

Filing by ICE Clear Credit LLC.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<div>Initial * <input checked="" type="checkbox"/></div>			<div>Amendment * <input type="checkbox"/></div>			<div>Withdrawal <input type="checkbox"/></div>			<div>Section 19(b)(2) * <input checked="" type="checkbox"/></div>		<div>Section 19(b)(3)(A) * <input type="checkbox"/></div>		<div>Section 19(b)(3)(B) * <input type="checkbox"/></div>				
<div>Pilot <input type="checkbox"/></div>		<div>Extension of Time Period for Commission Action * <input type="checkbox"/></div>				<div>Date Expires * <input type="text"/></div>				<div>Rule</div> <div><input type="checkbox"/> 19b-4(f)(1)<input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2)<input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3)<input type="checkbox"/> 19b-4(f)(6)</div>							
<div>Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/></div>										<div>Section 806(e)(2) * <input type="checkbox"/></div>				<div>Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/></div>			
<div>Exhibit 2 Sent As Paper Document <input type="checkbox"/></div>						<div>Exhibit 3 Sent As Paper Document <input type="checkbox"/></div>											

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

ICE Clear Credit LLC proposes changes to its Treasury Operations Policies and Procedures.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name *

Olivia

Last Name *

Bazor

Title *

Staff Attorney

E-mail *

olivia.bazor@ice.com

Telephone *

(904) 855-5580

Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, ICE Clear Credit LLC. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date

08/22/2024

(Title *)

By

Olivia Bazor

Staff Attorney

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Olivia Bazor

Digitally signed by Olivia Bazor
Date: 2024.08.22 11:39:37 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

Add	Remove	View
19-b4 - Treasury Operations Policies &		

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add	Remove	View
Exhibit 1A - Treasury Policy 2024 08 2		

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

Add	Remove	View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add	Remove	View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

☐ Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Add	Remove	View

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

☐ Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

Add	Remove	View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add	Remove	View
EXHIBIT 5 - Redacted.docx		

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

Add	Remove	View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Form 19b-4 Information*1. Text of the Proposed Rule Change*

(a) ICE Clear Credit LLC (“ICE Clear Credit” or “ICC”) proposes revisions to the ICC Treasury Operations Policies & Procedures (the “Treasury Policy”). These revisions do not require any changes to the ICC Clearing Rules.¹

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The proposed revisions to the Treasury Policy were recommended by the ICC Risk Committee (the “Risk Committee”) for approval by the ICC Board of Managers (the “Board”) on December 13, 2023, and approved by the Board on December 13, 2023.

(b) Please refer questions and comments regarding the proposed rule changes to Olivia Bazor, Staff Attorney at ICC, at 904-855-5580.

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

(a) Purpose

ICE Clear Credit is proposing to amend its Treasury Policy. The purpose of the Treasury Policy is to articulate the policies and procedures used to support the ICC Treasury Department (the “Treasury Department”), which is responsible for daily cash and collateral management of margin and guaranty fund assets. The purpose of the proposed changes is to make various updates and clarifications, including to further explain the goals and the responsibilities of the ICC Treasury Department in performing treasury functions for cleared contracts, as well as safeguarding

¹ Capitalized terms used but not defined herein have the meanings specified in the Treasury Policy or, if not defined therein, the ICE Clear Credit Rules (the “Rules”).

securities and funds in custody. The amendments also clarify the timing of the return of a withdrawing Clearing Participant's ("CP") guaranty fund ("GF") deposit to be consistent with the Rules, as discussed herein. The amendments would clarify the ICC investment policy with respect to ICC's own operating capital to provide greater flexibility to make direct investments, as discussed below, and update various references to SWIFT messaging so as not to become outdated. Various non-substantive drafting changes and improvements would also be made throughout the Treasury Policy, such as updating the use of defined terms, correcting typographical errors and similar changes. The amendments do not represent a change in ICC's practices relating to treasury management, but rather are intended to improve and clarify the documentation and descriptions of such practices.

ICC proposes to update the treasury department section of the Treasury Policy.² The amendments would update the statement of the overall responsibilities of ICC, aided by the Treasury Department, to specifically reference facilitating the prompt and accurate clearing and settlement of securities transactions and derivatives, and safeguarding securities and funds in ICC's custody or control for which it is responsible. Additionally, the amendments would remove the reference to the ICC Risk Management Framework when developing investment and collateral management strategies. The amendments would clarify certain references and terms throughout this section, such as referencing the "General Guaranty Fund" as defined in ICC Rule 102, as well as referencing cash and non-cash collateral (which was previously phrased as "cash and collateral" or "cash or collateral") throughout the Treasury Policy. With respect to the Treasury Departments responsibilities to manage Guaranty Fund requirements and "posting" by Clearing Participants, the amendments would change the reference from "posting" to "collateral postings" to provide a clearer and more accurate description of Treasury's responsibilities. Certain references to margin accounts,

² Treasury Policy Section "**II. The Treasury Department.**"

margin payments and margin requirements or processes (and words of similar effect) will be revised to refer more generally to accounts, payments and related clearing or processes requirements (or requirements), in order to more broadly reference overall payment requirements from the clearing process (which include but are not limited to margin). The amendments would highlight that ICE Clear Credit, rather than ICE Clear Credit's Risk Department, generates daily requirements for all Clearing Participants (including requirements for indirect participants i.e., Client-Related requirements) because such requirements are generated automatically by ICE Clear Credit's clearing systems as opposed being generated specifically by ICE Clear Credit's Risk Department. Further, the amendments note that such daily requirements are based on the Clearing Participants' cleared "positions" rather than their cleared "trades" as positions is a more accurate description of a Clearing Participants cleared activity at ICE Clear Credit. The amendments also clarify the Treasury Departments responsibility in ensuring that payments are received from Clearing Participants by removing an incorrect reference to ensuring that payments are honored by Clearing Participants' banking relationships. Under ICC's existing direct settlement model, as discussed below, Clearing Participants are responsible to ensure that ICC timely receives all required payments; completion of settlement is not based on whether a Clearing Participant's bank honors a payment direction. Similarly, references to settlement issues have been generalized to reference treasury management related issues, and references to substitution of collateral for cash have been replaced by the more general description of performing collateral substitutions. These changes do not reflect a substantive change in practice, but rather are intended to provide a more comprehensive overall description of relevant payment practices. In the statement of the Treasury Departments role in developing of investment and collateral management strategies, the amendments would remove an outdated reference to such activities being done within the ICC Risk Management Framework, as the relevant investment and collateral management policies are now set out in the Treasury Policy rather than in the framework. The amendment would also generalize

a reference to cash management to the broader term collateral management to more fully describe the scope of this activity and for consistency throughout the Treasury Policy. The amendments also clarify the organizational structure of the Treasury Department function, as overseen by the ICC Treasury Director who reports to the ICC Chief Operating Officer (“COO”) (and clarifies that the ICC Treasury Department is not and has never been a part of the operations department).

