



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103273; File No. SR-ICC-2025-009]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the ICE Clear Credit Counterparty Monitoring Procedures

June 16, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 5, 2025, ICE Clear Credit LLC (“ICE Clear Credit” or “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 primarily prepared by ICC. ICC filed the proposed rule change pursuant to Section 19(b)(3)(A)³ of the Act and paragraph (f)(1) of Rule 19b-4⁴ thereunder, 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 the ICC Counterparty Monitoring Procedures (the “Counterparty Monitoring Procedures”). The proposed revisions to the Counterparty Monitoring Procedures consist of clarification or clean-up changes that ensure consistency with current practices and related policies and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(1).

procedures. These revisions do not require any changes to the ICC Clearing Rules (the “Rules”).

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, security-based swap submission, or advance notice and discussed any comments it received on the proposed rule change, security-based swap submission, or advance notice. 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 proposes to update the Counterparty Monitoring Procedures. The performance of ICC is dependent on the financial stability of its Clearing Participants and financial services providers.⁵ ICC monitors these counterparty relationships to ensure its stability and has documented its policies and practices for monitoring such counterparty relationships in the Counterparty Monitoring Procedures. ICC proposes revisions to the Counterparty Monitoring Procedures to make clarification or clean-up changes to ensure consistency with current practices and related policies and procedures. ICC believes that such revisions will facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which it is responsible. ICC proposes to make such changes effective following Commission approval of the proposed rule change. The proposed revisions are described in detail as follows.

⁵ Financial service providers are the entities to which ICC has actual or potential credit exposure. See Exchange Act Release No. 93705 (Dec. 2, 2021), 86 FR 69699 (Dec. 8, 2021) (File No. SR-ICC-2021-021).

ICC proposes a clarification to Section 2.E. of the Counterparty Monitoring Procedures, which describes the responsibilities of the ICC Operations Department. The ICC Operations Department monitors ICC counterparty performance, including the operational and settlement process. Currently, operational detail supporting the clearing cycle is monitored by ICC Operations Department staff. ICC proposes to clarify that operational detail supporting the clearing cycle is monitored by ICC Operations Department staff daily. Such amendment clarifies existing operational practices set out in the document and does not represent a change in practice. As stated in Section 2.E., the ICC Treasury Department monitors money movements between CPs and ICC.⁶ The ICC Operations Department currently monitors such operational details supporting the clearing cycle on a daily basis.

Further, ICC proposes to remove an outdated reference in Section 3.A. of the Counterparty Monitoring Procedures, which sets out standards for counterparty relationships. Section 3.A. of the Counterparty Monitoring Procedures currently provides that decisions with respect to applications for Clearing House membership are made by the Board following consultation with the ICC Risk Management Subcommittee and the ICC Risk Committee. ICC proposes to remove the reference to the ICC Risk Management Subcommittee, such that decisions with respect to applications for Clearing House membership will be made by the Board following consultation with the ICC Risk Committee. ICC previously filed a proposed rule change to eliminate references to the ICC Risk Management Subcommittee from its Rules and related policies and

⁶ See Exchange Act Release No. 93705 (Dec. 2, 2021), 86 FR 69699 (Dec. 8, 2021) (SR-ICC-2021-021) (requiring that “the Operations Department would be responsible for monitoring the operational and settlement process performance of all counterparties, and the Treasury Department would be responsible for monitoring the money movements between Clearing Participants and ICC.”).

procedures.⁷ ICC proposes a clean-up change to also remove an outdated reference to the ICC Risk Management Subcommittee from the Counterparty Monitoring Procedures, as the ICC Risk Management Subcommittee is no longer in existence. The proposed removal of the outdated reference would ensure the Counterparty Monitoring Procedures remain up-to-date and consistent with the ICC Rules and other policies and procedures. Lastly, ICC proposes to update Section 11. ‘Revision History’ to include the proposed changes.

(b) Statutory Basis

ICC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁸ and the regulations thereunder applicable to it, including the applicable standards under Rule 17Ad-22.⁹ In particular, Section 17A(b)(3)(F) of the Act¹⁰ requires that the rule change be designed to promote the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts and transactions cleared by ICC, to assure the safeguarding of securities and funds in the custody or control of ICC or for which it is responsible, and to protect investors and the public interest.

