

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104023; File No. SR-ICC-2025-011]

Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICC CDS Instrument On-boarding Policies and Procedures

September 23, 2025.

I. Introduction

On August 7, 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 to revise the ICC CDS Instrument On-boarding Policies and Procedures (the “Proposed Rule Change”). The Proposed Rule Change was published for comment in the *Federal Register* on August 15, 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

ICC is registered with the Commission as a clearing agency for the purpose of clearing CDS contracts for its Clearing Participants.⁴ The ICC CDS Instrument On-boarding Policies and Procedures (the “Instrument On-boarding Policy”) provide an overview of ICC’s on-boarding process for new instruments, which includes selecting new instruments for clearing, configuring

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 103687 (Aug. 12, 2025), 90 FR 39454 (Aug. 15, 2025) (File No. SR-ICC-2025-011) (“Notice”).

⁴ Capitalized terms not otherwise defined herein have the meanings assigned to them in ICC’s Clearing Rules or the Instrument On-boarding Policy, as applicable. The Rules are available at <https://www.ice.com/clear-credit/regulation>.

internal systems, notifying and receiving feedback from stakeholders, and ensuring operational readiness by ICC and its Clearing Participants.⁵ The Proposed Rule Change would amend the Instrument On-boarding Policy’s guiding principles that ICC maintains for instrument selection. ICC also proposes changes reflecting current practices and other updates; shortening the voluntary quote submission period for certain instruments; and making clarifying or non-substantive changes.

A. Changes to Guiding Principles

ICC maintains guiding principles in its Instrument On-boarding Policy for considering instruments for clearing. ICC states that these principles are designed to ensure that ICC proceeds in a prudent manner with respect to instrument selection while also providing the best opportunity for Clearing Participants to minimize their risk.⁶ ICC proposes changes to these guiding principles to promote its ability to consider additional instruments for clearing.⁷

One of the current guiding principles directs ICC to consider instruments for clearing that are constituents of currently clearable On-The-Run (“OTR”) indices. This principle was originally designed to provide the market with additional instruments to hedge and mitigate indirect risk exposure from OTR indices.⁸ ICC states that market participants hedge and mitigate indirect risk exposure from OTR and non-OTR credit default swap (“CDS”) indices with constituents of those indices.⁹ Thus, ICC proposes removing OTR indices from this principle. As proposed, the principle would consider instruments for clearing that are

⁵ Notice, 90 FR at 39454.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*; Securities Exchange Act Release No. 93581 (Nov. 16, 2021), 86 FR 66382, 66382 (Nov. 22, 2021) (File No. SR-ICC-2021-019).

⁹ Notice, 90 FR at 39454.

constituents of currently clearable indices, whether currently OTR or not.¹⁰

ICC's guiding principles also currently include an open interest and a volume threshold for instruments that are not constituents of currently clearable OTR indices. Specifically, these principles currently direct ICC to consider: 1) instruments with uncleared gross notional open interest equal to or greater than the average combined cleared open interest and bilateral open interest of instruments belonging to the same, currently cleared instrument types among ICC Clearing Participants; 2) instruments with an average bilateral weekly volume equal to or greater than the average bilateral and cleared volume across all currently cleared instrument types over the last twelve months and with an average weekly volume of at least five contracts per week over the last twelve months; or 3) instruments with bilateral open interest held by at least half, but no less than three, Clearing Participant Affiliate Groups ("AGs"). ICC states that these guiding principles allow it to consider the most liquid single names for clearing.¹¹

ICC proposes to expand its guiding principles that would apply to instruments that are not constituents of currently clearable indices. As proposed, these principles would direct ICC to consider: 1) instruments with any uncleared gross notional open interest among ICC Clearing Participants (rather than those with a specified uncleared gross notional open interest); 2) instruments with an average bilateral weekly volume equal to or greater than the average cleared volume across currently cleared instruments belonging to the same product type over the last twelve months (removing the reference to bilateral cleared volume and the requirement for an average weekly volume of at least five contracts); or 3) instruments with bilateral open interest

¹⁰ For the same reason, ICC proposes removing the OTR concept from the guiding principles that apply to instruments that are not constituents of currently clearable OTR indices. Under the Proposed Rule Change, this group of principles would apply to instruments that are not constituents of currently clearable indices, whether OTR or not.

¹¹ Notice, 90 FR at 39454.

held by at least three AGs (removing the requirement that bilateral open interest be held by at least half of the AGs). ICC states that these proposed changes would allow it to consider additional, currently less-liquid, single name instruments for clearing that are held widely enough by Clearing Participants and have sufficient trading volume and market liquidity.¹²

B. Changes Reflecting Current Practices and Other Updates

ICC also proposes several changes to the Instrument On-boarding Policy reflecting its current practices and updates. These proposed changes relate to ICC's governance, operations, and instruments that are outside the scope of the standard on-boarding process.

