



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104689; File No. SR-ICC-2025-013]

### **Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICC Stress Testing Framework and the ICC Liquidity Risk Management Framework**

January 26, 2026.

#### **I. Introduction**

On December 1, 2025, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”), 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> a proposed rule change is to revise the ICC Stress Testing Framework (“STF”) and ICC Liquidity Risk Management Framework (“LRMF”). These revisions do not require any changes to the ICC Clearing Rules (the “Proposed Rule Change”). The Proposed Rule Change was published for comment in the *Federal Register* on December 18, 2025.<sup>3</sup> The Commission has not received any comments on the Proposed Rule Change. For the reasons discussed below, the Commission is approving the Proposed Rule Change.

#### **II. Description of the Proposed Rule Change**

ICC is registered with the Commission as a clearing agency for the purpose of clearing credit default swap (“CDS”) CDS contracts.<sup>4</sup> ICC clears CDS contracts for its members, which it refers to as Clearing Participants. Clearing CDS contracts for Clearing Participants presents

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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> Securities Exchange Act Release No. 34-104396 (Dec. 15, 2025), 90 FR 59272 (Dec. 18, 2025) (File No. SR-ICC-2025-013) (“Notice”).

<sup>4</sup> Capitalized terms not otherwise defined herein have the meanings assigned to them in ICC’s Clearing Rules, the STF, or the LRMF, as applicable.

certain risks to ICC, such as exposure to systemic risk, which may include, but is not limited to, historic and current market volatility, and fluctuating interest rates. ICC measures and attempts to protect against such systemic risk by performing stress tests and, at times, adjusting the parameters underlying these stress-testing scenarios. The STF describes ICC’s stress testing practices, including the scenarios that ICC uses to conduct stress tests.<sup>5</sup>

Clearing CDS contracts for Clearing Participants also exposes ICC to liquidity risk, meaning the risk that ICC may not, in certain situations such as the default of a Clearing Participant, have sufficient cash or other liquid financial resources to meet its obligations. ICC manages and attempts to protect against such liquidity risk by, among other things, measuring and monitoring its liquidity resources and needs. In doing so, ICC performs stress tests to determine what its liquidity resources and needs may be in certain stressed market conditions. The LRMF describes ICC’s liquidity stress testing practices, including the scenarios that ICC uses to conduct stress tests.

ICC is proposing to revise its STF and LRMF to introduce new stress scenarios that reflect a recent period of market turmoil related to the enactment of new U.S. tariffs (the “U.S. Tariffs Crisis Scenarios”). ICC is also proposing additional updates to reflect current governance practices and make clean-up changes in their STF and LRMF.

*A. Stress Scenario Changes*

ICC proposes to introduce the U.S. Tariffs Crisis Scenarios into its STF and LRMF. As noted above, the STF describes ICC’s stress-testing methodology, including the stress scenarios used in ICC’s risk management process, and the LRMF similarly describes ICC’s liquidity testing methodology, including liquidity-related stress testing.

The ICC Risk Department maintains a set of predefined stress scenarios, which are organized into four categories: (1) Historically Observed Extreme but Plausible Market

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<sup>5</sup> For additional information regarding the STF, see Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the Stress Testing Framework, Securities Exchange Act Release No. 34-98496 (Sep. 25, 2023), 88 FR 67405 (Sep. 29, 2023) (File No. SR-ICC-2023-012).

Scenarios,<sup>6</sup> (2) Historically Observed Extreme but Plausible Market Scenarios: Severity of Losses in Response to Baseline Market Events,<sup>7</sup> (3) Hypothetically Constructed (Forward Looking) Extreme but Plausible Market Scenarios,<sup>8</sup> and (4) Extreme Model Response Tests.<sup>9</sup>

ICC proposes to amend Section 5.1 of the STF, which lists the Historically Observed Extreme but Plausible Market Scenarios, to include the proposed U.S. Tariffs Crisis Scenarios. As reflected in amended Section 5.1, the U.S. Tariffs Crisis Scenarios include both widening and tightening cases calibrated to observed relative spread increases and decreases during the second quarter of 2025. ICC also proposes additional explanatory language describing scenario construction, including applicable spread changes and end-of-day spread levels.

ICC is also proposing changes to Section 5.3 of the STF, which sets out the Hypothetically Constructed (Forward Looking) Extreme but Plausible Market Scenarios to incorporate the proposed U.S. Tariffs Crisis Scenarios. As described in the STF, these hypothetically constructed scenarios build on the Historically Observed Extreme but Plausible Market Scenarios by adding adverse credit events and an additional loss scenario. Consistent with that approach, ICC is proposing to include the U.S. Tariffs Scenarios, augmented with adverse credit events and an additional loss scenario, in the bulleted list of Hypothetically Constructed (Forward Looking) Extreme but Plausible Market Scenarios.