ICC also proposes to update the funds management section of the Treasury Policy.³ The amendments would add conforming references to “requirements” in certain places for consistency in referring to margin and Guaranty Fund requirements. In addition, the amendments would clarify or add various defined terms relating to margin, including a defined term for “Margin” covering both initial and mark-to-market margin. A definitional footnote relating to the Guaranty Fund would be removed as unnecessary in light of prior references to that term in the Treasury Policy. Additionally, the amendments would clarify that the funds would include both cash and non-cash collateral. For completeness and consistency with the existing Rules and other procedures of ICC, the amendments would state that ICC maintains and manages “House Margin” and “Client Margin” separately. The amendments also clarify that required initial margin and GF contributions are held in a manner that minimizes the risk of loss or delay in access, consistent with regulatory requirements (which reflects the standard under applicable regulations), rather than referring only to highly liquid and short-term investments. Under Section III.B., Investment Strategy, various conforming and non-substantive drafting changes would be made, including to the use of appropriate defined terms and consistent references to cash collateral (instead of cash). References in the existing Treasury Policy to certain investments to be made by the Director of Treasury would be revised to simply refer to the Treasury Department as a whole, reflecting actual practice that investments are made by Treasury Department personnel subject to the supervision of the Director

³ Treasury Policy Section “**III. Funds Management.**”

of Treasury. In the discussion of investment of US dollar cash, additional clarifying language would be added to this section such as describing the role of the Federal Reserve Bank of Chicago (“FRB”) as a depository and noting that US dollar cash may be invested in US Treasury/Agency reverse repurchase agreements rather than just Treasury/Agency reverse repurchase agreements. The amendments would also reflect that ICC currently maintains multiple accounts (rather than a single account) at the FRB, as discussed below. For reverse repo transactions, the amendments would also remove an unnecessary description of certain settlement arrangements and unnecessary statements regarding steps ICC would take to ensure replacement securities are eligible and valued correctly when a substitution of securities becomes necessary (as ICC does not believe such matters are relevant to the level of detail of the description contained in the Treasury Policy). The amendments would revise the description of the calculation of the minimum cash required to be invested in bilateral reverse repos to reflect 45% of the top two Clearing Participants’ Margin requirements (taking into account specifically both initial and mark-to-market margin requirements, as opposed to referencing the generalized phrase “risk margin”), as ICC believes that this is the more detailed and accurate description of ICC’s current practices. Additionally, the amendments would acknowledge that bilateral reverse repo transactions may be settled through alternative counterparties that may be added in the future to account for the possibility that ICE Clear Credit’s financial service provider relationships may change in the future. The amendments would also clarify that ICC in practice uses more than one outside investment manager to facilitate its investment of Guaranty Fund and margin cash.

ICC also proposes revisions to the Tables of collateral liquidity requirements contained in Section III of the Treasury Policy⁴ to update various defined terms and references (both in the text

⁴ Table 1 Collateral Liquidation Assumptions (US Dollar denominated requirements); Table 2 Collateral Liquidation Assumptions (Euro denominated requirements); Table 3 House Initial Margin & Guaranty Fund Liquidity Requirements (Non-Client US Dollar denominated requirements); and Table 4 House Initial Margin & Guaranty Fund Liquidity Requirements (Non-Client Euro denominated requirements) (collectively, the “Tables”).

of the Tables and the titles of the Tables) to be consistent with the other amendments being made to the Treasury Policy, such as to use the defined term Margin and to conform the terminology for the currencies and collateral (US Dollar Cash, EUR Cash, and US Treasury Securities). An amendment will also change a reference from “assets” to “collateral”, to more precisely describe the collateral being described. A statement relating to additional margin that may be called where a clearing participant does not meet the required liquidity requirements has been clarified to refer more precisely to initial margin. In addition, ICC proposes revising the participant withdrawals’ sub-section of Section III of the Treasury Policy⁵ to reflect that the requirements described are based on the ICC Rules and to add a statement that Guaranty Fund deposits will not be returned until after all positions of the withdrawing participant have been closed out and all liabilities of the participant to ICC have been satisfied, in order to be consistent with the requirements of existing Rule 807. The amendments would also remove a statement that if a participant provides notice of withdrawal less than 60 days from the end of the calendar quarter, its withdrawal will not be effective until the end of the following quarter, as this requirement is not set forth in the Rules.

The discussion of ICC’s use of committed repo facilities would clarify that any expenses (including but not limited to interest expenses) incurred through such facilities following a Clearing Participant default will be attributed to the account of that CP, consistent with the general approach for allocation of close-out costs to a defaulter under the Rules.

ICC proposes revising the cash settlement section of the Treasury Policy.⁶ Under the cash settlement section, the examples of types of transaction payments have been expanded to include options premia and interest on Mark-to-Market Margin, reflecting current practice. The amendments would also add further explanation of the existing ICC direct settlement model used

⁵ Treasury Policy Section III, Sub-Section “**D. Participants’ Withdrawal.**”

⁶ Treasury Policy Section “**IV. Cash Settlement.**”

to manage cash movements, for consistency and to provide greater clarity as to settlement operations. As described, the direct settlement requires the Clearing Participants to establish settlement bank arrangements and make requested payments to ICC in the required timeframe. ICC maintains direct debit authority over the settlement bank accounts of Clearing Participants.

In addition, the amendments to Section IV would add to the current criteria for ICE Clear Credit's settlement banks (which include requirements as to regulation and supervision, capital requirements for non-US institution, absence of majority sovereign ownership, internal ICC credit requirements and operational capability) a requirement that the bank provide specific liquidity information, in order to facilitate management by ICC of liquidity risk from settlement arrangements. This would include providing information as to the bank's liquidity coverage ratio, and if that is not reported by the bank, ICC would use other criteria (e.g., requesting a description of the bank's liquidity risk management policy and/or requesting the liquidity coverage ratio of the bank's affiliated reporting entity within the bank's group) based on ICC's discretion, to assess the liquidity risks arising from settlement banks. In addition, as revised, the Treasury Policy would no longer specify particular backup settlement banks for ICC but reference a general requirement for ICC to maintain appropriate backup relationships. ICC believes this approach is preferable and avoids the need to amend the Treasury Policy if backup arrangements change.

The amendments would add further description of the daily settlement process (including as to cases where no net settlement is owed and bank holidays), as set forth below. Consistent with the added description of the direct settlement model as noted above, the amendments would state the responsibility of Clearing Participants to ensure that ICC timely receives all requested payments and note that failure to make timely payments may be a default. This proposed change provides greater clarity as to ICC's current practices. In the discussion of routine settlement procedures, an erroneous reference to contacting an agent bank in the event of a late payment would be removed (as the Clearing Participant would be contacted directly). The amendments would also add

statements describing the daily settlement process as being conducted every business day and regarding the timing of settlement finality under the direct settlement model. Consistent with current practice, settlement would be deemed final and irrevocable at the earlier of the time when ICC received the relevant payment, or a financial institution used by ICC sends a confirmation message that payment has been made. As noted above, the amendments would also remove references to various specific types of SWIFT messages (in light of the possibility that specific SWIFT message types may be modified, renamed or changed from time to time by SWIFT), and describe such messages more generally. In the case of non-routine settlement, the amendments would remove an unnecessary reference to a specific SWIFT settlement instruction, since ICC and the Clearing Participant in question would be expected to separately confirm the particulars of the settlement.