With respect to governance, ICC recently established its Board Risk Committee and Risk Advisory Working Group.¹³ The Board Risk Committee reviews required changes to the ICC Rulebook and risk methodology related to on-boarding new instruments.¹⁴ The Risk Advisory Working Group reviews matters that could materially affect the risk profile of ICC, including the addition of a new product category or material modifications to ICC's risk methodology.¹⁵ ICC proposes adding references to these recently established groups to memorialize their roles.¹⁶ ICC also proposes removing outdated references to the Risk Management Subcommittee in Section IV because this subcommittee no longer exists.¹⁷

ICC also proposes changes related to operations in the Instrument On-boarding Procedures. In Sections III and V, ICC proposes removing a reference to a service provider for

¹² *Id.*

¹³ *Id.* at 39455; Securities Exchange Act Release No. 101382 (Oct. 18, 2024), 89 FR 84979, 84979 (Oct. 24, 2024) (File No. SR-ICC-2024-009); Securities Exchange Act Release No. 103161 (May 30, 2025), 90 FR 23970, 23970 (Jun. 5, 2025) (File No. SR-ICC-2025-006).

¹⁴ Notice, 90 FR at 39455.

¹⁵ *Id.*; ICC Clearing Rules, Rule 509.

¹⁶ Notice, 90 FR at 39455.

¹⁷ *Id.*

market data and intraday pricing. Currently, ICC service providers are subject to contractual arrangements entered into by authorized ICC officers and governed by the Operational Risk Management Framework, if appropriate.¹⁸ ICC states that it does not intend for the Instrument On-boarding Policy to list or control ICC service providers or manage the on-boarding or review of such providers.¹⁹ ICC also proposes removing a reference to an external system that it no longer uses for purposes of processing post-trade life cycle events in Section V.²⁰

Additionally, ICC proposes changes to the Instrument On-boarding Policy with respect to new instruments that are outside of the scope of the standard on-boarding process. Under the Instrument On-Board Policy as currently written, ICC excludes certain new instruments from the standard on-boarding process. According to ICC, these new instruments include a new index series of an already-cleared CDS index, with the new index series having updated reference entity constituents.²¹ ICC excludes new index series from the standard on-boarding process because ICC and its Clearing Participants are, in general, operationally ready for a new index series on the index roll date given the general consistency with existing index series that ICC already clears.²² Consistent with current practices, ICC proposes clarifying that for the new indices described above and corresponding new reference entity constituents falling under an already approved CDS index product type, ICC will begin clearing the new series from the index roll date followed by the corresponding new reference entity constituents(s) once ICC reviews

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.* Examples of post-trade life cycle events include coupon payments, credit events, and succession events.
Id.

²¹ *Id.*

²² *Id.*

the parameters and analysis with the relevant working groups.²³

ICC proposes an additional change related to instruments outside of the scope of the standard on-boarding process in Section VI. Consistent with current practices, ICC proposes specifying that it performs stress-testing for all proposed instruments, excluding those that are outside of the scope of the standard on-boarding process.²⁴

C. Shortening the Voluntary Quote Submission Period for Certain Instruments

ICC proposes shortening the voluntary quote submission period for instruments that are outside of the scope of the standard on-boarding process. Currently, the Instrument On-boarding Policy reflects that ICC collects voluntary quote submissions from Clearing Participants for a period of at least two weeks before beginning to clear a proposed instrument, including for instruments that are outside of the scope of the standard on-boarding process. To promote ICC's timely clearing of constituents of new index series following the index roll date, ICC proposes to collect voluntary quote submissions regarding instruments that are outside of the scope of the standard on-boarding process from Clearing Participants for a period of at least one week, instead of two weeks.²⁵ ICC states that this proposed change would not create operational problems because Clearing Participants are, in general, operationally ready for a new index series on the index roll date, including pricing constituents of the new index.²⁶

D. Changes Making Clarifying or Non-Substantive Changes

ICC also proposes clarifying and non-substantive changes to the Instrument On-boarding

²³ *Id.* Specifically, ICC reviews the pricing parameters and analysis with the Trading Advisory Group and the risk parameters with the Risk Working Group.

²⁴ *Id.* Instead of stress-testing, ICC conducts pricing and risk parameter analyses which are reviewed with relevant working groups for instruments that are outside of the scope of the standard on-boarding process. *Id.* at 39455 n.13.

²⁵ *Id.* at 39455.

²⁶ *Id.*

Policy, including the following.

