

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-81028; File No. SR-ICC-2017-007)

June 27, 2017

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to ICC's Cash Investment Yield Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4,<sup>2</sup> notice is hereby given that on June 16, 2017, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission the proposed rule change, as described in Items I, II and III below, which Items have been prepared primarily by ICC. ICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The principal purpose of the proposed changes is to make changes to ICC's cash investment yield schedule.

II. Clearing Agency'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

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

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

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. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

ICC currently retains a portion of interest earned on cash balances, net of cash management expenses. The portion of interest retained is based on an established cash investment yield schedule, which is set forth in the ICC Collateral Management presentation available on the ICC website<sup>5</sup>. ICC proposes changes to its cash investment yield schedule. The proposed revisions to the cash investment yield schedule are set forth in Exhibit 5 hereto, and described in detail as follows.

Currently ICC retains a 10 bps spread for interest rate market environments of 50 bps or greater, net of expenses. As a result of increased treasury expenses due to continued business and regulatory focus on liquidity, ICC proposes an increase to the ICC portion of investment yield on cash balances for higher interest rate market environments (i.e. greater than 100 bps) to 10% of investment yield, net of expenses. ICC also proposes moving the five bps yield section to the 'zero' ICC portion of investment yield on cash balances. Currently, a five bps yield results in an ICC investment yield of one bps.

The investment yield schedule changes will apply to both house and client accounts, and ICC proposes to make such changes effective July 3, 2017. ICC will issue a circular notification in advance of the effective date.

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[https://www.theice.com/publicdocs/clear\\_credit/ICE\\_Clear\\_Credit\\_Collateral\\_Management.pdf](https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Collateral_Management.pdf)

ICC believes that the proposed rule changes are consistent with the requirements of the Act, including Section 17A of the Act<sup>6</sup>. More specifically, the proposed rule changes change a member due, fee or other charge imposed by ICC under Section 19(b)(3)(A)(ii)<sup>7</sup> of the Act and Rule 19b-4(f)(2)<sup>8</sup> thereunder. ICC believes the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(D)<sup>9</sup>, because the proposed changes apply equally to all market participants and therefore the proposed changes provide for the equitable allocation of reasonable dues, fees and other charges among participants. As such, the proposed changes are appropriately filed pursuant to Section 19(b)(3)(A)<sup>10</sup> of the Act and paragraph (f)(2) of Rule 19b-4<sup>11</sup> thereunder.

B. Clearing Agency's Statement on Burden on Competition

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition. The changes to ICC's investment yield schedule will apply uniformly across all market participants. Therefore, ICC does not believe the proposed rule change imposes any burden on competition that is inappropriate in furtherance of the purposes of the Act.

C. Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

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<sup>6</sup> 15 U.S.C. 78q-1.

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

<sup>9</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(2).

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>12</sup> of the Act and Rule 19b-4(f)(2)<sup>13</sup> thereunder, as the changes to ICC's investment yield schedule constitute a change to a due, fee, or other charge applicable only to a member. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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-2017-007 on the subject line.

Paper Comments:

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f)(2).

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-2017-007. 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 will also 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/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-2017-007 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>14</sup>

Robert W. Errett  
Deputy Secretary

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<sup>14</sup> 17 CFR 200.30-3(a)(12).