ICC proposes additional changes to Section 5.4 of the STF, which sets out the Extreme Model Response Test Scenarios. These scenarios are derived from the Historically Observed Extreme but Plausible Market Scenarios by increasing the magnitudes of the widening and

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<sup>6</sup> These are scenarios believed to be potential market outcomes as historically observed, but with a very low probability of occurrence.

<sup>7</sup> These are scenarios that replicate observed instrument price realizations during extreme market events related to the default of a large market participant, global pandemic problem, and regional or global economic crisis.

<sup>8</sup> These are scenarios believed to be potential market outcomes created by enhancing the Historically Observed Extreme but Plausible Market Scenarios with additional adverse market events.

<sup>9</sup> These are scenarios designed to test the performance of the ICC risk methodology under extreme conditions and are not expected to be realized as market outcomes.

tightening spread shocks. ICC proposes to include the U.S. Tariffs Crisis Scenarios in the bulleted list of Extreme Model Response Test Scenarios.

Additionally, ICC proposes a confirming update to Section 14 of the STF to add the U.S. Tariffs Crisis Scenarios to the list of Historically Observed and Hypothetically Constructed Extreme but Plausible Scenarios referenced for ICC's reporting obligations.

In the same manner as the STF, ICC proposes amendments to the LRMF to incorporate the U.S. Tariffs Crisis Scenarios and align the LRMF with the STF, so that ICC's stress testing and liquidity stress testing are performed using a unified set of stress scenarios.<sup>10</sup>

Section 3.3.2 of the LRMF describes the four categories of predefined scenarios maintained by the ICC Risk Department. These categories are the same as those in the STF, described above. ICC is proposing to add descriptions of the U.S. Tariffs Crisis Scenarios to section 3.3.2(a), which addresses the Historically Observed Extreme but Plausible Market Scenarios. Consistent with the STF changes described above, the proposed scenarios include both widening and tightening cases calibrated to observed relative spread increases and decreases during the second quarter of 2025. ICC is also proposing additional language describing scenario construction, including spread changes, analogues, and end-of-day spread levels.

ICC is further proposing updates to reflect the U.S. Tariffs Crisis Scenarios in ICC's liquidity stress testing and reporting framework. Specifically, ICC proposes to include the scenarios in Table 1 of Section 3.3.3 of the LRMF, which sets out ICC's liquidity stress testing scenarios.

ICC also proposes to add the U.S. Tariffs Crisis Scenarios to the list of Historically Observed and Hypothetically Constructed Extreme but Plausible Scenarios in Section 3.3.4 of the LRMF, which describes ICC's reporting obligations.

#### *B. Governance Updates and Clean-Ups*

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<sup>10</sup> Notice, 90 FR at 59272.

ICC is proposing to update the documentation to reflect current governance practices, including adding references to the recently established Board Risk Committee, and to make other conforming and clean-up revisions.<sup>11</sup> Specifically, ICC proposes edits to Sections 14 and 15 of the STF to incorporate references to the Board Risk Committee.

In Section 14, the proposed changes identify matters that are discussed with the Board Risk Committee (e.g., risk methodology enhancements and development) and describe the level of reporting and communication provided to the Board Risk Committee regarding stress test results and stress test deficiencies.

In Section 15, the proposed changes establish a timely process for communicating stress test results and related recommendations to the Board Risk Committee, and they address the need to obtain recommendations from the Board Risk Committee. Section 15 would also provide that the STF is subject to review by the Board Risk Committee at least annually, in addition to review by the Risk Committee and the annual review and approval by the Board.

ICC is also proposing a conforming change to Section 4.3 of the LRMF to memorialize that the document is reviewed by the Board Risk Committee at least annually.

ICC further proposes updates to governance-related provisions in the LRMF. Amended Section 1.3 of the LRMF would reflect that the Board Risk Committee participates in the governance process for reporting liquidity adequacy analysis results, together with ICC senior management, the Risk Committee, and the Board.

ICC also proposes editorial revisions to improve readability, including relocating Figure 1 (which provides an overview of the LRMF) to appear after the narrative description of the LRMF in Section 1.4, to better support understanding of key LRMF elements, namely, the liquidity risk management model, measurement and monitoring, and governance. No changes are proposed to Figure 1.