As discussed herein, the proposed clarifications regarding the daily monitoring of operating detail supporting the clearing cycle and the removal of a reference to the ICC Risk Management Subcommittee strengthen the Counterparty Monitoring Procedures by

⁷ The ICC Risk Management Subcommittee was tasked with consulting with the Board and the ICC Risk Committee as to eligible products, standards for Clearing Participants and approvals or denials of Clearing Participant applications. In determining to remove the ICC Risk Management Subcommittee, ICC noted that it was unnecessary and the relevant consultative and advisory functions could be performed (and in fact were typically performed as a matter of practice) by the ICC Risk Committee. Moreover, ICC’s newly established Risk Advisory Working Group supports these consultative and advisory functions. *See* Exchange Act Release Nos. 100876 (August 29, 2024), 89 FR 72538 (September 5, 2024) (File No. SR-ICC-2024-009); 101382 (Oct. 18, 2024), 89 FR 84979 (Oct. 24, 2024) (File No. SR-ICC-2024-009).

⁸ 15 U.S.C. 78q-1.

⁹ 17 CFR 240.17ad-22.

¹⁰ 15 U.S.C. 78q-1(b)(3)(F).

keeping the procedures up to date and correct. ICC believes that having policies and procedures that clearly and accurately document its counterparty monitoring responsibilities and management of counterparty credit risk promote overall risk management and the stability of ICC. Accordingly, in ICC's view, the proposed rule change is consistent with the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions, the safeguarding of securities and funds in the custody or control of ICC or for which it is responsible, and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.¹¹

The proposed rule change would also satisfy the relevant requirements of Rule 17Ad-22.¹² Rule 17Ad-22(e)(2)(i) and (v)¹³ requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent and specify clear and direct lines of responsibility. The Counterparty Monitoring Procedures continue to clearly and transparently assign, and document responsibility and accountability associated with counterparty monitoring. The Counterparty Monitoring Procedures specify how identified issues are escalated and set out the roles and responsibilities of internal personnel and committees, including with respect to ongoing counterparty monitoring, review, and reporting; and on-boarding and withdrawal of counterparties. The proposed changes clarify ICC Operations Department responsibilities, by describing the frequency (daily) of monitoring operational detail supporting the clearing cycle. Further, the proposed removal of the outdated reference to the ICC Risk Management Subcommittee ensures that the governance arrangements set

¹¹ *Id.*

¹² 17 CFR 240.17ad-22.

¹³ 17 CFR 240.17ad-22(e)(2)(i) and (v).

out in the Counterparty Monitoring Procedures are current and correct. As such, in ICC's view, the proposed rule change ensures that ICC maintains policies and procedures that are reasonably designed to provide for clear and transparent governance arrangements and specify clear and direct lines of responsibility, consistent with Rule 17Ad-22(e)(2)(i) and (v).¹⁴

Rule 17Ad-22(e)(4)(ii)¹⁵ requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the two participant families that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions. The proposed rule change promotes ICC's ability to manage its financial resources by continuing to ensure that the Counterparty Monitoring Procedures remain clear, accurate, and up to date, which ensures that responsible parties carry out their counterparty monitoring duties appropriately. The amendments thus promote ICC's ability to ensure financial health and the ability to fulfill obligations by ICC's counterparties, which promotes and strengthens ICC's own financial condition and supports ICC's ability to maintain its financial resources and withstand the pressures of defaults, consistent with the requirements of Rule 17Ad-22(e)(4)(ii).¹⁶

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

¹⁴ *Id.*

¹⁵ 17 CFR 240.17ad-22(e)(4)(ii).

¹⁶ *Id.*

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition. The proposed changes to the Counterparty Monitoring Procedures will apply uniformly across all market participants. ICC does not believe these amendments would affect the costs of clearing or the ability of market participants to access clearing as they are limited to clarifications or clean-up changes. Therefore, ICC does not believe the proposed rule change would 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 amendments have not been solicited or received by ICE Clear Credit. ICE Clear Credit will notify the Commission of any comments received with respect to the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. 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 (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>); or

- Send an e-mail to rule-comments@sec.gov. Please include file number SR-ICC-2025-009 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-2025-009. This file number should be included on the subject line if email 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 (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>). 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 am and 3 pm. Copies of the filing 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.ice.com/clear-credit/regulation>.

Do not include personal identifiable information in submissions; you should submit only information that you wish to make publicly available. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-ICC-2025-009 and should be submitted on or before [INSERT DATE 21 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Sherry R. Haywood,

Assistant Secretary.

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¹⁷ 17 CFR 200.30-3(a)(12).