- ICC proposes replacing “instrument type” with “product type” throughout the Instrument On-boarding Policy. ICC states that this proposed change is intended to improve the document’s clarity and to mirror the product-specific subchapters of the ICC Rulebook.²⁷
- ICC proposes clarifying footnotes to distinguish between the terms “product type” and “product category.” ICC identifies its approved product types in Chapter 26 of the ICC Rules.²⁸ Product categories are collections of product types. ICC also proposes adding that Index Swaptions represent a product category and not a product type.
- ICC proposes updating certain instrument naming conventions to be consistent with the terminology in the ICC Rulebook or industry terminology.²⁹
- ICC proposes to update the name of the publisher of a certain new index series to be current and to make a conforming change in a footnote.³⁰
- In Section V, ICC proposes to remove an introductory phrase to clarify that the selection of reference obligations has more than just one purpose.³¹
- ICC proposes clarifying that it generally maintains a list of the versions of the Credit Derivatives Physical Settlement Matrix that are applicable, rather than a

²⁷ *Id.*

²⁸ *Id.*; ICC Rules.

²⁹ Notice, 90 FR at 39455-56.

³⁰ *Id.* at 39456.

³¹ *Id.*

separate list for each reference entity.³²

- ICC proposes adding defined terms in quotations, updating a policy name to match its current title, updating references to the ICC Rules, adding “ICC” as a qualifier in front of certain department and committee names, and making certain grammatical updates.³³

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act requires 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.³⁴ 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.”³⁵

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,³⁶ 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 applicable rules and regulations.³⁷ Moreover, “unquestioning reliance” on an SRO’s

³² *Id.*

³³ *Id.*

³⁴ 15 U.S.C. 78s(b)(2)(C).

³⁵ Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

³⁶ *Id.*

³⁷ *Id.*

representations in a proposed rule change is not sufficient to justify Commission approval of a proposed rule change.³⁸

After carefully considering the Proposed Rule Change, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Act³⁹ and Rule 17ad-22(e)(21)⁴⁰ 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 and . . . to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible”⁴¹ 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).

As discussed in Section II. A above, ICC proposes two groups of changes to its guiding principles for considering instruments for clearing. First, ICC proposes considering instruments for clearing that are constituents of currently clearable indices rather than instruments that are constituents of currently clearable OTR indices. Second, ICC proposes changes to its open interest and volume thresholds.

Regarding the first category of changes, ICC indicates that market participants hedge and mitigate indirect risk exposure from OTR and non-OTR CDS indices with constituents of those

³⁸ *Susquehanna Int’l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017).

³⁹ 15 U.S.C. 78q-1(b)(3)(F).

⁴⁰ 17 CFR 240.17ad-22(e)(21).

⁴¹ 15 U.S.C. 78q-1(b)(3)(F).

indices.⁴² The first group of changes may encourage ICC to select for clearing instruments that could help ICC's clearing participants mitigate indirect risk exposure from OTR and non-OTR indices. The potential for risk mitigation may encourage Clearing Participants to centrally clear additional transactions and ultimately allow market participants to mitigate their indirect risk exposure from OTR and non-OTR CDS indices, thus promoting the prompt and accurate clearance and settlement of these transactions.

Moreover, Clearing Participants' potential mitigation of their own indirect risk may reduce the overall risks to ICC in clearing and settling OTR and non-OTR indices. By managing risks related to clearing and settling OTR and non-OTR indices, ICC potentially avoids disruptions to its clearance and settlement of all products. Such disruptions could endanger securities and funds in ICC's custody and control. By potentially allowing Clearing Participants to centrally clear additional transactions and mitigating risk for ICC and its Clearing Participants, the first category of proposed changes promotes the prompt and accurate clearance and settlement of securities transactions and assures the safeguarding of securities and funds in ICC's custody and control.

With respect to the second category, ICC's proposed changes to open interest and volume thresholds in the guiding principles would expand the universe of securities that ICC could potentially clear and settle. By expanding the universe of securities that ICC could potentially clear and settle, the second category of proposed rule changes promotes the prompt and accurate clearance and settlement of the newly cleared instruments.

As discussed in Sections II. B and D above, ICC also proposes other amendments to its

⁴² Notice, 90 FR at 39454.

Instrument On-boarding Policy reflecting updates, changes reflecting its current practices,⁴³ clarifying changes, and non-substantive changes. For example, ICC proposes adding references to a recently established committee and working group, removing outdated references to a subcommittee and an external system, removing service provider information that does not belong in the Instrument On-boarding Policy as ICC does not intend for the Instrument On-boarding Policy to list or control ICC service providers or manage the on-boarding or review of such providers,⁴⁴ defining terms, clarifying changes,⁴⁵ and making grammatical updates. These proposed changes improve the clarity and accuracy of the Instrument On-boarding Policy. A clear and accurate Instrument On-boarding Policy helps lower the chance that there are any delays or disruptions to the instrument on-boarding process. Given the smoother process, these proposed changes promote the prompt and accurate clearance and settlement of securities transactions.