In the discussion of a SWIFT outage, the amendments would clarify that the relevant scenario arises where ICC is unable to send SWIFT messages to the Clearing Participants' settlement banks (correcting an erroneous reference to ICC's direct settlement banks). The amendments would revise certain procedures for communicating directly with CP's in the event of a SWIFT outage (removing an incorrect reference to communicating with ICC's direct settlement banks as above). The amendments would also address correcting or re-issuing a SWIFT message in the event of a non-payment for certain technical reasons and remove certain references to specific types of SWIFT messages or reports that ICC believes are unnecessary, and such specific message types may be modified, renamed or changed from time to time (as noted above). The amendment would also remove a requirement that certain emails be password protected (as ICC does not believe email security measures need to be set out in the Treasury Policy). With respect to the discussion of bank-to-bank messages, the amendments would remove references to specific settlement banks and instead refer to the applicable ICC settlement bank generally (to avoid the need to amend the Treasury Policy in the event of any change in settlement banks). With respect to

the scenario where a bank rejects a SWIFT debt message because of a technical defect, the amendments will remove a specific requirement to manually update the transaction summary report and manually initiate a specific reversal or correction message and add instead a general obligation to correct the prior message or reissue a corrected message.

ICC proposes revisions to settlement bank failure sub-section of Section IV of the Treasury Policy.⁷ In the event that a settlement bank fails to perform, ICE Clear Credit would instruct the CP to wire the funds to the ICE Clear Credit accounts at an alternate settlement bank. The amendments broaden the list of such alternate settlement banks that may be designated by ICC.

In the discussion of ICC's use of the FRB Accounts for depository purposes, the amendments would update the Treasury Policy to reflect that ICC currently maintains separate FRB Accounts for house and client margin in light of applicable segregation requirements (removing and updating certain outdated language that contemplated a scenario where ICC might only have one FRB account). Other amendments in this section make non-substantive changes to the use of defined terms (including new terms House Account and Client Account as well as replacing FRB customer cash account and FRB House cash account with FRB House Account and replacing FRB Client cash account with FRB Client Account). Certain conforming changes would also be made to consistently refer to Guaranty Fund and House Accounts in this section.

Further, ICC proposes revisions to the custodial assets section of the Treasury Policy.⁸ The amendments would reference ongoing monitoring according to ICE Clear Credit's Counterparty Monitoring Procedures (rather than identifying only a specific annual report that is no longer required to be submitted as ICC Counterparty Monitoring Procedures contain detailed procedures regarding the monitoring of the operational capabilities of the custodial banks). Outdated language

⁷ Treasury Policy Section IV. Sub-Section "**A.7. Failure of Settlement Bank to Perform.**"

⁸ Treasury Policy Section "**V. Custodial Assets.**"

that contemplated a scenario where ICC might have only one FRB securities account has also been removed. Amendments would identify market risk management as well as liquidity risk management as goals of ICC's policies relating to acceptable forms of collateral and associated haircuts. Certain typographical and other non-substantive drafting changes would be made in the discussion of collateral valuation.

ICC proposes revisions to the collateral "haircut" sub-section of Section V of the Treasury Policy.⁹ The discussion of the collateral haircut methodology would be revised to refer to cash and non-cash collateral generally, rather than just US Treasuries and non-USD currencies (as the current list of eligible collateral is not limited to those specific assets). Other conforming non-substantive changes will be made consistent with the rest of the Treasury Policy. Amendments would also require that the Treasury Department provide a report of current haircuts to the ICC Risk Department at a minimum once a month (as opposed to only once a month) and require that the report be provided whether or not changes were made during the month. This approach reflects ICC's current practices. The amendments would also reflect current practice that haircuts are made publicly available, and any haircut changes are notified to CP's (and not only on a monthly basis). In the excess collateral sub-section, ICC proposes noting that requests by Clearing Participants to transfer excess collateral must be completed prior to 9:00 AM ET for both EUR and British pound sterling ("GBP") denominated collateral rather than only for EUR denominated collateral as this sub-section did not contain the applicable GBP deadline for the transfer of excess GBP denominated collateral.

In the section of the Treasury Policy relating to treasury management of client business,¹⁰ various non-substantive drafting changes would be made, including to use the defined terms House

⁹ Treasury Policy Section V, Sub-Section "**B.3. Collateral "Haircut" Methodology.**"

¹⁰ Treasury Policy Section "**VI. Treasury Management for Client Business.**"

Account, Client Account and Client Positions and Margin and conform references to various types of cash and non-cash collateral. An unnecessary reference to daily payment processes would also be removed.

ICC also proposes revisions to the treasury reconciliations section of the Treasury Policy.¹¹ As amended, the Treasury Policy will clarify that the Treasury Department conducts a daily reconciliation process for its cash and non-cash collateral accounts in accordance with its internal procedures, which include cite checks for validating status of margin payments, a check of prior-day cash balances, withdrawals, and/or deposits, and a comparison of current and expected balances. With respect to the cite checks description, ICC proposes to replace the vague and undefined phrase “ISG requests” with the generalized and descriptive phrase “transaction activity” to improve clarity.

Other amendments would correct the identification of ICC’s SWIFT BIC code and update cross-references to ICC’s Counterparty Monitoring Procedures (which was formerly referred to as the CDS Clearing Counterparty Monitoring Procedures).

ICC also proposes changes to Appendix 1: ICE Clear Credit Operating Capital Investment Policy. The amendments provide that the use of direct investments in US Treasury securities is not limited to cases where other investments (e.g., reverse repo investments) are unavailable; rather, the revised guidelines would contemplate the use of direct investments primarily for stable balances (such as amounts held for regulatory capital purposes). ICC believes the change provides greater flexibility for investment of such balances while preserving the credit quality of investments. Revisions to the guidelines for reverse repo investments in Appendix 2 would reflect that the value of collateral must be 102% of the invested amount (rather than within a range of 100.5% to 102%). This change reflects current market practice and provides greater protection to ICC. References to

¹¹ Treasury Policy Section “**VII. Treasury Reconciliations.**”

certain specific banks in key contacts in Appendix 2 also will be removed as unnecessary; ICC does not believe such contacts need to be maintained in the Treasury Policy, given the likelihood of changes in contact details.

ICC proposes a number of other drafting clarifications and conforming changes, such as updating names and uses of relevant defined terms, deleting outdated references and other non-substantive drafting improvements, would also be made throughout the Treasury Policy document. Various provisions and footnotes would also be relabeled or renumbered in the Treasury Policy.

