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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-73348; File No. SR-ICEEU-2014-17)

October 14, 2014

Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Rules and Procedures

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 3, 2014, ICE Clear Europe Limited (“ICE Clear Europe”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule changes described in Items I, II and III below, which Items have been prepared primarily by ICE Clear Europe. ICE Clear Europe filed the proposal pursuant to Section 19(b)(3)(A) of the Act,³ and Rules 19b-4(f)(4)(i) thereunder,⁴ so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The principal purpose of the proposed changes is to accommodate the transition of trading in certain cleared financial and soft commodity contracts from the LIFFE Administration & Management (“LIFFE”) market to ICE Futures Europe.

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

In its filing with the Commission, ICE Clear Europe included statements concerning the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(4)(i).

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. ICE Clear Europe 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

1. Purpose

ICE Clear Europe currently acts as the clearing organization for futures and option contracts traded on the LIFFE market. These contracts consist of futures and options contracts involving financial instruments (including interest rate futures and option contracts and equity futures and option contracts) and so-called "soft" commodities (including futures and option contracts on cocoa, wheat, coffee and sugar) (collectively, "financials and softs contracts"). As has been publicly announced, IntercontinentalExchange Group, Inc. ("ICE Group"), the parent of ICE Clear Europe and LIFFE, has determined to transition the trading of such contracts from LIFFE to ICE Futures Europe (which is also a subsidiary of ICE Group). ICE Clear Europe also acts as the clearing organization for the ICE Futures Europe market, and ICE Clear Europe will continue to clear the transitioning financials and softs contracts following the transition. To facilitate an orderly transition in trading activity and to accommodate operational requirements of the clearing house, the exchanges and other market participants, it is expected that the transition will occur in several stages commencing in late September 2014 and concluding in mid-November 2014. Each stage will involve transition of a set of products in a particular category (such as soft commodity, fixed income or equity contracts).

In connection with the transition, ICE Clear Europe proposes to make certain amendments to its Rules and Procedures to reflect the change in trading market and make various related conforming changes. ICE Clear Europe does not propose to change the clearing resources supporting the clearing of these products, including the margin methodology for the products and the guaranty fund supporting clearing of the products, or to materially change its risk management framework for these contracts. In addition, ICE Clear Europe does not propose to change its rules in a manner that conflicts with the terms of the exemptive order granted by the Commission to ICE Clear Europe from clearing agency registration in connection with the clearing of the LIFFE securities products (the “ICEU Exemptive Order”),⁵ and ICE Clear Europe will continue to satisfy the conditions of such order. Furthermore, despite the change in trading venue from LIFFE to ICE Futures Europe and the proposed rule changes, the controls put into place by ICE Clear Europe pursuant to the ICEU Exemptive Order to prevent U.S. persons from clearing transactions in U.S. securities and to comply with the other conditions in the order will remain in place and continue to be satisfied.⁶

ICE Clear Europe submits revisions to Parts 1, 2, 4, 9, 11 and 12 of the Rules and a new Part 21 of the Rules. ICE Clear Europe also submits certain conforming changes to its

⁵ Order Pursuant to Section 17A of the Securities Exchange Act of 1934 Granting Exemption from the Clearing Agency Registration Requirement under Section 17A(b) of the Exchange Act for ICE Clear Europe Limited in Connection With its Proposal to Clear Contracts Traded on the LIFFE Administration and Management Market, Exchange Act Release No. 34-69872 (June 27, 2013).

⁶ These include controls implemented as part of the clearing membership and account set-up process. ICE Clear Europe also notes in this regard that consistent with the class no-action relief provided by the Division of Trading and Markets for foreign options markets (LIFFE A&M and Class Relief, SEC No-Action Letter (July 1, 2013)), LIFFE equity options on securities of U.S. issuers are not available for sale to U.S. persons. This restriction will continue to apply following the transition of trading in such options to ICE Futures Europe. See Representation Letter from ICE Futures Europe (March 28, 2014).

Procedures, including the Clearing Procedures, Finance Procedures, Delivery Procedures General Contract Terms, Complaint Resolution Procedures and FX Procedures.

Throughout the Rules and Procedures, references to “LIFFE Contracts” and related definitions referring to “LIFFE” have been changed to “Financials & Softs Contracts” and corresponding related terms, as described herein. Accordingly, the current LIFFE segment of the F&O product category will become known as the Financials & Softs segment of the F&O product category. During the phased transition period, the Financials & Softs segment will include both those former LIFFE contracts that have transitioned to trading on ICE Futures Europe and those LIFFE contracts that have not yet been transferred.

