I. Introduction

On June 10, 2015, 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 amend the ICC Clearing Rules (“Rules”) to correct inconsistent provisions regarding the Risk Management Subcommittee (SR-ICC-2015-012). The proposed rule change was published for comment in the Federal Register on June 22, 2015.\(^3\) The Commission did not receive comments on the proposed rule change. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

II. Description of the Proposed Rule Change

ICC has stated that the proposed rule change is intended to correct inconsistent provisions regarding the Risk Management Subcommittee, described in detail as follows. ICC has stated that, in describing the independence requirements for certain Risk Management Subcommittee members in Rule 511(a)(iii), the rule mistakenly referred to U.S. Commodity Futures Trading Commission (“CFTC”) Regulation 1.3(ccc), a proposed regulation that, to date, the CFTC has not adopted. ICC proposes revising Rule 511(a)(iii) to remove the improper reference to CFTC

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Regulation 1.3(ccc) and replace the rule cite with a reference to ICC’s Independence Requirements, which are defined in Rule 503.

Additionally, Independent Risk Management Subcommittee managers were previously defined as “Independent Public Directors” in Rules 511 and 512. ICC proposes re-defining such independent Risk Management Subcommittee managers to “Independent ICE Subcommittee Managers” and updating references in Rules 511 and 512 to reflect the new defined term. ICC also proposes clarifying language to specify that such Independent ICE Subcommittee Managers are appointed by the ICC Board. Finally, ICC proposes revising Rule 512 to clarify that for purposes of Rule 507(a), which sets forth meeting frequency requirements, the Risk Management Subcommittee shall meet when deemed necessary or desirable by the Risk Management Subcommittee or its chairperson.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act\textsuperscript{4} directs the Commission to approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such self-regulatory organization. Section 17A(b)(3)(F) of the Act\textsuperscript{5} requires, among other things, that the rules of a clearing agency are designed to protect investors and the public interest. Rule 17Ad-22(d)(8)\textsuperscript{6} further requires a registered clearing agency that performs central counterparty services to establish, implement, maintain and enforce written policies and procedures reasonably designed to, among other things, have governance arrangements that are

\textsuperscript{6} 17 CFR 240.17Ad-22(d)(8).
clear and transparent to fulfill the public interest requirements in Section 17A of the Act\textsuperscript{7} applicable to clearing agencies and to promote the effectiveness of the clearing agency's risk management procedures.

Currently, the independence requirements in ICC Rule 511 for certain Risk Management Subcommittee members incorrectly reference a CFTC regulation that has not been adopted. The proposed rule change would replace the incorrect CFTC rule citation with the requirement that certain members of the Risk Management Subcommittee meet ICC’s Independence Requirements as defined in ICC Rule 503\textsuperscript{8} (the Independent ICE Subcommittee Managers). Additionally, the proposed rule change would clarify that the Independent ICE Subcommittee Managers are appointed by the ICC Board. Finally, the proposed rule change clarifies that the Risk Management Subcommittee shall meet when deemed necessary or desirable by the Risk Management Subcommittee or its chairperson. The Commission believes that these proposed clarifications are reasonably designed to ensure that ICC’s governance arrangements are clear and transparent to fulfill the public interest requirements in Section 17A of the Act.\textsuperscript{9}

Accordingly, the Commission finds that the proposed rule change is consistent with Section 17A of the Act\textsuperscript{10} and the rules thereunder applicable to ICC.

\textsuperscript{7} 15 U.S.C. 78q-1.
\textsuperscript{8} ICC Rule 503 defines the ICC “Independence Requirements” to include the requirements of each of the New York Stock Exchange listing standards, the U.S. Securities Exchange Act of 1934, as amended, and Intercontinental Exchange, Inc.’s Board of Director Governance Principles.
IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-ICC-2015-012) be, and hereby is, approved.

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

Robert W. Errett
Deputy Secretary

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