

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-72701; File No. SR-ICC-2014-11)

July 29, 2014

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change to Revise Rules to Provide for the 2014 ISDA Definitions

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 July 24, 2014, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change 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 change is to amend ICC rules to incorporate references to revised Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. (“ISDA”) on February 21, 2014 (the “2014 ISDA Definitions”). Consistent with the approach being taken throughout the CDS market, the industry standard 2014 ISDA Definitions will be applicable to certain products cleared by ICC beginning on September 22, 2014.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

1. Purpose

ICC submits proposed amendments to the ICC Clearing Rules (the “ICC Rules”) to incorporate references to the 2014 ISDA Definitions to be effective by the industry implementation date of September 22, 2014. ICC principally proposes to (i) revise the ICC Rules to make proper distinctions between the 2014 ISDA Definitions and the ISDA Credit Derivatives Definitions published previously in 2003 (as amended in 2009, the “2003 ISDA Definitions”) and related documentation; and (ii) make conforming changes throughout the ICC Rules to reference provisions from the proper ISDA Definitions. ICC also submits the ICC Restructuring Procedures revised to reflect proper distinctions between the 2003 ISDA Definitions and the 2014 ISDA Definitions. Finally, the ICC Risk Management Framework has been revised to reflect appropriate portfolio treatment between CDS Contracts cleared under the 2003 and 2014 ISDA Definitions.

As described by ISDA, the 2014 Definitions make a number of changes from the 2003 ISDA Definitions to the standard terms for CDS Contracts, including (i) introduction of new terms applicable to credit events involving financial reference entities and settlement of such credit events, (ii) introduction of new terms applicable to credit events involving sovereign reference entities and settlement of such credit events, (iii) implementation of standard reference obligations applicable to certain reference entities, and (iv) various other improvements and drafting updates that reflect market experience and developments since the 2009 amendments to the 2003 ISDA Definitions.

Commencing on the implementation date of September 22, 2014, ICC intends to accept for clearing new transactions in eligible contracts that reference the 2014 ISDA Definitions. In addition, the amendments will provide for the conversion of certain existing contracts (so-called “Converting Contracts”) currently based on the 2003 ISDA Definitions into contracts based on the 2014 ISDA Definitions. (This approach is consistent with expected industry practice for similar contracts not cleared by ICC, which will be subject to a multilateral amendment “protocol” sponsored by ISDA.) For contracts that are not Converting Contracts, ICC expects to continue to accept for clearing both new transactions referencing the 2014 ISDA Definitions and new transactions referencing the 2003 ISDA Definitions (and such contracts based on different definitions will not be fungible). The ISDA protocol implementation has been developed with a high level of industry involvement and consultation. ICC understands, through industry consensus, that ICC Participants plan to adhere to the ISDA protocol and would desire ICC to convert certain contracts cleared at ICC into contracts based on the 2014 ISDA Definitions, consistent with the ISDA protocol. Therefore, 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. ICC will publish on its website a list of Converting Contracts, which is expected to be the same as the list of contracts subject to the ISDA protocol. (Most ICC Contracts will be Converting Contracts with certain exceptions including CDS on sovereigns and certain financial reference entities.)

ICC proposes to amend Chapters 20, 21, 22 and 26 of the ICC Rules and the ICC Restructuring Procedures and ICC Risk Management Framework to provide for the 2014 ISDA Definitions. All capitalized terms not defined herein are defined in the ICC Rules. Each of these changes is described in detail as follows.

Chapter 20 of the ICC Rules (Credit Default Swaps), has been amended to provide new definitions for “2003/2014 Changeover Effective Date,” “2003 Definitions,” “2003-Type CDS Contract,” “2014 Definitions,” “2014-Type CDS Contract,” “Applicable Credit Derivatives Definitions” and “Converting Contacts.” The new definitions accommodate the 2014 ISDA Definitions and provide terms that allow for distinctions between the 2014 ISDA Definitions and the 2003 ISDA Definitions and have been applied throughout the ICC Rules. Additionally, the references in the definitions of “CDS Restructuring Rules” and “DC Rules” are updated. Rule 20-103 “Interpretation Relating to Index CDS Contracts” is added to clarify that the determination of whether the 2003 or 2014 ISDA Definitions applies may be made separately for each component transaction in the index. Finally, Rule 20-617(g) is revised to remove a cross-reference to the definition of “SR Auction” because SR Auction is defined as appropriate in multiple Subchapters, specifically, 26B, 26D and 26G.