(b) Statutory Basis

ICE Clear Credit believes that the proposed amendments to the Treasury Policy are consistent with the requirements of Section 17A of the Securities Exchange Act of 1934 (the “Act”)¹² and the regulations thereunder applicable to it. In particular, Section 17A(b)(3)(F) of the Act¹³ 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, the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible, and the protection of investors and the public interest. The proposed amendments are designed to generally improve the clarity of the Treasury Policy and make certain related enhancements, including clarifying the investment guidelines for investment of ICC’s own capital, clarifications to the roles and responsibilities of the ICC Treasury Department function and clarifications concerning SWIFT messaging procedures. ICC believes the changes to the investment guidelines will facilitate stable investment of ICC’s own capital and provide useful flexibility for the clearing house. The changes will not result in a change to current ICC Treasury Department practices. ICC therefore believes

¹² 15 U.S.C. 78q-1.

¹³ 15 U.S.C. 78q-1(b)(3)(F).

the amendments will help ensure that the Treasury Policy remain up-to-date and clearly articulate ICC's Treasury Department practices, and as such will promote the prompt and accurate clearance and settlement of securities transactions and derivatives agreements, contracts and transactions, contribute to the safeguarding of securities and funds which are in the custody or control of ICC or for which it is responsible, and generally promote the protection of investors and the public interest in the operation of clearing services, within the meaning of Section 17A(b)(3)(F) of the Act.¹⁴

The amendments also comply with relevant provisions of Rule 17Ad-22.¹⁵ In particular, Rule 17Ad-22(e)(5) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable . . . [l]imit the assets it accepts as collateral to those with low credit, liquidity and market risks, and set and enforce appropriately conservative haircuts and concentration limits if [it] requires collateral to manage its or its participants’ credit exposure, and require a review of the sufficiency of its collateral haircuts and concentration limits to be performed not less than annually.”¹⁶ As set forth above, the amendments to the Treasury Policy would make clarifying changes to the responsibilities of the Treasury Department and procedures relating to the management of funds constituting operating capital as well as GF contributions and margin, banking relationships, and acceptable collateral and haircuts, among other matters. As such, the amendments would facilitate the ability of ICC to limit the assets it accepts as collateral to those with low credit, market and liquidity risks, consistent with the requirements of Rule 17Ad-22(e)(5).¹⁷

¹⁴ 15 U.S.C. 78q-1(b)(3)(F).

¹⁵ 17 CFR 240.17Ad-22.

¹⁶ 17 CFR 240.17Ad-22(e)(5).

¹⁷ 17 CFR 240.17Ad-22(e)(5).

Rule 17Ad-22(e)(8) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] define the point at which settlement is final to be no later than the end of the day on which the payment or obligation is due and, where necessary or appropriate, intraday or in real time.”¹⁸ The amendments would state clearly the time at which settlement of daily payments is deemed final, as the earlier of (i) when ICC receives the payment or (ii) when a financial institution used by ICC sends a relevant confirmation message that the payment has been made, which is consistent with ICC practice and is within the timeframe required under Rule 17Ad-22(e)(8).¹⁹

Rule 17Ad-22(e)(9) requires that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] conduct its money settlements in central bank money, where available and determined to be practical . . . and minimize and manage credit and liquidity risk arising from conducting its monetary settlements in commercial bank money if central bank money is not used by the covered clearing agency”.²⁰ As set forth above, the amendments make certain clarifications to the descriptions ICC’s settlement banking arrangements (through FRB accounts and with settlement banks) to more clearly reflect current practice by the clearing house. As such, in ICC’s view, the amendments are consistent with the requirements of Rule 17Ad-22(e)(9).²¹

Rule 17Ad-22(e)(16) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] safeguard the covered clearing agency’s own and its participants’ assets, minimize

¹⁸ 17 CFR 240.17Ad-22(e)(8).

¹⁹ 17 CFR 240.17Ad-22(e)(8).

²⁰ 17 CFR 240.17Ad-22(e)(9).

²¹ 17 CFR 240.17Ad-22(e)(9).

the risk of loss and delay in access to these assets, and invest such assets in instruments with minimal credit, market and liquidity risks.”²² As noted above, the amendments would provide greater flexibility for ICC to invest its own capital through direct investments in US treasury securities, particularly in the case where it is investing stable balances. In that context, and given the maturity limitations that will nonetheless apply, ICC believes that such investments would have minimal credit, market and liquidity risks for ICC, and accordingly would be consistent with Rule 17Ad-22(e)(16).²³

Rule 17Ad-22(e)(3)(i) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] identify, measure, monitor, and manage the range of risks that arise in or are borne by the covered clearing agency”²⁴. The Treasury Policy is intended to assist ICC, among other matters, in accurately assessing and managing certain of its investment risks, collateral risks and liquidity risks relating to margin, GF and other assets held by ICC. As set forth above, the amendments are generally intended to update the Treasury Policy and make various drafting improvements for purposes of clarifications. In keeping the relevant policies up-to-date, ICC believes the amendments are consistent with the risk management requirements of Rule 17Ad-22(e)(3)(i).²⁵

Rule 17Ad-22(e)(2) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] [p]rovide for governance arrangements that are [c]lear and transparent”²⁶ and

²² 17 CFR 240.17Ad-22(e)(16).

²³ 17 CFR 240.17Ad-22(e)(16).

²⁴ 17 CFR 240.17 Ad-22(e)(3)(i).

²⁵ 17 CFR 240.17 Ad-22(e)(3)(i).

²⁶ 17 CFR 240.17 Ad-22(e)(2)(i).

“[s]pecify clear and direct lines of responsibility”²⁷. As proposed to be revised, the Treasury Policy would clearly state certain responsibilities of the Treasury Department, among other parts of ICC, in relation to oversight of its practices regarding treasury functions and collateral management. The amendments would make certain clarifications and drafting improvements that will keep these aspects of the Treasury Policy up-to-date and effective for their purposes. In ICE Clear Credit’s view, the amendments to the Treasury Policy are therefore consistent with the requirements of Rule 17Ad-22(e)(2).²⁸

4. *Self-Regulatory Organization’s Statement on Burden on Competition*

ICE Clear Credit does not believe the proposed amendments would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purposes of the Act. The amendments are being adopted to update and clarify the Treasury Policy. As set forth above, the proposed amendments are not expected to materially change the treasury operations of ICC but rather update general language to more clearly describe existing practices. Accordingly, ICE Clear Credit does not believe the amendments would affect the rights and obligations of CP’s or the costs of clearing, the ability of market participants to access clearing, or the market for clearing services generally. Therefore, ICE Clear Credit does not believe the proposed rule change imposes any burden on competition that is inappropriate in furtherance of the purposes of the Act.

5. *Self-Regulatory Organization’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.

²⁷ 17 CFR 240.17 Ad-22(e)(2)(v).

