



8011-01  
SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-79889; File No. SR-ICC-2017-001)

January 27, 2017

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Implement Collateral Fee Changes

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder<sup>2</sup> notice is hereby given that on January 23, 2017, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by ICC. ICC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,<sup>3</sup> and Rule 19b-4(f)(2)<sup>4</sup> thereunder, 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. 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 changes is to implement changes to the fee that ICC charges for U.S. Treasury securities collateral deposits.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

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

The proposed revisions are intended to implement changes to the fee that ICC charges for U.S. Treasury securities collateral deposits. The proposed changes are described in detail as follows.

Currently, with respect to collateral deposited by Clearing Participants with ICC for the purpose of satisfying margin and Guaranty Fund requirements, ICC imposes a 5 basis point fee on U.S. Treasury securities collateral deposits.<sup>5</sup> The fee is calculated and charged monthly, and applies to both house and client accounts.<sup>6</sup>

Effective February 1, 2017, ICC will be changing the fee charged for U.S. Treasury securities collateral deposits from 5 basis points to 7.5 basis points. This fee will continue to be calculated and charged monthly, and will continue to apply to both house and client accounts. ICC believes this change will lead to an increase in the posting of

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<sup>5</sup> See Securities Exchange Act Release 71511 (February 7, 2014), 79 FR 8760 (February 13, 2014) (SR-ICC-2014-01).

<sup>6</sup> See ICC Circular 2013/032, as modified by ICC Circular 2014/004.

cash collateral by Clearing Participants and their clients, as opposed to U.S. Treasury securities.

ICC believes the proposed rule changes are consistent with the requirements of the Act including Section 17A of the Act<sup>7</sup>. More specifically, the proposed rule changes establish or change a member due, fee or other charge imposed by ICC under Section 19(b)(3)(A)(ii)<sup>8</sup> of the Act and Rule 19b-4(f)(2)<sup>9</sup> thereunder. ICC believes the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(D),<sup>10</sup> because the proposed collateral fee change applies equally to all market participants and such fees are in-line with similar fees charged by market participants. Therefore the proposed changes provide for the equitable allocation of reasonable dues, fees and other charges among participants. As such, the proposed changes are appropriately filed pursuant to Section 19(b)(3)(A)<sup>11</sup> of the Act and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>12</sup>

Further, ICC believes such changes are consistent with Section 17A(b)(3)(F),<sup>13</sup> because ICC believes that the collateral fee change will promote the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions. The proposed collateral fee change is intended to increase cash collateral

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<sup>7</sup> 15 U.S.C. 78q-1.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

<sup>13</sup> 15 U.S.C. 78q-1(b)(3)(F).

held at the clearing house, which would minimize liquidity risk and reduce the likelihood that assets securing participant obligations would be unavailable when ICC needs to draw on them, thus safeguarding ICC's ability to meet its settlement obligations.

B. Clearing Agency's Statement on Burden on Competition

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition. The proposed collateral fee change applies consistently across all market participants and implementation of the proposed collateral fee change does not preclude the implementation of similar fee changes by other market participants. Therefore, ICC does not believe the collateral fee 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 and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, 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](mailto:rule-comments@sec.gov). Please include File Number SR-ICC-2017-001 on the subject line.

##### Paper Comments:

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

All submissions should refer to File Number SR-ICC-2017-001. 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 a.m. and 3:00 p.m. Copies of the filing 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/clear-credit/regulation>. 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-2017-001 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.<sup>14</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>14</sup> 17 CFR 200.30-3(a)(12).