Chapter 21 (Regional CDS Committees and Dispute Resolution Procedures) and Chapter 22 (CDS Physical Settlement) of the ICC Rules have been revised to include references, as appropriate, to the 2014 ISDA Definitions as well as the current 2003 ISDA Definitions. Within Chapter 21, ICC Rules 2101-02(a), (c), (d), (e), (f), 2103-02(c) and 2106-04 are updated to make reference to the parallel provisions of the 2014 ISDA Definitions in conjunction with the existing references to specific provisions of the 2003 ISDA Definitions. In addition, those rules are updated to incorporate certain new concepts in the 2014 ISDA Definitions, particularly the concept of Asset Package Credit Events for financial and sovereign reference entities. Such events may result in the delivery of a specified asset package in lieu of an otherwise qualifying deliverable obligation, and the revised rules provide for certain decisions that may need to be taken with respect to such asset packages in such circumstances. In Chapter 22, ICC Rules

2202(d) and 2203(a) also are updated to make parallel reference to the provisions of the 2014 ISDA Definitions in conjunction with the existing references to specific provisions of the 2003 ISDA Definitions.

Chapter 26 of the ICC Rules (Cleared CDS Products) is revised as applicable to implement the definitional changes in Chapter 20 of the ICC Rules and the 2014 ISDA Definitions. These changes include clarification of reference to provisions within the DC Rules, clarification as to whether previous references to “Credit Derivatives Definitions” are to the 2003 ISDA Definitions or the 2014 ISDA Definitions and the addition of provisions consistent with the 2014 ISDA Definitions. The revisions to Chapter 26 are intended to ensure that all ICC Cleared CDS Products are treated consistently with the Applicable ISDA Definitions in effect from time to time, as is in practice today.

Subchapter 26A (CDX Untranching North American IG/HY/XO) is revised as follows. In ICC Rule 26A-102 (Definitions), the definition of “CDX.NA Untranching Terms Supplement” is updated to include a reference to the new “CDX Untranching Transactions Standard Terms Supplement” expected to be published by Markit North America, Inc. on or about September 20, 2014 to incorporate the 2014 ISDA Definitions, in addition to the existing references to the CDX Untranching Standard Terms Supplements published on March 20, 2008 and January 31, 2011. Additionally in ICC Rule 26A-102 (Definitions), the definition of “List of Eligible CDX.NA Untranching Indexes” is revised in part (e) to state that the List of Eligible CDX.NA Untranching Indexes will specify the Applicable Credit Derivatives Definitions for each component of the Index, if applicable. ICC Rule 26A-316 (Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement) is revised in part (a) to add parallel references to Successor determinations under

the 2014 ISDA Definitions and in part (d) to provide that CDX.NA Untranching Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Date to reference the updated CDX Untranching Standard Terms Supplement. ICC Rule 26A-317 (Terms of CDX.NA Untranching Contracts) is revised to add references to provisions of the proper ISDA Definitions and Relevant CDX Untranching Terms Supplement versions for the CDX Untranching Contracts that ICC clears. Corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26A-317(a) reorganizes and consolidates existing provisions that apply to each CDX.NA Untranching Contract or component thereof to which the 2003 ISDA Definitions apply. ICC Rule 26A-317(a)(ix) was previously 26A-317(j) and has been reproduced with amended reference to the 2003 ISDA Definitions and the correct provisions within the 2003 ISDA Definitions. Correspondingly, ICC Rule 26A-317(b) is added to the ICC Rules to provide analogous terms that apply to each CDX.NA Untranching Contract or component thereof to which the 2014 ISDA Definitions apply. ICC Rule 26A-317(c) was previously the first sentence of 26A-317(i) and is unchanged and applies consistently to each CDX.NA Untranching Contract (whether under the 2003 or 2014 ISDA Definitions). ICC Rule 26A-317(d) is renumbered and the reference to the CDX.NA Untranching Terms Supplement is generalized, but otherwise remains unchanged.