²⁸ 17 CFR 240.17 Ad-22(e)(2).

6. *Extension of Time Period for Commission Action*

ICC does not consent to an extension of any time period for Commission action.

7. *Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)*

(a) Not Applicable

(b) Not Applicable.

(c) Not Applicable.

(d) Not Applicable

8. *Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or the Commission*

Not applicable.

9. *Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act*

Not applicable.

10. *Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act*

Not applicable.

11. *Exhibits*

Exhibit 1 - Not applicable.

Exhibit 1A - Notice of proposed rule change for publication in the *Federal Register*.

Exhibit 2 - Not applicable.

Exhibit 3 - Not applicable.

Exhibit 4 - Not applicable.

Exhibit 5 - Confidential text of the Treasury Operations Policies & Procedures. Confidential treatment of Exhibit 5 pursuant to 17 CFR 240.24b-2 is being requested.

Exhibit 1A - NOTICE OF PROPOSED RULE CHANGE, SECURITY-BASED SWAP SUBMISSION, OR ADVANCE NOTICE FILED BY CLEARING AGENCIES

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-ICC-2024-005)

[Date]

Self-Regulatory Organizations; ICE Clear Credit LLC; Proposed Rule Change, Security-Based Swap Submission, or Advance Notice Relating to ICC's Treasury Operations Policies and Procedures

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1) and Rule 19b-4, 17 CFR 240.19b-4, notice is hereby given that on August 22, 2024, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission the proposed rule change, security-based swap submission, or advance notice as described in Items I, II and III below, which Items have been prepared by ICC. The Commission is publishing this notice to solicit comments on the proposed rule change, security-based swap submission, or advance notice from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

The principal purpose of the proposed rule change is to revise the ICC Treasury Operations Policies and Procedures ("Treasury Policy"). 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, Security-Based Swap Submission, or Advance Notice

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, Security-Based Swap Submission, or Advance Notice*

(a) Purpose

ICE Clear Credit is proposing to amend its Treasury Policy. The purpose of the Treasury Policy is to articulate the policies and procedures used to support the ICC Treasury Department (the "Treasury Department"), which is responsible for daily cash and collateral management of margin and guaranty fund assets. The purpose of the proposed changes is to make various updates and clarifications, including to further explain the goals and the responsibilities of the ICC Treasury Department in performing treasury functions for cleared contracts, as well as safeguarding securities and funds in custody. The amendments also clarify the timing of the return of a withdrawing Clearing Participant's ("CP") guaranty fund ("GF") deposit to be consistent with the Rules, as discussed herein. The amendments would clarify the ICC investment policy with respect to ICC's own operating capital to provide greater flexibility to make direct investments, as discussed below, and update various references to SWIFT messaging so as not to become outdated. Various non-substantive drafting changes and improvements would also be made throughout the Treasury Policy, such as updating the use of defined terms, correcting typographical errors and similar changes. The amendments do not represent a change in ICC's practices relating to treasury management, but rather are intended to improve and clarify the documentation and descriptions of such practices.

ICC proposes to update the treasury department section of the Treasury Policy.¹ The amendments would update the statement of the overall responsibilities of ICC, aided by the Treasury Department, to specifically reference facilitating the prompt and accurate clearing and settlement of securities transactions and derivatives, and safeguarding securities and funds in ICC's custody or control for which it is responsible. Additionally, the amendments would remove

¹ Treasury Policy Section "**II. The Treasury Department.**"

the reference to the ICC Risk Management Framework when developing investment and collateral management strategies. The amendments would clarify certain references and terms throughout this section, such as referencing the “General Guaranty Fund” as defined in ICC Rule 102, as well as referencing cash and non-cash collateral (which was previously phrased as “cash and collateral” or “cash or collateral”) throughout the Treasury Policy. With respect to the Treasury Departments responsibilities to manage Guaranty Fund requirements and “posting” by Clearing Participants, the amendments would change the reference from “posting” to “collateral postings” to provide a clearer and more accurate description of Treasury’s responsibilities. Certain references to margin accounts, margin payments and margin requirements or processes (and words of similar effect) will be revised to refer more generally to accounts, payments and related clearing or processes requirements (or requirements), in order to more broadly reference overall payment requirements from the clearing process (which include but are not limited to margin). The amendments would highlight that ICE Clear Credit, rather than ICE Clear Credit’s Risk Department, generates daily requirements for all Clearing Participants (including requirements for indirect participants i.e., Client-Related requirements) because such requirements are generated automatically by ICE Clear Credit’s clearing systems as opposed being generated specifically by ICE Clear Credit’s Risk Department. Further, the amendments note that such daily requirements are based on the Clearing Participants’ cleared “positions” rather than their cleared “trades” as positions is a more accurate description of a Clearing Participants cleared activity at ICE Clear Credit. The amendments also clarify the Treasury Departments responsibility in ensuring that payments are received from Clearing Participants by removing an incorrect reference to ensuring that payments are honored by Clearing Participants’ banking relationships. Under ICC’s existing direct settlement model, as discussed below, Clearing Participants are responsible to ensure that ICC timely receives all required payments; completion of settlement is not based on whether a Clearing Participant’s bank honors a payment

direction. Similarly, references to settlement issues have been generalized to reference treasury management related issues, and references to substitution of collateral for cash have been replaced by the more general description of performing collateral substitutions. These changes do not reflect a substantive change in practice, but rather are intended to provide a more comprehensive overall description of relevant payment practices. In the statement of the Treasury Departments role in developing of investment and collateral management strategies, the amendments would remove an outdated reference to such activities being done within the ICC Risk Management Framework, as the relevant investment and collateral management policies are now set out in the Treasury Policy rather than in the framework. The amendment would also generalize a reference to cash management to the broader term collateral management to more fully describe the scope of this activity and for consistency throughout the Treasury Policy. The amendments also clarify the organizational structure of the Treasury Department function, as overseen by the ICC Treasury Director who reports to the ICC Chief Operating Officer (“COO”) (and clarifies that the ICC Treasury Department is not and has never been a part of the operations department).

