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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70826; File No. SR-ICC-2013-08)

November 7, 2013

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change to Add Rules Related to the Clearing of MCDX Index CDS Contracts and Make Conforming Changes to Existing Rules

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 25, 2013, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and II below, which Items have been prepared primarily by ICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The purpose of the proposed rule change is to adopt new rules that will provide the basis for ICC to clear additional credit default swap contracts. Specifically, ICC is proposing to amend Chapter 26 of its rules to add Section 26H to provide for the clearance of the MCDX Untranchured Contracts (“MCDX Contracts”). MCDX Contracts are credit default swap (“CDS”) contracts that reference an index of municipal issuers.

As discussed in more detail in Item II.A below, Section 26H (MCDX Untranchured Contracts) provides for the definitions and certain specific contract terms for cleared MCDX Contracts. Conforming changes are also made to the definition of “CDS Restructuring Rules” in Chapter 20 (Credit Default Swaps) and to Rule 2101-02(a)(iii) (Role of the Regional CDS

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Committees) to clarify cross-references to the CDS Restructuring Rules set forth in Section 26E of the Rules. Section 26E (CDS Restructuring Rules) is modified to provide that it will not apply to MCDX Contracts (as such contracts are automatically triggered in the event of a restructuring credit event, as discussed below).

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

In its filing with the Commission, ICC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. ICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.

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

ICC has identified MCDX Contracts as a product that has become increasingly important for market participants to manage risk and express views with respect to municipal issuer credit. ICC's clearance of MCDX Contracts will facilitate the prompt and accurate settlement of swaps and contribute to the safeguarding of securities and funds associated with swap transactions.

MCDX Contracts have similar terms to the CDX North American Index CDS contracts ("CDX.NA Contracts") currently cleared by ICC and governed by Section 26A of the ICC rules. Accordingly, the proposed rules found in Section 26H largely mirror the ICC rules for CDX.NA Contracts in Section 26A, with certain modifications that reflect the underlying reference entities (municipal issuer reference entities instead of corporate reference entities) and differences in terms and market conventions between MCDX Contracts and CDX.NA Contracts.

The MCDX Contracts reference the MCDX Index, the current series of which consists of 50 municipal issuers. MCDX Contracts, consistent with market convention and widely used standard terms documentation, can be triggered by credit events for failure to pay or restructuring (by contrast to the credit events of failure to pay and bankruptcy applicable to the CDX.NA Contracts). In the event of a restructuring, all outstanding positions are automatically triggered. Thus, from a clearing perspective, restructuring credit events would be handled in the same way as a failure to pay credit event (and would not require the additional restructuring triggering procedures that are used for certain corporate and sovereign CDS contracts). MCDX Contracts will only be denominated in U.S. dollars.

Rule 26H-102 (Definitions) sets forth the definitions used for the MCDX Contract Rules. An “Eligible MCDX Untranching Index” is defined as “each particular series and version of a MCDX index or sub-index, as published by the MCDX Untranching Publisher, determined by ICE Clear Credit to be eligible and included in the List of Eligible MCDX Untranching Indexes.” “MCDX Untranching Terms Supplement” refers to the market standard form of documentation used for credit default swaps on the MCDX index, which is incorporated by reference into the contract specifications in Section 26H. The remaining definitions are substantially the same as the definitions found in ICC Section 26A, other than certain conforming changes.

Rules 26H-309 (Acceptance of MCDX Untranching Contracts by ICE Clear Credit), 26H-315 (Terms of the Cleared MCDX Untranching Contract), and 26H-316 (Updating Index Version of Fungible Contracts After a Credit Event or a Succession Event; Updating Relevant Untranching Standard Terms Supplement) reflect or incorporate the basic contract specifications for MCDX Contracts and are substantially the same as under ICC Section 26A for CDX.NA Contracts. In addition to various non-substantive conforming changes, proposed Rule 26H-317

(Terms of MCDX Untranching Contracts) differs from the corresponding Rule 26A-317 to reflect the fact that restructuring is a credit event for the MCDX Contract. (CDX.NA Contracts currently cleared by ICC do not use the restructuring credit event. However, unlike the case with other corporate and sovereign CDS, in the event of a restructuring for an MCDX reference entity, all outstanding positions are automatically triggered. Thus, from a clearing perspective MCDX restructuring events would be handled in the same way as a failure to pay.)

Because of the automatic triggering following a restructuring credit event, the provisions of Section 26E of the Rules are not necessary for MCDX Contracts, and Section 26E is amended to provide that it does not apply to MCDX Contracts. A conforming change is made to the definition of “CDS Restructuring Rules” in Chapter 20 (Credit Default Swaps) to make reference to the rules set forth in Section 26E (CDS Restructuring Rules) of the Rules. In addition, Rule 2101-02(a)(iii) (Role of the Regional CDS Committees) is modified to make reference to the CDS Restructuring Rules set forth in Section 26E of the Rules.

Section 17(A)(b)(3)(F) of the Act³ 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. ICC believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(F), because ICC believes that the clearance of MCDX Contracts will facilitate the prompt and accurate settlement of securities and contribute to the safeguarding of securities and funds associated with swap transactions in ICC’s custody or control, or for which ICC is responsible.

³ 15 U.S.C. 78q-1(b)(3)(F).

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

MCDX Contracts will be available to all ICC Participants for clearing. The clearing of MCDX Contracts by ICC does not preclude the offering of MCDX Contracts for clearing by other market participants. In addition, ICC does not anticipate that accepting MCDX Contracts for clearing will have any adverse effect on the trading market for the contract. Therefore, ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

ICC has consulted with its Participants and non-member market participants concerning the proposed rule change. Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

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

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 the 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 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-2013-08 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-ICC-2013-08. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F

Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m.
and 3:00 p.m.

Copies of such filings also will be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's website at

<https://www.theice.com/notices/Notices.shtml?regulatoryFilings>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ICC-2013-08 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.⁴

Kevin M. O'Neill
Deputy Secretary

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⁴ 17 CFR 200.30-3(a)(12).