Subchapter 26B (Standard North American Corporate (“SNAC”) Single Name) is revised as follows: In ICC Rule 26B-102 (Definitions), the definitions of “Eligible SNAC Reference Obligations,” “List of Eligible SNAC Reference Entities” and “SNAC Contract Reference Obligations” are updated to include reference to the Applicable Credit Derivatives Definitions and to provide for the use of Standard Reference Obligations, Financial Reference Entity Terms and eligible Seniority Levels under the 2014, ISDA Definitions, where applicable. The

restrictions on “self-referencing” transactions in ICC Rules 26B-203 (Restriction on Activity) and 26B-206 (Notices Required of Participants with Respect to SNAC Contracts) are revised to cover, in addition to transactions referencing CDS Participants, also transactions referencing Non-Participant Parties for whom such CDS Participant is acting. ICC Rule 26B-309 (Acceptance of SNAC Contracts by ICE Clear Credit) is revised in part (b)(iii) to add “Relevant” to the definition of Restructuring Credit Event (reflecting the use of that defined term in Subchapter 26E of the ICC Rules) and in part (e) to address relevant successor or other events under both 2003 and 2014-Type CDS Contracts. ICC Rule 26B-315 (Terms of the Cleared SNAC Contract) is revised to provide reference to provisions of the proper ISDA Definitions, and corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26B-315(d) reorganizes and consolidates existing provisions that apply to each SNAC Contract to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26B-315(e) is added to the ICC Rules to provide analogous provisions that apply to each SNAC Contract to which the 2014 ISDA Definitions apply. ICC Rule 26B-315(f) was previously the first sentence of 26B-315(h) and is unchanged (and applies to both SNAC Contracts under both the 2003 and 2014 ISDA Definitions). ICC Rule 26B-315(g) is revised to refer to the Applicable Credit Derivatives Definitions, as appropriate, including, in the case of 2014-Type CDS Contracts, any supplemental or additional provisions or Financial Reference Entity Terms specified as applicable in the List of Eligible SNAC Reference Entities. ICC Rule 26B-616 (Contract Modification) is revised in part (a) to provide for successors to SNAC Contracts and Standard Reference Obligations, as applicable under the ISDA Definitions, and part (b) is added to provide that SNAC Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Effective Date to be 2014-Type CDS Contracts.

Subchapter 26C (CDX Untranching Emerging Markets) is revised as follows: In ICC Rule 26C-102 (Definitions), the definition of “CDX.EM Untranching Terms Supplement” is updated to include a reference to the new “CDX Emerging Markets Untranching Transactions Standard Terms Supplement” expected to be published by Markit North America, Inc. on or about September 20, 2014 to incorporate the 2014 ISDA Definitions, in addition to the existing reference to the CDX.EM Untranching Standard Terms Supplement published on January 31, 2011. Additionally in ICC Rule 26C-102 (Definitions), the definition of “List of Eligible CDX.EM Untranching Indexes” is revised in part (e) to state that the List of Eligible CDX.EM Untranching Indexes will specify reference to the Applicable Credit Derivatives Definitions for each component of the Index, if applicable. ICC Rule 26C-316 (Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement) is revised in part (a) to add parallel references to Successor determinations under the 2014 ISDA Definitions and in part (d) to provide that CDX.EM Untranching Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Date to reference the updated CDX.EM Untranching Terms Supplement. ICC Rule 26C-317 (Terms of CDX.EM Untranching Contracts) is revised to add references to provisions of the proper ISDA Definitions and Relevant CDX.EM Untranching Terms Supplement versions for the CDX.EM Untranching Contracts that ICC clears. Corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26C-317(a) reorganizes and consolidates existing provisions that apply to each CDX.EM Untranching Contract or component thereof to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26C-317(b) is added to the ICC Rules to provide analogous terms that apply to each CDX.EM Untranching Contract or component thereof to which the 2014 ISDA Definitions apply.

ICC Rule 26C-317(c) was previously the first sentence of 26C-317(g) and is unchanged and applies consistently to each CDX.NA Untranchured Contract. ICC Rule 26C-317(d) was previously the first sentence of 26C-317(i) and is generalized to apply consistently to each CDX.EM Untranchured Contract (whether under the 2003 or 2014 ISDA Definitions). ICC Rule 26C-317(e) is generalized to apply to both the 2003 and 2014 ISDA Definitions with the same effect of stating that the Reference Obligation for a Restructured Entity will be specified by ICC following consultation with the ICC Risk Committee.