Finally, as discussed in Section II. C, ICC proposes collecting voluntary quote submissions regarding instruments that are outside of the scope of the standard on-boarding process from Clearing Participants for a period of at least one week, instead of two weeks, before beginning to clear a proposed instrument. ICC states that Clearing Participants are, in general, operationally ready for a new index series on the index roll date, including pricing constituents of the new index.⁴⁶ This proposed change would shorten the process for launching a proposed

⁴³ For example, ICC proposes specifying that it performs stress-testing for all proposed instruments, excluding those that are outside of the scope of the standard on-boarding process.

⁴⁴ Notice, 90 FR at 39455.

⁴⁵ For example, ICC proposes to clarify that for a specific new index series and corresponding new reference entity constituents falling under an already approved CDS index product type, ICC will begin clearing the new series from the index roll date followed by the corresponding new reference entity constituent(s) once ICC reviews the parameters and analysis with the relevant working groups, consistent with current practice.

⁴⁶ Notice, 90 FR at 39455.

instrument for clearing and settlement via ICC. Given the shorter launch process and operational preparedness of ICC’s Clearing Participants, this proposed change would promote the prompt and accurate clearance and settlement of securities transactions in these instruments.

Accordingly, the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(F) of the Act.⁴⁷

B. Consistency with Rule 17ad-22(e)(21)

Under Rule 17ad-22(e)(21), ICC must, “establish, implement, maintain and enforce written policies and procedures reasonably designed to . . . be efficient and effective in meeting the requirements of its participants and the markets it serves”⁴⁸ Based on a review of the record, and for the reasons discussed below, the Proposed Rule Change is consistent with Rule 17ad-22(e)(21).

The Commission has linked covered clearing agency efficiency and effectiveness with the scope of products that the covered clearing agency clears and settles. Specifically, it has stated that in establishing and maintaining policies and procedures that address efficiency and effectiveness, a covered clearing agency generally should consider, “whether its design meets the needs of its participants and the markets its serves, particularly with regard to . . . scope of products cleared, settled or recorded”⁴⁹

As noted above, in Section II.A, ICC proposes expanding the universe of securities it could potentially clear and settle through two categories of changes to its guiding principles for considering instruments for clearing. Under the first category, ICC would consider instruments

⁴⁷ 15 U.S.C. 78q-1(b)(3)(F).

⁴⁸ 17 CFR 240.17ad-22(e)(21).

⁴⁹ Securities Exchange Act Release No. 78961 (Sept. 28, 2016), 81 FR 70786, 70841 (Oct. 13, 2016) (File No. S7-03-14).

for clearing that are constituents of currently clearable indices rather than instruments that are constituents of currently clearable OTR indices. ICC is making this change because market participants hedge and mitigate indirect risk exposure from OTR and non-OTR CDS indices with constituents of those indices.⁵⁰ Under the second category of changes, ICC proposes expanding the open interest and volume thresholds in the guiding principles. The changes would, in turn, expand the universe of securities that ICC could potentially clear and settle. Instruments subject to the proposed guiding principles would still be subject to governance, risk, pricing, and operations reviews, which ultimately determine the instruments that ICC may clear.⁵¹ For example, prior to ICC approving an instrument for clearing, ICC's Risk Committee reviews a risk impact analysis and pricing analysis.⁵²

Both the first and second categories of changes to the guiding principles would result in ICC considering additional instruments for clearing. This could ultimately lead to ICC clearing additional instruments, particularly when Clearing Participants are seeking to clear the additional instruments (for instance, when the additional instruments would help the Clearing Participant hedge and mitigate indirect risk exposure from OTR and non-OTR indices). Because the proposed changes could lead to ICC clearing more instruments while maintaining certain risk management standards; the proposed changes could help ICC be efficient and effective in meeting the requirements of its participants and the markets it serves.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17ad-22(e)(21).⁵³

⁵⁰ Notice, 90 FR at 39454

⁵¹ *Id.* at 39454-55

⁵² *Id.* at 39455 n4.

⁵³ 17 CFR 240.17ad-22(e)(21).

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 Act⁵⁴ and Rule 17Ad-22(e)(21).⁵⁵

IT IS THEREFORE ORDERED pursuant to Section 19(b)(2) of the Act that the proposed rule change (SR-ICC-2025-011) be, and hereby is, approved.⁵⁶

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁵⁷

Sherry R. Haywood,

Assistant Secretary.

⁵⁴ 15 U.S.C. 78q-1(b)(3)(F).

⁵⁵ 17 CFR 240.17ad-22(e)(21).

⁵⁶ 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).

⁵⁷ 17 CFR 200.30-3(a)(12).