

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-68541; File No. SR-ICEEU-2012-19)

December 27, 2012

Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Delivery Margin Rates for Physically Deliverable Contracts for Energy Clearing Members

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 December 19, 2012, ICE Clear Europe Limited (“ICE Clear Europe”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared primarily by ICE Clear Europe. ICE Clear Europe filed the proposal pursuant to Section 19(b)(3)(A)(iii) of the Act,³ and Rule 19b-4(f)(4)(ii) thereunder,⁴ so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the change is to implement enhancements to the margining of physically deliverable positions that have expired and are in tender/delivery. The new delivery margin rates and contingent variation margin price sources have been proposed by ICE Clear Europe. All capitalized terms not defined herein are defined in the ICE Clear Europe Rules.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(4)(ii).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICE Clear Europe 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. ICE Clear Europe has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.⁵

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In addition to providing clearing services for credit default swaps, ICE Clear Europe also provides clearing services for non-securities contracts in energy and emissions markets ("Energy Futures Products"). ICE Clear Europe implemented enhancements to the margining of physically deliverable positions for certain Energy Futures Products that have expired and are in tender/delivery. In doing so, ICE Clear Europe has eliminated the use of SPAN for calculating margin for physically-deliverable positions and instead replaced it with calculation of a separate Delivery Margin for certain Energy Futures Products. The Delivery Margin parameters can be found at <https://www.theice.com/ClearEuropeSpanParameterFiles.shtml> in the Deliverable Contracts Security Rates file. All of the SPAN^{®6} margin parameters for positions that are not in tender/delivery remain unchanged.

Data from the sources referenced below will be used in connection with the Contingent Variation Margin calculations.

⁵ The Commission has modified the text of the summaries prepared by ICE Clear Europe.

⁶ SPAN is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no responsibility in connection with the use of SPAN by any person or entity. SPAN is a risk evaluation and margin framework algorithm.

ICE Physical Code	Description	Platts Code	Description
Y	UK Base	AASTN00	Base Week Ahead + 1
P	UK Peak	AASTP00	Peak Week Ahead + 1
M	UK Nat Gas	NGAAC00	Balance of Month
TTF	TTF Nat Gas	GTFTM01	Prompt Month
NGM	NCG Nat Gas	GERTM00	Prompt Month
GPM	Gaspool Nat Gas	GBBTM00	Prompt Month

The mid-prices are used and calculated where only bid and offer prices are available.

Rounding conventions will be the same as those that currently apply to the relevant future contracts.

Section 17A(b)(3)(F) of the Act⁷ 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. ICE Clear Europe believes that the proposed change with respect to Energy Futures Products is consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICE Clear Europe, in particular, with Section 17A(b)(3)(F),⁸ because enhancements to the margining of physically deliverable positions for certain Energy Futures Products that have expired and are in tender/delivery protects investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

ICE Clear Europe does not believe the proposed change would have any impact, or impose any burden, on competition.

⁷ 15 U.S.C. 78q-1(b)(3)(F).

⁸ 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 change have not been solicited or received. ICE Clear Europe will notify the Commission of any written comments received by ICE Clear Europe.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act⁹ and Rule 19b-4(f)(4)(ii)¹⁰ thereunder because it primarily affects the futures clearing operations of the clearing agency with respect to futures that are not security futures, and does not significantly affect any securities clearing operations of the clearing agency or any related rights or obligations of the clearing agency or persons using such service. 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.¹¹

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

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 17 CFR 240.19b-4(f)(4)(ii).

¹¹ 15 U.S.C. 78s(b)(3)(C).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ICEEU-2012-19 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-ICEEU-2012-19. 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 Europe and on ICE Clear Europe's website at https://www.theice.com/publicdocs/regulatory_filings/ICEU_SEC_121912_2012-19.pdf.

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-ICEEU-2012-19 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.¹²

Elizabeth M. Murphy
Secretary

¹² 17 CFR 200.30-3(a)(12).