ICC also proposes to update the funds management section of the Treasury Policy.² The amendments would add conforming references to “requirements” in certain places for consistency in referring to margin and Guaranty Fund requirements. In addition, the amendments would clarify or add various defined terms relating to margin, including a defined term for “Margin” covering both initial and mark-to-market margin. A definitional footnote relating to the Guaranty Fund would be removed as unnecessary in light of prior references to that term in the Treasury Policy. Additionally, the amendments would clarify that the funds would include both cash and non-cash collateral. For completeness and consistency with the existing Rules and other procedures of ICC, the amendments would state that ICC maintains and manages “House

² Treasury Policy Section “**III. Funds Management.**”

Margin” and “Client Margin” separately. The amendments also clarify that required initial margin and GF contributions are held in a manner that minimizes the risk of loss or delay in access, consistent with regulatory requirements (which reflects the standard under applicable regulations), rather than referring only to highly liquid and short-term investments. Under Section III.B., Investment Strategy, various conforming and non-substantive drafting changes would be made, including to the use of appropriate defined terms and consistent references to cash collateral (instead of cash). References in the existing Treasury Policy to certain investments to be made by the Director of Treasury would be revised to simply refer to the Treasury Department as a whole, reflecting actual practice that investments are made by Treasury Department personnel subject to the supervision of the Director of Treasury. In the discussion of investment of US dollar cash, additional clarifying language would be added to this section such as describing the role of the Federal Reserve Bank of Chicago (“FRB”) as a depository and noting that US dollar cash may be invested in US Treasury/Agency reverse repurchase agreements rather than just Treasury/Agency reverse repurchase agreements. The amendments would also reflect that ICC currently maintains multiple accounts (rather than a single account) at the FRB, as discussed below. For reverse repo transactions, the amendments would also remove an unnecessary description of certain settlement arrangements and unnecessary statements regarding steps ICC would take to ensure replacement securities are eligible and valued correctly when a substitution of securities becomes necessary (as ICC does not believe such matters are relevant to the level of detail of the description contained in the Treasury Policy). The amendments would revise the description of the calculation of the minimum cash required to be invested in bilateral reverse repos to reflect 45% of the top two Clearing Participants’ Margin requirements (taking into account specifically both initial and mark-to-market margin requirements, as opposed to referencing the generalized phrase “risk margin”), as ICC believes that this is the more detailed and accurate description of ICC’s current practices. Additionally, the amendments would

acknowledge that bilateral reverse repo transactions may be settled through alternative counterparties that may be added in the future to account for the possibility that ICE Clear Credit's financial service provider relationships may change in the future. The amendments would also clarify that ICC in practice uses more than one outside investment manager to facilitate its investment of Guaranty Fund and margin cash.

ICC also proposes revisions to the Tables of collateral liquidity requirements contained in Section III of the Treasury Policy³ to update various defined terms and references (both in the text of the Tables and the titles of the Tables) to be consistent with the other amendments being made to the Treasury Policy, such as to use the defined term Margin and to conform the terminology for the currencies and collateral (US Dollar Cash, EUR Cash, and US Treasury Securities). An amendment will also change a reference from "assets" to "collateral", to more precisely describe the collateral being described. A statement relating to additional margin that may be called where a clearing participant does not meet the required liquidity requirements has been clarified to refer more precisely to initial margin. In addition, ICC proposes revising the participant withdrawals' sub-section of Section III of the Treasury Policy⁴ to reflect that the requirements described are based on the ICC Rules and to add a statement that Guaranty Fund deposits will not be returned until after all positions of the withdrawing participant have been closed out and all liabilities of the participant to ICC have been satisfied, in order to be consistent with the requirements of existing Rule 807. The amendments would also remove a statement that if a participant provides notice of withdrawal less than 60 days from the end of the calendar

³ Table 1 Collateral Liquidation Assumptions (US Dollar denominated requirements); Table 2 Collateral Liquidation Assumptions (Euro denominated requirements); Table 3 House Initial Margin & Guaranty Fund Liquidity Requirements (Non-Client US Dollar denominated requirements); and Table 4 House Initial Margin & Guaranty Fund Liquidity Requirements (Non-Client Euro denominated requirements) (collectively, the "Tables").

⁴ Treasury Policy Section III, Sub-Section "**D. Participants' Withdrawal.**"

quarter, its withdrawal will not be effective until the end of the following quarter, as this requirement is not set forth in the Rules.

The discussion of ICC's use of committed repo facilities would clarify that any expenses (including but not limited to interest expenses) incurred through such facilities following a Clearing Participant default will be attributed to the account of that CP, consistent with the general approach for allocation of close-out costs to a defaulter under the Rules.

ICC proposes revising the cash settlement section of the Treasury Policy.⁵ Under the cash settlement section, the examples of types of transaction payments have been expanded to include options premia and interest on Mark-to-Market Margin, reflecting current practice. The amendments would also add further explanation of the existing ICC direct settlement model used to manage cash movements, for consistency and to provide greater clarity as to settlement operations. As described, the direct settlement requires the Clearing Participants to establish settlement bank arrangements and make requested payments to ICC in the required timeframe. ICC maintains direct debit authority over the settlement bank accounts of Clearing Participants.

In addition, the amendments to Section IV would add to the current criteria for ICE Clear Credit's settlement banks (which include requirements as to regulation and supervision, capital requirements for non-US institution, absence of majority sovereign ownership, internal ICC credit requirements and operational capability) a requirement that the bank provide specific liquidity information, in order to facilitate management by ICC of liquidity risk from settlement arrangements. This would include providing information as to the bank's liquidity coverage ratio, and if that is not reported by the bank, ICC would use other criteria (e.g., requesting a description of the bank's liquidity risk management policy and/or requesting the liquidity coverage ratio of the bank's affiliated reporting entity within the bank's group) based on ICC's discretion, to assess the liquidity risks arising from settlement banks. In addition, as revised, the Treasury Policy

⁵ Treasury Policy Section **"IV. Cash Settlement."**

would no longer specify particular backup settlement banks for ICC but reference a general requirement for ICC to maintain appropriate backup relationships. ICC believes this approach is preferable and avoids the need to amend the Treasury Policy if backup arrangements change.

The amendments would add further description of the daily settlement process (including as to cases where no net settlement is owed and bank holidays), as set forth below. Consistent with the added description of the direct settlement model as noted above, the amendments would state the responsibility of Clearing Participants to ensure that ICC timely receives all requested payments and note that failure to make timely payments may be a default. This proposed change provides greater clarity as to ICC's current practices. In the discussion of routine settlement procedures, an erroneous reference to contacting an agent bank in the event of a late payment would be removed (as the Clearing Participant would be contacted directly). The amendments would also add statements describing the daily settlement process as being conducted every business day and regarding the timing of settlement finality under the direct settlement model. Consistent with current practice, settlement would be deemed final and irrevocable at the earlier of the time when ICC received the relevant payment, or a financial institution used by ICC sends a confirmation message that payment has been made. As noted above, the amendments would also remove references to various specific types of SWIFT messages (in light of the possibility that specific SWIFT message types may be modified, renamed or changed from time to time by SWIFT), and describe such messages more generally. In the case of non-routine settlement, the amendments would remove an unnecessary reference to a specific SWIFT settlement instruction, since ICC and the Clearing Participant in question would be expected to separately confirm the particulars of the settlement.