In Part 1 of the Rules, Rule 101 is modified to add new defined terms and revise existing definitions in connection with the transition. The definitions of “Energy” and “Energy Transaction” have been revised to exclude ICE Futures Europe transactions that are Financials & Softs transactions. A new set of Financials & Softs related definitions has been added based on the existing LIFFE contract related definitions, including “Financials & Softs”, “Financials & Softs Block Contract”, “Financials & Softs Block Trade Facility”, “Financials & Softs Block Transaction”, “Financials & Softs Clearing Member”, “Financials & Softs Contract”, “Financials & Softs Matched Contract”, “Financials & Softs Matched Transaction”, and “Financials & Softs Transaction”. These are substantially the same as the corresponding definitions for LIFFE products, but reflect the fact that Financials & Softs contracts will be traded on ICE Futures Europe and, prior to the transition, on LIFFE. Certain other definitions have been added to address particular LIFFE trading functionalities, including “Basis Trades” and “Soft Commodity EFRP,” which are used in the definition of Financials & Softs Block Transaction and are defined by reference to the relevant ICE Futures Europe rules or LIFFE

rules. Various other conforming changes to definitions have been made, principally to refer to “Financials & Softs” instead of “LIFFE” and/or to refer to ICE Futures Europe instead of (or in addition to) the LIFFE market. In addition, the definition of “Continuing CDS Rule Provisions” is modified such that references to “LIFFE Contracts” in Rule 209 thereof will be deemed to be “Financials & Softs Contracts” as defined in the Rules.

Rule 102(f), which addresses relevant documentation governing transactions, has been revised to reference the relevant LIFFE rules in the case of Financials & Softs Contracts traded on LIFFE and the relevant ICE Futures Europe rules in the case of Financials & Softs Contracts traded on ICE Futures Europe.

In Rules 201(a), 207(g) and 208(e) various conforming changes are made to refer to Financials & Softs Transactions and Contracts instead of LIFFE Transactions and Contracts, as appropriate. In Rule 207(g), a further clarification is made that the restriction therein on U.S. clearing members clearing Financials & Softs Contracts in U.S. securities does not apply to clearing of futures contracts on exempted securities.

Rule 401, which addresses contract formation, has been revised to refer to Financials & Softs Transactions and Contracts instead of LIFFE Transactions and Contracts and Financials & Softs Clearing Members instead of LIFFE Clearing Members, and to refer to the ICE Futures Europe Rules, as appropriate. Similarly, conforming changes to the use of the term Financials & Softs Clearing Member has been made in Rule 404(a).

In Rules 908 and 909, various conforming references to defined terms referencing LIFFE have been changed to Financials & Softs. Similarly, a conforming change in Rule 1101 has been made to refer to Financials & Softs instead of LIFFE.

The amendments also revise Part 12 of the Rules, which addresses UK Settlement

Finality Regulations and the Companies Act 1989, to refer to Financials & Softs transactions and to change the defined term “LIFFE Delivery Order” to “Security Derivative Delivery Order.”

The amendments include a new Part 21 of the Rules, which adopts transitional provisions for the LIFFE Contracts moving to ICE Futures Europe. Rule 2102⁷ adopts definitions for the various stages of the transition and the particular contracts being moved to ICE Futures Europe. It is contemplated that the transition will take place in five stages. The first stage (expected to occur at the end of September 2014) will consist of soft commodity futures and option contracts; the second, third and fourth stages (expected to occur during October 2014 and early November 2014) will consist of government bond futures and options contracts; and the fifth phase (expected to occur in mid-November 2014) will consist of equity futures and option contracts. Rule 2103⁸ provides that the transition of trading will occur for each stage of the transition at the specified transition time. Rule 2104⁹ provides for the redesignation of contracts as Financials & Softs Contracts for purposes of the Rules.

In the Clearing Procedures, paragraph 1 has been revised to refer to “Financials & Softs” instead of LIFFE and to refer to various successor operational systems that may be used by ICE Clear Europe. Similarly, in the Finance Procedures, references to “LIFFE Contracts” have been changed to “Financials & Softs Contracts.”

ICE Clear Europe also proposes to make conforming changes to the Delivery

⁷ In ICE Clear Europe’s filing, it referenced Rule 2101. Following confirmation from ICE Clear Europe, Staff has changed this reference to Rule 2102.

⁸ In ICE Clear Europe’s filing, it referenced Rule 2102. Following confirmation from ICE Clear Europe, Staff has changed this reference to Rule 2103.

⁹ In ICE Clear Europe’s filing, it referenced Rule 2103. Following confirmation from ICE Clear Europe, Staff has changed this reference to Rule 2104.

Procedures. References to “LIFFE” have been changed to “Financials & Softs.” In addition, parallel references to ICE Futures Europe and the ICE Futures Europe Rules have been added as appropriate to existing references to LIFFE and the LIFFE Rules, including in connection with delivery specifications. Certain references to LIFFE contract terms have been changed to relevant contract terms to reflect the transition to ICE Futures Europe. References to the “LIFFE Guardian” electronic grading and delivery system for softs have been changed to “Guardian” or any successor system. In addition, certain obsolete references to raw sugar contracts (which are not currently traded on LIFFE or ICE Futures Europe) have been removed in paragraph 8.

