



8011-01p

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76997; File No. SR-ICC-2016-001]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Revise the ICC Risk Management Framework

January 29, 2016

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder<sup>2</sup> notice is hereby given that on January 27, 2016, ICE Clear Credit LLC (“ICC”) 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 ICC. ICC filed the proposed rule change pursuant to Section 19(b)(3)(A)<sup>3</sup> of the Act and Rule 19b-4(f)(6)<sup>4</sup> thereunder, so that the proposed rule change was effective upon filing with the Commission. 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

ICC proposes a revision to the ICC Risk Management Framework to formalize the reporting line of the ICC Chief Risk Officer. This revision does not require any change to the ICC Clearing Rules.

---

<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)(6).

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. 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

ICC proposes revising its Risk Management Framework to address a CFTC recommendation regarding ICC's governance arrangements by including language regarding the ability of risk management personnel to access the Board. Specifically, ICC added language regarding the reporting line of ICC's Chief Risk Officer, namely that the ICC Chief Risk Officer reports to the Chairperson of the ICC Risk Committee, who is also a non-executive manager on the Board.<sup>5</sup> ICC's policy has always allowed for the ICC Chief Risk Officer to report to the Chairperson of the ICC Risk Committee; such changes formalize this policy in the ICC Risk Management Framework.

Section 17(A)(b)(3)(F) of the Act<sup>6</sup> requires, among other things, that the rules of a clearing agency be designed to protect investors and the public interest and to comply with the provisions of the Act and the rules and regulations thereunder. ICC believes that

---

<sup>5</sup> See ICC Rule 505(c).

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, Section 17(A)(b)(3)(F),<sup>7</sup> because ICC believes that the proposed rule change will protect investors and the public interest, as the proposed revision provides additional clarity regarding ICC's governance arrangements, specifically the reporting line of the ICC Chief Risk Officer. As such, the proposed rule change is designed to protect investors and the public interest within the meaning of Section 17(A)(b)(3)(F)<sup>8</sup> of the Act. In addition, the proposed revision is consistent with the relevant requirements of Rule 17Ad-22,<sup>9</sup> as the revision provides further clarify [*sic*] and transparency regarding ICC's governance arrangements, in accordance with the requirements of Rule 17Ad-22(d)(8).<sup>10</sup> Further, through this Risk Management Framework revision, ICC is complying with a directive from the CFTC regarding ICC's governance arrangements.

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

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition. ICC is formalizing the reporting line of its Chief Risk Officer and not making any substantive changes to its overall risk management framework. 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.

---

<sup>7</sup> Id.

<sup>8</sup> Id.

<sup>9</sup> 17 CFR 240.17Ad-22.

<sup>10</sup> 17 CFR 240.17Ad-22(d)(8).

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 or received. 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

Because the foregoing proposed rule change does not:

- (i) significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and
- (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)<sup>11</sup> of the Act and Rule 19b-4(f)(6)<sup>12</sup> thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>13</sup> normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii)<sup>14</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

ICC has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. According to ICC, the

---

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

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> Id.

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).

proposed rule change does not present any novel or controversial issues. Rather, ICC is merely formalizing its policy of allowing the ICC's Chief Risk Officer to report to the Chairperson of the ICC Risk Committee. Accordingly, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission designates the proposed rule change to be operative upon filing.<sup>15</sup>

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-2016-001 on the subject line.

##### Paper Comments:

---

<sup>15</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-2016-001. 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 the filing also will 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-2016-001 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>16</sup>

Robert W. Errett  
Deputy Secretary

---

<sup>16</sup> 17 CFR 200.30-3(a)(12).

[FR Doc. 2016-02060 Filed: 2/3/2016 8:45 am; Publication Date: 2/4/2016]