In the discussion of a SWIFT outage, the amendments would clarify that the relevant scenario arises where ICC is unable to send SWIFT messages to the Clearing Participants' settlement banks (correcting an erroneous reference to ICC's direct settlement banks). The

amendments would revise certain procedures for communicating directly with CP's in the event of a SWIFT outage (removing an incorrect reference to communicating with ICC's direct settlement banks as above). The amendments would also address correcting or re-issuing a SWIFT message in the event of a non-payment for certain technical reasons and remove certain references to specific types of SWIFT messages or reports that ICC believes are unnecessary, and such specific message types may be modified, renamed or changed from time to time (as noted above). The amendment would also remove a requirement that certain emails be password protected (as ICC does not believe email security measures need to be set out in the Treasury Policy). With respect to the discussion of bank-to-bank messages, the amendments would remove references to specific settlement banks and instead refer to the applicable ICC settlement bank generally (to avoid the need to amend the Treasury Policy in the event of any change in settlement banks). With respect to the scenario where a bank rejects a SWIFT debt message because of a technical defect, the amendments will remove a specific requirement to manually update the transaction summary report and manually initiate a specific reversal or correction message and add instead a general obligation to correct the prior message or reissue a corrected message.

ICC proposes revisions to settlement bank failure sub-section of Section IV of the Treasury Policy.⁶ In the event that a settlement bank fails to perform, ICE Clear Credit would instruct the CP to wire the funds to the ICE Clear Credit accounts at an alternate settlement bank. The amendments broaden the list of such alternate settlement banks that may be designated by ICC.

In the discussion of ICC's use of the FRB Accounts for depository purposes, the amendments would update the Treasury Policy to reflect that ICC currently maintains separate FRB Accounts for house and client margin in light of applicable segregation requirements

⁶ Treasury Policy Section IV. Sub-Section "**A.7. Failure of Settlement Bank to Perform.**"

(removing and updating certain outdated language that contemplated a scenario where ICC might only have one FRB account). Other amendments in this section make non-substantive changes to the use of defined terms (including new terms House Account and Client Account as well as replacing FRB customer cash account and FRB House cash account with FRB House Account and replacing FRB Client cash account with FRB Client Account). Certain conforming changes would also be made to consistently refer to Guaranty Fund and House Accounts in this section.

Further, ICC proposes revisions to the custodial assets section of the Treasury Policy.⁷ The amendments would reference ongoing monitoring according to ICE Clear Credit's Counterparty Monitoring Procedures (rather than identifying only a specific annual report that is no longer required to be submitted as ICC Counterparty Monitoring Procedures contain detailed procedures regarding the monitoring of the operational capabilities of the custodial banks). Outdated language that contemplated a scenario where ICC might have only one FRB securities account has also been removed. Amendments would identify market risk management as well as liquidity risk management as goals of ICC's policies relating to acceptable forms of collateral and associated haircuts. Certain typographical and other non-substantive drafting changes would be made in the discussion of collateral valuation.

ICC proposes revisions to the collateral "haircut" sub-section of Section V of the Treasury Policy.⁸ The discussion of the collateral haircut methodology would be revised to refer to cash and non-cash collateral generally, rather than just US Treasuries and non-USD currencies (as the current list of eligible collateral is not limited to those specific assets). Other conforming non-substantive changes will be made consistent with the rest of the Treasury Policy. Amendments would also require that the Treasury Department provide a report of current haircuts to the ICC Risk Department at a minimum once a month (as opposed to only once a month) and

⁷ Treasury Policy Section "**V. Custodial Assets.**"

⁸ Treasury Policy Section V, Sub-Section "**B.3. Collateral "Haircut" Methodology.**"

require that the report be provided whether or not changes were made during the month. This approach reflects ICC's current practices. The amendments would also reflect current practice that haircuts are made publicly available, and any haircut changes are notified to CP's (and not only on a monthly basis). In the excess collateral sub-section, ICC proposes noting that requests by Clearing Participants to transfer excess collateral must be completed prior to 9:00 AM ET for both EUR and British pound sterling ("GBP") denominated collateral rather than only for EUR denominated collateral as this sub-section did not contain the applicable GBP deadline for the transfer of excess GBP denominated collateral.

In the section of the Treasury Policy relating to treasury management of client business,⁹ various non-substantive drafting changes would be made, including to use the defined terms House Account, Client Account and Client Positions and Margin and conform references to various types of cash and non-cash collateral. An unnecessary reference to daily payment processes would also be removed.

ICC also proposes revisions to the treasury reconciliations section of the Treasury Policy.¹⁰ As amended, the Treasury Policy will clarify that the Treasury Department conducts a daily reconciliation process for its cash and non-cash collateral accounts in accordance with its internal procedures, which include cite checks for validating status of margin payments, a check of prior-day cash balances, withdrawals, and/or deposits, and a comparison of current and expected balances. With respect to the cite checks description, ICC proposes to replace the vague and undefined phrase "ISG requests" with the generalized and descriptive phrase "transaction activity" to improve clarity.

⁹ Treasury Policy Section "**VI. Treasury Management for Client Business.**"

¹⁰ Treasury Policy Section "**VII. Treasury Reconciliations.**"

Other amendments would correct the identification of ICC's SWIFT BIC code and update cross-references to ICC's Counterparty Monitoring Procedures (which was formerly referred to as the CDS Clearing Counterparty Monitoring Procedures).

ICC also proposes changes to Appendix 1: ICE Clear Credit Operating Capital Investment Policy. The amendments provide that the use of direct investments in US Treasury securities is not limited to cases where other investments (e.g., reverse repo investments) are unavailable; rather, the revised guidelines would contemplate the use of direct investments primarily for stable balances (such as amounts held for regulatory capital purposes). ICC believes the change provides greater flexibility for investment of such balances while preserving the credit quality of investments. Revisions to the guidelines for reverse repo investments in Appendix 2 would reflect that the value of collateral must be 102% of the invested amount (rather than within a range of 100.5% to 102%). This change reflects current market practice and provides greater protection to ICC. References to certain specific banks in key contacts in Appendix 2 also will be removed as unnecessary; ICC does not believe such contacts need to be maintained in the Treasury Policy, given the likelihood of changes in contact details.

ICC proposes a number of other drafting clarifications and conforming changes, such as updating names and uses of relevant defined terms, deleting outdated references and other non-substantive drafting improvements, would also be made throughout the Treasury Policy document. Various provisions and footnotes would also be relabeled or renumbered in the Treasury Policy.

(b) Statutory Basis

ICE Clear Credit believes that the proposed amendments to the Treasury Policy are consistent with the requirements of Section 17A of the Securities Exchange Act of 1934 (the "Act")¹¹ and the regulations thereunder applicable to it. In particular, Section 17A(b)(3)(F) of the

¹¹ 15 U.S.C. 78q-1.

