposed rule change will support ICC's ability to monitor its finances and compare its regulatory capital. This in turn will help ensure ICC has the financial resources to promptly and accurately clear and settle transactions during recovery and, if necessary, conduct an orderly wind-down.

The changes proposed by ICC help ensure visibility into and transparency of the Plans and into the processes ICC has developed to ensure continuity, or an effective wind-down, should certain circumstances threaten its viability. Additionally, the updated information ensures that the Plans remain current and relevant, and thereby effectively serve their intended purpose. Since both the transparency and relevancy of the Plans are factors that support the Plans ability to help facilitate the continuity and orderly functioning of ICC in the case of a recovery or wind-down, those factors help ensure ICC it can meet its business obligations in such situations, and thus continue clearing and settling securities transactions.

For these reasons, the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(F) of the Act.³³

³² *Id.*

³³ 15 U.S.C. 78q-1(b)(3)(F).

B. Consistency with Rule 17ad-22(e)(3)(ii)

Rule 17ad-22(e)(3)(ii) requires that ICC “establish implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency, which includes plans for the recovery and orderly wind-down of the covered clearing agency necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses.”³⁴

As described above, ICC proposes to make current descriptions of its governance structure and align provisions within the Plans with each other, ICC’s Rules, and other policies. For example, ICC proposes changes to reflect the addition and removal of certain groups and committees that participate in its internal governance processes, or which reflect its current governance structure, such as identifying new members of the Board and title changes. Separately, ICC proposes several changes to its Plans to provide for internal consistency. Further, the proposed changes would update important financial and operational information described in the Plans,³⁵ and further strengthen the Plans with a series of additional corrections, clarifications, and updates.³⁶

These proposed changes will make the information provided in the Plans more accurate and useful, provide a more accurate and usable playbook for ICC or source of information for a resolution authority, and reduce the risk that the Plans may not contain current information. As

³⁴ 17 CFR 240.17ad-22(e)(3)(ii).

³⁵ *See supra* Section II.E.

³⁶ *See supra* Sections II.E. and II.G.

such, these changes would provide a more up-to-date and useful set of information for the relevant authorities to carry out any needed recovery and resolution planning more expeditiously.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17ad-22(e)(3)(ii) under the Act.³⁷

C. Consistency with Rule 17ad-26(a)(1) under the Act

Rule 17ad-26(a)(1) requires ICC's plans for recovery and orderly-wind down to "identify and describe the covered clearing agency's core payment, clearing, and settlement services and address how the covered clearing agency would continue to provide such core services in the event of a recovery and during an orderly wind-down, including by identifying the staffing roles necessary to support such core services; and analyzing how such staffing roles necessary to support such core services would continue in the event of a recovery and during an orderly wind-down."³⁸ Based on a review of the record, and for the reasons discussed below, ICC's proposed rule change is consistent with Rule 17ad-26(a)(1).

As described above, ICC's proposed changes identify staffing roles necessary to support core services. Staffing roles do not refer to specific personnel or employees, but instead to positions, roles, and personnel functions that are necessary for the continuation of core services. ICC's proposed changes list key staffing roles necessary for ICC to continue providing its core services in the event of a recovery or wind-down. The Proposed Rule Change also analyzes how staffing roles necessary to support core services would continue in the event of a recovery and during an orderly wind-down. For example, ICC proposes to add text to the Plans indicating that

³⁷ 17 CFR 240.17ad-22(e)(3)(ii).

³⁸ 17 CFR 240.17ad-26(a)(1).

ICC's Management may need to utilize cross training or retention bonuses to address reduced staffing to ensure the continuation of core services.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17ad-26(a)(1).³⁹

D. Consistency with Rule 17ad-26(a)(8) under the Act

Rule 17ad-26(a)(8), in part, requires ICC's Plans for recovery and orderly wind-down to "include procedures for testing the covered clearing agency's ability to implement the recovery and orderly wind-down plans at least every 12 months, including by requiring the covered clearing agency's participants and when practicable other stakeholders to participate in the testing of its plans; . . . providing for reporting the results of such testing to the covered clearing agency's board of directors and senior management; and specifying the procedures for, as appropriate, amending the plans to address the results of such testing."⁴⁰ Based on a review of the record, and for the reasons discussed below, ICC's proposed rule change is consistent with Rule 17ad-26(a)(8).

As described above, ICC proposes to add language to the Plans requiring testing of ICC's ability to implement the plan at least every 12 months and clarifying that such testing will include the participation of Clearing Participants and, when practical, other stakeholders. Furthermore, the proposed changes would confirm that ICC's testing of the Recovery Plan would be in addition to ICC's annual default management drills and exercises and would specify that, when Recovery Plan testing is of a non-default loss scenario, ICC would consider whether it is appropriate or practical to have Clearing Participants involved in the testing. The proposed

³⁹ Id.

⁴⁰ 17 CFR 240.17ad-26(a)(8).

changes would also specify that ICC would consider including certain other stakeholders in such testing, which ICC has stated is regulatorily required. Finally, the Proposed Rule Change describes how ICC's Risk Committee and Board consider the results and recommendations from such testing.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17ad-26(a)(8).⁴¹

⁴¹ 17 CFR 240.17ad-26(a)(8).

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and in particular, Section 17A(b)(3)(F) of the Act,⁴² and Rules 17ad-22(e)(3)(ii),⁴³ 17ad-26(a)(1),⁴⁴ and 17ad-26(a)(8).⁴⁵

IT IS THEREFORE ORDERED pursuant to Section 19(b)(2) of the Act that the proposed rule change (SR-ICC-2025-007) be, and hereby is, approved.⁴⁶

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁴⁷

Sherry R. Haywood,

Assistant Secretary.

⁴² 15 U.S.C. 78q-1(b)(3)(F).

⁴³ 17 CFR 240.17ad-22(e)(3)(ii).

⁴⁴ 17 CFR 240.17ad-26(a)(1).

⁴⁵ 17 CFR 240.17ad-26(a)(8).

⁴⁶ In approving the proposed rule change, the Commission considered the proposal's impacts on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁴⁷ 17 CFR 200.30-3(a)(12).