Subchapter 26D (Standard Emerging Sovereign (“SES”) Single Name) is revised as follows. In ICC Rule 26D-102 (Definitions), the definition of “Eligible SES Reference Entities” is revised to correct a typo and correctly identify the reference entity for a cleared product as the Bolivarian Republic of Venezuela and the definitions of “Eligible SES Reference Obligations,” “List of Eligible SES Reference Entities” and “SES Contract Reference Obligations” are updated to include reference to the Applicable Credit Derivatives Definitions and to provide for the use of a Standard Reference Obligation under the 2014 ISDA Definitions, where applicable. The restrictions on “self-referencing” transactions in ICC Rules 26D-203 (Restriction on Activity) and 26D-206 (Notices Required of Participants with Respect to SES Contracts) are revised to cover, in addition to transactions referencing CDS Participants, also transactions referencing Non-Participant Parties for whom such CDS Participant is acting. ICC Rule 26D-309 (Acceptance of SES Contracts by ICE Clear Credit) is revised in part (b)(iii) to add “Relevant” to the definition of Restructuring Credit Event (reflecting the use of that defined term in Subchapter 26E of the ICC Rules), in part (c) to, in addition to CDS Participant, also provide for Non-Participant Parties for whom such CDS Participant is acting and in part (e) to address relevant successor or other events under both 2003 and 2014-Type CDS Contracts. ICC Rule 26D-315

(Terms of the Cleared SES Contract) is revised to provide reference to provisions of the proper ISDA Definitions, and corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26D-315(d) reorganizes and consolidates existing provisions that apply to each SES Contract to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26D-315(e) is added to the ICC Rules to provide analogous provisions that apply to each SES Contract to which the 2014 ISDA Definitions apply. ICC Rule 26D-315(f) was previously the first sentence of 26D-315(h) and is unchanged (and applies to both 2003 and 2014-Type CDS Contracts. ICC Rule 26D-315(g) remains unchanged; the previous reference was 26D-315(k). ICC Rule 26D-315(h) is revised to refer to the Applicable Credit Derivatives Definitions, as appropriate. ICC Rule 26D-616 (Contract Modification) is revised in part (a) to provide for successors to SES Contracts and Standard Reference Obligations, as applicable under the relevant ISDA Definitions, and part (b) is added to provide that SES Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Effective Date to be 2014-Type CDS Contracts.

Subchapter 26E is updated to provide for the differences in the treatment of Relevant Restructuring Contracts under the 2003 ISDA Definitions and 2014 ISDA Definitions. Specifically, in ICC Rule 26E-102 (Definitions) the definitions of “Matched Restructuring Pair,” “Relevant Restructuring Contract,” “Relevant Restructuring Credit Event” and “Restructuring CDS Contract” are updated to allow for application of either the 2003 ISDA Definitions or the 2014 ISDA Definitions as relevant. Additionally, the definition of “Triggered Restructuring CDS Contract” as well as ICC Rules 26E-104(a) and (b) are updated to include provisions consistent with the 2014 ISDA Definitions.

Subchapter 26F (iTraxx Europe) is revised as follows: In ICC Rule 26F-102 (Definitions), the definition of “iTraxx Europe Untranching Terms Supplement” is updated to include reference to the new “iTraxx Europe Untranching Standard Terms Supplement” expected to be published by Markit North America, Inc. on or about September, 20 2014 to incorporate the 2014 ISDA Definitions, in addition to the existing reference to the iTraxx Europe Untranching Standard Terms Supplement published on November 23, 2009. Additionally in ICC Rule 26F-102 (Definitions), the definition of “List of Eligible iTraxx Europe Untranching Indexes” is revised in part (e) to state that the List of Eligible iTraxx Europe Untranching Indexes will include reference to the Applicable Credit Derivatives Definitions for each component of the Index, if applicable. ICC Rule 26F-309 (Acceptance of iTraxx Europe Untranching Contracts by ICE Clear Credit) is revised to correct a typo from “clauses” to “clause.” ICC Rule 26F-316 (Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement) is revised in part (a) to add parallel references to Successor determinations under the 2014 ISDA Definitions and in part (d) to provide that iTraxx Europe Untranching Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Date to reference the updated iTraxx Europe Untranching Terms Supplement. ICC Rule 26F-317 (Terms of iTraxx Europe Untranching Contracts) is revised to add references to provisions of the proper ISDA Definitions and Relevant iTraxx Europe Untranching Terms Supplement versions for the iTraxx Europe Untranching Contracts that ICC clears. Corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26F-317(a) reorganizes and consolidates existing provisions that apply to each iTraxx Europe Untranching Contract or component thereof to which the 2003 ISDA Definitions apply. Correspondingly, ICC Rule 26F-317(b) is added to the ICC Rules to

