

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-85588; File No. SR-ICC-2019-003)

April 10, 2019

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 26, 2019, 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 by ICC. ICC filed the proposed rule change pursuant Section 19(b)(3)(A) of the Act<sup>3</sup> and rule 19b-4(f)(2) thereunder,<sup>4</sup> such that the proposed rule change was immediately effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The principal purpose of the proposed rule change is to revise 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

(a) Purpose

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 certain basis points (“bps”) spread for interest rate market environments of zero bps or greater, net of expenses. ICC proposes to retain an additional 50 bps spread for non-customer Euro cash posted by Clearing Participants (“CPs”) in excess of certain amounts. ICC identifies Euro House Initial Margin (“IM”) and Euro Guaranty Fund (“GF”) requirements (collectively, the “total Euro requirement”) for CPs who clear Euro denominated products, and US Dollar (“USD”) House IM and USD GF requirements (collectively, the “total USD requirement”) for CPs who clear USD denominated products. A CP may meet up to 100% (but no less than 45%) of its total Euro requirement in Euro cash and up to 35% of its total USD requirement in Euro cash.<sup>6</sup> ICC

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<sup>5</sup> ICC Collateral Management presentation available at: [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).

<sup>6</sup> See Schedule 401 of the ICC Rules.

proposes to retain an additional 50 bps spread for non-customer Euro cash posted by CPs in excess of their total Euro requirement to discourage excess Euro deposits since ICC faces difficulty securitizing Euro deposits and is exposed to the credit and counterparty risk of banks where Euro deposits are held.

ICC proposes to make such changes effective on or about June 1, 2019. ICC will issue a circular notification, in advance of the effective date.

(b) Statutory Basis

ICC believes that the proposed rule changes are consistent with the requirements of the Act, including Section 17A of the Act.<sup>7</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>8</sup> of the Act and Rule 19b-4(f)(2)<sup>9</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 17A(b)(3)(D),<sup>10</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>11</sup> of the Act and paragraph (f)(2) of Rule 19b-4<sup>12</sup> thereunder.

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<sup>7</sup> 15 U.S.C. 78q-1.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

(B) Clearing Agency's Statement on Burden on Competition

ICC does not believe the proposed rule changes 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 changes impose 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

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 for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>13</sup> of the Act and Rule 19b-4(f)(2)<sup>14</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:

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(2).

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-2019-003 on the subject line.

Paper Comments:

Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-ICC-2019-003. 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 am and 3:00 pm. 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. Persons submitting comments are cautioned that we do not redact or edit

personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ICC-2019-003 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>15</sup>

Eduardo A. Aleman  
Deputy Secretary

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<sup>15</sup> 17 CFR 200.30-3(a)(12).