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<sup>11</sup> ICC previously filed a proposed rule change to establish the Board Risk Committee. *See* Securities Exchange Act Release No. 103161 (May 30, 2025), 90 FR 23970 (June 5, 2025) (File No. SR-ICC-2025-006).

Finally, in Sections 3.3.4, 4.2, and 4.3 of the LRMF, the proposed changes would identify matters discussed with the Board Risk Committee (e.g., liquidity risk management methodology and model enhancements and development) and describe the level of reporting and communication provided to the Board Risk Committee with respect to the stress test results, liquidity stress test deficiencies, and liquidity adequacy analysis.

### **III. Discussion and Commission Findings**

Section 19(b)(2)(C) of the Act requires the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the organization.<sup>12</sup> Under the Commission’s Rules of Practice, the “burden to demonstrate that a proposed rule change is consistent with the Exchange Act and the rules and regulations issued thereunder . . . is on the self-regulatory organization [‘SRO’] that proposed the rule change.”<sup>13</sup>

The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding,<sup>14</sup> and any failure of an SRO to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Exchange Act and the applicable rules and regulations.<sup>15</sup> Moreover, “unquestioning reliance” on an SRO’s representations in a proposed rule change is not sufficient to justify Commission approval of a proposed rule change.<sup>16</sup>

After carefully considering the Proposed Rule Change, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Act and the rules and

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<sup>12</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>13</sup> Rule 700(b)(3), Commission Rules of Practice, 17 CFR 201.700(b)(3).

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Susquehanna Int’l Group, LLP v. Securities and Exchange Commission*, 866 F.3d 442, 447 (D.C. Cir. 2017).

regulations thereunder applicable to ICC. More specifically, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Act<sup>17</sup> and Rules 17ad-22(e)(2)(i) and (v), 17ad-22(e)(3)(i), 17ad-22(e)(4)(vi), and 17ad-22(e)(7)(vi)<sup>18</sup> thereunder, as described in detail below.

*A. Consistency with Section 17A(b)(3)(F) of the Act*

Under Section 17A(b)(3)(F) of the Act, ICC's rules, among other things, must be "designed to promote the prompt and accurate clearance and settlement of securities transactions and . . . to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible . . ." <sup>19</sup> Based on a review of the record, and for the reasons discussed below, the Proposed Rule Change is consistent with Section 17A(b)(3)(F).

As discussed above, the proposed rule change would revise the STF and LRMF to introduce the U.S. Tariffs Crisis Scenarios. ICC also proposes additional updates to reflect current governance practices and make clean-up changes in the documentation. Such changes ensure that the documentation remains up to date to support the effectiveness of ICC's governance arrangements that support ICC's stress testing and liquidity risk management practices. Having policies and procedures that clearly and accurately document stress testing and liquidity risk management practices promotes 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.

Moreover, the proposed U.S. Tariffs Crisis Scenarios would augment ICC's existing stress testing of its financial resources and liquidity resources. These additional scenarios could help ICC identify situations where its financial resources or liquidity resources could become

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<sup>17</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>18</sup> 17 CFR 240.17ad-22(e)(2)(i) and (v), (e)(3)(i), (e)(4)(vi), and (e)(7)(vi).

<sup>19</sup> 15 U.S.C. 78q-1(b)(3)(F).

insufficient, thereby leading ICC to supplement those resources. Because ICC may need its financial resources and liquidity resources to continue providing clearance and settlement of securities transactions and safeguarding funds in stressed market conditions, such as a Clearing Participant default, adding the U.S. Tariffs Crisis Scenarios is consistent with Section 17A(b)(3)(F) of the Act.<sup>20</sup>

Accordingly, the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(F) of the Act.<sup>21</sup>

*B. Consistency with Rule 17Ad-22(e)(2)(i) and (v)*

Rule 17Ad-22(e)(2)(i) and (v)<sup>22</sup> requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide governance arrangements that are clear and transparent and specify clear and direct lines of responsibility. Based on a review of the record, and for the reasons discussed below, the Proposed Rule Change is consistent with Rule 17Ad-22(e)(2)(i) and (v)<sup>23</sup>.

The proposed changes reflect current ICC governance arrangements in the STF and LRMF. Specifically, ICC proposes adding references to the recently established Board Risk Committee. Such changes ensure that the STF and LRMF are up-to-date, clear, and clearly assign and document responsibility and accountability for relevant items to the Board Risk Committee.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17Ad-22(e)(2)(i) and (v).<sup>24</sup>

*C. Consistency with Rule 17Ad-22(e)(3)(i)*

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<sup>20</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>21</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>22</sup> 17 CFR 240.17ad-22(e)(2)(i) and (v).