provide analogous terms that apply to each iTraxx Europe Untranching Contract or component thereof to which the 2014 ISDA Definitions apply. ICC Rule 26F-317(c) was previously the first sentence of ICC Rule 26F-317(f) and is unchanged and applies consistently to each iTraxx Europe Untranching Contract (whether under the 2003 or 2014 ISDA Definitions). ICC Rule 26F-317(d), which provides for the determination of a Reference Obligation for a Restructured Entity, is revised slightly to accommodate a Standard Reference Obligation, if applicable. ICC Rule 26F-317(e)(vi) is generalized to provide for the Relevant iTraxx Europe Untranching Terms Supplement.

Subchapter 26G (Standard European Corporate (“STEC”) Single Name) is revised throughout to change “SDEC” to “STEC” to follow the industry standard acronym, and as follows: In ICC Rule 26G-102 (Definitions), the definitions of “Eligible STEC Reference Obligations,” “List of Eligible STEC Reference Entities” and “STEC Contract Reference Obligations” are updated to include reference to the Applicable Credit Derivatives Definitions and to provide for the use of a Standard Reference Obligation under the 2014 ISDA Definitions and eligible Seniority Levels, where applicable. The restrictions on “self-referencing” transactions in ICC Rules 26G-203 (Restriction on Activity) and 26G-206 (Notices Required of Participants with Respect to STEC Contracts) are revised to cover, in addition to transactions referencing a CDS Participant, also transactions referencing Non-Participant Parties for whom such CDS Participant is acting. ICC Rule 26G-309 (Acceptance of STEC Contracts by ICE Clear Credit) is revised in part (b)(iii) to add “Relevant” to the definition of Restructuring Credit Event (reflecting the use of that defined term in Subchapter 26E of the ICC Rules) and in part (e) to address relevant successor or other events under both 2003 and 2014-Type CDS Contracts. ICC Rule 26G-315 (Terms of the Cleared STEC Contract) is revised to provide reference to

provisions of the proper ISDA Definitions, and corresponding changes to provision numbering are made as necessary. Specifically, ICC Rule 26G-315(d) reorganizes and consolidates existing provisions that apply to each STEC Contract to which the 2003 ISDA Definitions apply.

Correspondingly, ICC Rule 26G-315(e) is added to the ICC Rules to provide analogous terms that apply to each STEC Contract to which the 2014 ISDA Definitions apply. ICC Rule 26G-315(f) was previously the first sentence of 26G-315(h) and is unchanged (and applies to both 2003 and 2014-Type CDS Contracts). ICC Rule 26G-315(g) remains unchanged; the previous reference was 26G-315(k). ICC Rule 26G-315(h) is revised to refer to the Applicable Credit Derivatives Definitions and eligible Seniority Level, as appropriate. ICC Rule 26G-616 (Contract Modification) is revised in part (a) to provide for successors to STEC Contracts and Standard Reference Obligations, as applicable under the relevant ISDA Definitions, and part (b) is added to provide that STEC Contracts that are Converting Contracts will be deemed amended as of the 2003/2014 Changeover Effective Date to be 2014-Type CDS Contracts.

Subchapter 26H (Standard European Financial Corporate (“STEFC”) Single Name) is added to the ICC Rules to provide for the clearance of STEFC Single Names. Such contracts will be subject only to the 2014 ISDA Definitions. STEFC Contracts have similar terms to the Standard European Corporate Single Name CDS contracts (“STEC Contracts”) currently cleared by ICC and governed by Section 26G of the ICC Rules, the Standard Emerging Sovereign CDS contracts (“SES Contracts”) currently cleared by ICC and governed by Section 26D of the Rules. Accordingly, the proposed rules found in Section 26H largely mirror the ICC rules for STEC Contracts in Section 26G, with certain modifications that reflect differences in terms and market conventions between those contracts and STEFC Contracts (including that STEFC Contracts incorporate additional Financial Reference Entity terms under the 2014 ISDA Definitions).