In the General Contract Terms, references to LIFFE Contracts are changed to Financials & Softs Contracts and a reference to the ICE Futures Europe Rules is added. Other conforming changes to defined terms (based on prior amendments to the Rules) are also made, including to the use of the terms “Buying Counterparty,” “Selling Counterparty” and “Clearing Counterparty”. The “Waiver” and “Entire Agreement” provisions in new paragraphs 3(o) and (p) were inadvertently deleted in a prior amendment¹⁰ and are reinstated in relevant part.

In the Complaint Resolution Procedures, a reference to Financials & Softs Clearing Members is added in paragraph 1.5. In paragraph 1.31 of the FX Procedures, a conforming change is made to reflect a change in defined terms under the Rules.

2. Statutory Basis

ICE Clear Europe believes that the proposed rule changes are consistent with the requirements of Section 17A of the Act¹¹ and the regulations thereunder applicable to it,

¹⁰ Exchange Act Rel. No. 34-72582 (July 10, 2014), 79 FR 41320 (July 15, 2014) (SR-ICEEU-2014-11).

¹¹ 15 U.S.C. 78q-1.

including the standards under Rule 17Ad-22.¹² The amendments will accommodate the transition of trading of certain cleared Financials & Softs contracts from trading on LIFFE to trading on ICE Futures Europe, while maintaining clearing at ICE Clear Europe. The existing clearing arrangements and related financial safeguards, protections, risk management procedures, settlement procedures, clearing membership standards and default management procedures for such contracts at ICE Clear Europe will continue to apply, as discussed herein. ICE Clear Europe does not propose to change any rules in a manner that conflicts with the terms of the ICEU Exemptive Order and will continue to satisfy the conditions of such order. Furthermore, despite the change in trading venue from LIFFE to ICE Futures Europe and the proposed rule changes, the controls put into place by ICE Clear Europe pursuant to the ICEU Exemptive Order to prevent U.S. persons from clearing transactions in U.S. securities and to comply with the other conditions in the order will remain in place and continue to be satisfied. As a result, the transition, and the related amendments to the ICE Clear Europe rules and procedures, are consistent with the prompt and accurate clearance of and settlement of securities transactions and derivative agreements, contracts and transactions cleared by ICE Clear Europe, the safeguarding of securities and funds in the custody or control of ICE Clear Europe and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.¹³

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

ICE Clear Europe does not believe the proposed rule and procedure changes would have

¹² 17 CFR 240.17Ad-22.

¹³ 15 U.S.C. 78q-1(b)(3)(F).

any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the amendments are intended to accommodate the transitioning of trading for the relevant contracts from LIFFE to ICE Futures Europe, and the clearing arrangements for those contracts are not expected to change in any material respect. In particular, the contract terms and clearing membership standards will not change in any material respect, and the availability of clearing and the costs and requirements for clearing of the contracts are not expected to change in any material respect as a result of the transition. The rule changes should therefore not affect access to clearing in these products by clearing members or their customers. Accordingly, ICE Clear Europe does not believe that the proposed rule changes will impose any burden on competition among clearing members or their customers not appropriate in furtherance of the purposes of the Act.

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

Written comments relating to the proposed changes to the rules have not been solicited or received. ICE Clear Europe will notify the Commission of any written comments received by ICE Clear Europe.

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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)¹⁴ of the Act and Rule 19b-4(f)(4)(i)¹⁵ thereunder because it effects a change in an existing service of a registered clearing agency that does not adversely affect the safeguarding of

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(i).

securities or funds in the custody or control of the clearing agency or for which it is responsible and does not significantly affect the respective rights or obligations of the clearing agency or persons using the service, within the meaning of Rule 19b-4(f)(4)(i). As discussed above, ICE Clear Europe is currently the clearing organization for the transitioning LIFFE contracts, and will continue to clear such contracts following the transition of trading to ICE Futures Europe. The contract terms of the transitioning contracts are not changing in any material respect, and ICE Clear Europe will continue to use substantially the same risk management, margin, guaranty fund, settlement and other policies and procedures following the transition as are currently used with respect to such contracts. The amendments to the Rules and Procedures discussed herein generally consist of conforming changes to defined terms and related transitional provisions that will accommodate the transition of trading activity. In ICE Clear Europe's view, these changes will thus not significantly affect the safeguarding of funds or securities in the custody or control of ICE Clear Europe, or otherwise significantly affect the rights or obligations of the Clearing House and its Clearing Members. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or

send an e-mail to rule-comments@sec.gov. Please include File Number SR-ICEEU-2014-17 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-ICEEU-2014-17. 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, N.E., Washington, D.C. 20549, on official business days between the hours of 10:00 a.m. and 3:00 pm. Copies of such filings will also be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe'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-ICEEU-2014-17 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.¹⁶

Kevin M. O'Neill
Deputy Secretary

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¹⁶ 17 CFR 200.30-3(a)(12).