<sup>23</sup> 17 CFR 240.17ad-22(e)(2)(i) and (v).

<sup>24</sup> *Id.*

Rule 17Ad-22(e)(3)(i)<sup>25</sup> requires ICC to establish, implement, maintain, and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by it, which includes risk management policies, procedures, and systems designed to identify, measure, monitor, and manage the range of risks that arise in or are borne by it, that are subject to review on a specified periodic basis and approved by the Board annually.

The proposed updates would ensure clarity and transparency in the STF and LRMF by making clean-up changes to the documentation and regarding the review of the documents composing ICC's risk management framework (including the STF and LRMF) by the Board Risk Committee, which would promote the maintenance and operation of ICC's risk management framework. The proposed updates also would clarify that the Board Risk Committee must review the STF and LRMF annually.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17Ad-22(e)(3)(i).<sup>26</sup>

*D. Consistency with Rule 17Ad-22(e)(4)(vi)*

Rule 17Ad-22(e)(4)(vi)<sup>27</sup> requires ICC 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 testing the sufficiency of its total financial resources available to meet the minimum financial resource requirements under Rule 17ad-22(e)(4)(ii) by conducting stress testing of its total financial resources once each day using standard predetermined parameters and assumptions.

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<sup>25</sup> 17 CFR 240.17ad-22(e)(3)(i).

<sup>26</sup> *Id.*

<sup>27</sup> 17 CFR 240.17ad-22(e)(4)(vi).

The introduction of the proposed U.S. Tariffs Crisis Scenarios would complement the current scenarios in the documentation and add additional insight into potential weaknesses in the ICC risk management methodology, thereby augmenting ICC's current stress testing practices and enhancing its ability to conduct stress testing of its total financial resources. Moreover, these additional scenarios could help ICC identify situations where its financial resources could become insufficient, thereby leading ICC to supplement its financial resources. Additional revisions memorialize current governance arrangements in the STF, which provides further clarity and transparency regarding ICC's stress testing practices, thereby strengthening the documentation related to ICC's stress testing methodology.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17Ad-22(e)(4)(vi)<sup>28</sup>.

*E. Consistency with Rule 17Ad-22(e)(7)(vi)*

Rule 17Ad-22(e)(7)(vi)<sup>29</sup> requires ICC to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively measure, monitor, and manage the liquidity risk that arises in or is borne by ICC, including by, among other things, determining the amount and regularly testing the sufficiency of the liquid resources held for purposes of meeting the minimum liquid resource requirement under Rule 17ad-22(e)(7)(i) by conducting stress testing of its liquidity resources at least once each day using standard and predetermined parameters and assumptions.

The introduction of the proposed U.S. Tariffs Crisis Scenarios would complement the current scenarios in the documentation and add additional insight into potential weaknesses in the ICC liquidity risk management methodology, thereby supporting ICC's ability to ensure that it maintains sufficient liquidity resources. These additional scenarios would augment ICC's current stress testing and could help ICC identify situations where its liquidity resources could

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<sup>28</sup> 17 CFR 240.17ad-22(e)(4)(ii).

<sup>29</sup> 17 CFR 240.17Ad-22(e)(7)(vi).

become insufficient, thereby leading ICC to supplement its liquidity resources. Additional revisions to the LRMF provide clarity and transparency regarding ICC's liquidity stress testing practices to strengthen the documentation surrounding ICC's liquidity stress testing methodology, including by memorializing current governance arrangements and ensuring uniformity with the STF.

Accordingly, the Proposed Rule Change is consistent with the requirements of Rule 17Ad-22(e)(7)(vi).<sup>30</sup>

#### **IV. Conclusion**

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and in particular, Section 17A(b)(3)(F) of the Act<sup>31</sup> and Rules 17ad-22(e)(2)(i) and (v), 17ad-22(e)(3)(i), 17ad-22(e)(4)(vi), and 17ad-22(e)(7)(vi) thereunder.<sup>32</sup>

IT IS THEREFORE ORDERED pursuant to Section 19(b)(2) of the Act that the proposed rule change (SR-ICC-2025-013) be, and hereby is, approved.<sup>33</sup>

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>34</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>30</sup> *Id.*

<sup>31</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>32</sup> 17 CFR 240.17ad-22(e)(2)(i) and (v), (e)(3)(i), (e)(4)(vi), and (e)(7)(vi).

<sup>33</sup> In approving the proposed rule change, the Commission considered the proposal's impacts on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>34</sup> 17 CFR 200.30-3(a)(12).