STEFC Contracts will be denominated in Euros. Rule 26H-102 (Definitions) sets forth the definitions used for the STEFC Contracts. The definitions are substantially similar to the definitions found in Subchapter 26G of the ICC Rulebook, but contain reference only to the 2014 ISDA Definitions and contain other conforming changes. Rules 26H-203 (Restriction on Activity), 26H-206 (Notices Required of Participants with respect to STEFC Contracts), 26H-303 (STEFC Contract Adjustments), 26H-309 (Acceptance of STEFC Contracts by ICE Clear Credit), 26H-315 (Terms of the Cleared STEFC Contract), 26H-316 (Relevant Physical Settlement Matrix Updates), 26H-502 (Specified Actions), and 26H-616 (Contract Modification) reflect or incorporate the basic contract specifications for STEFC Contracts and are substantially similar to corresponding sections of Subchapter 26G of the ICC Rulebook.

The ICC Restructuring Procedures supplement the provisions of Subchapter 26E of the ICC Rules with respect to Relevant Restructuring Contracts. The ICC Restructuring Procedures are amended throughout to reflect revisions to defined terms in the ICC Rules including “Relevant Restructuring Contract,” “Relevant Restructuring Credit Event,” and “Applicable Credit Derivatives Definitions” as defined in ICC Rules 26E-102 (Definitions) and 20-102 (Definitions) and to make appropriate distinctions between the applicability of the 2003 ISDA Definitions and the 2014 ISDA Definitions and provisions therein.

The ICC Risk Management Framework has been revised to provide for appropriate portfolio treatment between CDS Contracts cleared under the 2003 and 2014 Definitions. In the ICC Risk Management Framework, each index, sub-index or underlying single name is deemed a separate “Risk Factor.” The revisions to the ICC Risk Management Framework introduce a “Risk Sub-Factor” as a specific single name and any unique combination of instrument attributes (e.g., restructuring clause, 2003 or 2014 ISDA Definitions, debt tier, etc). The union of all Risk

Sub-Factors that share the same underlying single name form a single name Risk Factor. The portfolio treatment at the Risk Sub-Factor level is provided for in the Risk Management Framework, as appropriate. Additionally, the ICC Risk Management Framework has been revised to include long and short positions of Risk Sub-Factors for a single name Risk Factor into the Jump-to-Default requirement. Finally, the ICC Risk Management Framework has been revised to include other cleanup and clarification changes (e.g., to address the difference in risk time horizon between North American and European instruments).

2. Statutory Basis

Section 17A(b)(3)(F) of the Act³ 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 17A(b)(3)(F)⁴ and Rule 17Ad-22,⁵ 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. ICC believes the proposed change to the ICC Rules, Restructuring Procedures and Risk Management Framework conforms to the Applicable Credit Definitions as published by ISDA in conjunction with an industry-wide effort. As part of this effort, CDS market participants have developed the 2014 ISDA Definitions to reflect market experience since the ISDA Credit Derivatives Definitions were last significantly amended in 2009 (including credit

³ 15 U.S.C. 78q-1(b)(3)(F).

⁴ Id.

⁵ 17 CFR 240.17Ad-22.

events involving financial and sovereign entities), and to make various related improvements and clarifications to the terms of CDS contracts and the operation of the CDS market. The change to the ICC Rules thus incorporates references to the 2014 ISDA Definitions in order to permit clearing of contracts referencing the new definitions, and distinguishes where applicable between the 2014 ISDA Definitions and the 2003 ISDA Definitions. ICC plans to accept for clearing contracts referencing the industry standard 2014 ISDA Definitions beginning with the planned industry-wide implementation on September 22, 2014 (and to convert certain existing contracts to the new definitions as of that date). ICC believes the revisions to the ICC Rules, Restructuring Procedures and Risk Management Framework are necessary in order to permit clearing of contracts on the new terms, and to provide the market with the necessary assurances that ICC plans to implement the Applicable Credit Definitions consistent with industry practice. 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

The proposed change to the ICC Rules in order to incorporate references to the 2014 ISDA Definitions will apply consistently across all Participants and Non-Participant Parties and facilitates changes sought to be made by the industry throughout the CDS market. ICC does not expect that the proposed change will affect access to clearing for Participants or their customers, or materially affect the cost of clearing. As a result, ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition not appropriate in furtherance of the purposes of the Act.

⁶ 15 U.S.C. 78q-1(b)(3)(F).

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 by ICC.

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 such 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-2014-11 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-2014-11. 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 ICC and on ICC'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-2014-11 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).