Act¹² 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, the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible, and the protection of investors and the public interest. The proposed amendments are designed to generally improve the clarity of the Treasury Policy and make certain related enhancements, including clarifying the investment guidelines for investment of ICC's own capital, clarifications to the roles and responsibilities of the ICC Treasury Department function and clarifications concerning SWIFT messaging procedures. ICC believes the changes to the investment guidelines will facilitate stable investment of ICC's own capital and provide useful flexibility for the clearing house. The changes will not result in a change to current ICC Treasury Department practices. ICC therefore believes the amendments will help ensure that the Treasury Policy remain up-to-date and clearly articulate ICC's Treasury Department practices, and as such will promote the prompt and accurate clearance and settlement of securities transactions and derivatives agreements, contracts and transactions, contribute to the safeguarding of securities and funds which are in the custody or control of ICC or for which it is responsible, and generally promote the protection of investors and the public interest in the operation of clearing services, within the meaning of Section 17A(b)(3)(F) of the Act.¹³

The amendments also comply with relevant provisions of Rule 17Ad-22.¹⁴ In particular, Rule 17Ad-22(e)(5) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable . . . [l]imit the assets it accepts as collateral to those with low credit, liquidity and market risks, and

¹² 15 U.S.C. 78q-1(b)(3)(F).

¹³ 15 U.S.C. 78q-1(b)(3)(F).

¹⁴ 17 CFR 240.17Ad-22.

set and enforce appropriately conservative haircuts and concentration limits if [it] requires collateral to manage its or its participants' credit exposure, and require a review of the sufficiency of its collateral haircuts and concentration limits to be performed not less than annually.”¹⁵ As set forth above, the amendments to the Treasury Policy would make clarifying changes to the responsibilities of the Treasury Department and procedures relating to the management of funds constituting operating capital as well as GF contributions and margin, banking relationships, and acceptable collateral and haircuts, among other matters. As such, the amendments would facilitate the ability of ICC to limit the assets it accepts as collateral to those with low credit, market and liquidity risks, consistent with the requirements of Rule 17Ad-22(e)(5).¹⁶

Rule 17Ad-22(e)(8) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] define the point at which settlement is final to be no later than the end of the day on which the payment or obligation is due and, where necessary or appropriate, intraday or in real time.”¹⁷ The amendments would state clearly the time at which settlement of daily payments is deemed final, as the earlier of (i) when ICC receives the payment or (ii) when a financial institution used by ICC sends a relevant confirmation message that the payment has been made, which is consistent with ICC practice and is within the timeframe required under Rule 17Ad-22(e)(8).¹⁸

Rule 17Ad-22(e)(9) requires that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] conduct its money settlements in central bank money, where available and

¹⁵ 17 CFR 240.17Ad-22(e)(5).

¹⁶ 17 CFR 240.17Ad-22(e)(5).

¹⁷ 17 CFR 240.17Ad-22(e)(8).

¹⁸ 17 CFR 240.17Ad-22(e)(8).

determined to be practical . . . and minimize and manage credit and liquidity risk arising from conducting its monetary settlements in commercial bank money if central bank money is not used by the covered clearing agency”.¹⁹ As set forth above, the amendments make certain clarifications to the descriptions ICC’s settlement banking arrangements (through FRB accounts and with settlement banks) to more clearly reflect current practice by the clearing house. As such, in ICC’s view, the amendments are consistent with the requirements of Rule 17Ad-22(e)(9).²⁰

Rule 17Ad-22(e)(16) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] safeguard the covered clearing agency’s own and its participants’ assets, minimize the risk of loss and delay in access to these assets, and invest such assets in instruments with minimal credit, market and liquidity risks.”²¹ As noted above, the amendments would provide greater flexibility for ICC to invest its own capital through direct investments in US treasury securities, particularly in the case where it is investing stable balances. In that context, and given the maturity limitations that will nonetheless apply, ICC believes that such investments would have minimal credit, market and liquidity risks for ICC, and accordingly would be consistent with Rule 17Ad-22(e)(16).²²

Rule 17Ad-22(e)(3)(i) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] identify, measure, monitor, and manage the range of risks that arise in or are

¹⁹ 17 CFR 240.17Ad-22(e)(9).

²⁰ 17 CFR 240.17Ad-22(e)(9).

²¹ 17 CFR 240.17Ad-22(e)(16).

²² 17 CFR 240.17Ad-22(e)(16).

borne by the covered clearing agency”²³. The Treasury Policy is intended to assist ICC, among other matters, in accurately assessing and managing certain of its investment risks, collateral risks and liquidity risks relating to margin, GF and other assets held by ICC. As set forth above, the amendments are generally intended to update the Treasury Policy and make various drafting improvements for purposes of clarifications. In keeping the relevant policies up-to-date, ICC believes the amendments are consistent with the risk management requirements of Rule 17Ad-22(e)(3)(i).²⁴

Rule 17Ad-22(e)(2) provides that “[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable [...] [p]rovide for governance arrangements that are [c]lear and transparent”²⁵ and “[s]pecify clear and direct lines of responsibility”²⁶. As proposed to be revised, the Treasury Policy would clearly state certain responsibilities of the Treasury Department, among other parts of ICC, in relation to oversight of its practices regarding treasury functions and collateral management. The amendments would make certain clarifications and drafting improvements that will keep these aspects of the Treasury Policy up-to-date and effective for their purposes. In ICE Clear Credit’s view, the amendments to the Treasury Policy are therefore consistent with the requirements of Rule 17Ad-22(e)(2).²⁷

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

ICE Clear Credit does not believe the proposed amendments would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purposes of the Act. The amendments are being adopted to update and clarify the Treasury Policy. As

²³ 17 CFR 240.17 Ad-22(e)(3)(i).

²⁴ 17 CFR 240.17 Ad-22(e)(3)(i).

²⁵ 17 CFR 240.17 Ad-22(e)(2)(i).

²⁶ 17 CFR 240.17 Ad-22(e)(2)(v).

²⁷ 17 CFR 240.17 Ad-22(e)(2).

set forth above, the proposed amendments are not expected to materially change the treasury operations of ICC but rather update general language to more clearly describe existing practices. Accordingly, ICE Clear Credit does not believe the amendments would affect the rights and obligations of CP's or the costs of clearing, the ability of market participants to access clearing, or the market for clearing services generally. Therefore, ICE Clear Credit does not believe the proposed rule change imposes 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, Security-Based Swap Submission, or Advance Notice 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, Security-Based Swap Submission, or Advance Notice and Timing for Commission Action*

Within 45 days of the date of publication of this notice in the *Federal Register* or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. *Solicitation of Comments*

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, security-based swap submission, or advance notice 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. Please include File Number SR-ICC-2024-005 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-ICC-2024-005. 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, security-based swap submission, or advance notice that are filed with the Commission, and all written communications relating to the proposed rule change, security-based swap submission, or advance notice 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 include personal identifiable information in submissions, you should submit only information you wish to make publicly available. We may redact in part or withhold entirely from publication submitted materials that is obscene or subject to copyright protection.

All submissions should refer to File Number SR-ICC-2024-005 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.²⁸

[Name of Secretary]
Secretary

²⁸

17 CFR 200.30-3(a)(12).

EXHIBIT 5

PAGE REDACTED IN ITS ENTIRETY

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**

PAGE REDACTED IN ITS ENTIRETY

**CONFIDENTIAL TREATMENT REQUESTED PURSUANT TO THE FREEDOM OF
INFORMATION ACT**