



8011-01

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84464; File No. SR-ICEEU-2018-017]

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

October 22, 2018

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, as amended (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 15, 2018, 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 proposed rule change pursuant to Section 19(b)(3)(A)³ of the Act and subparagraph (f)(4)⁴ of Rule 19b-4 thereunder. 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

ICE Clear Europe Limited proposes to modify certain provisions of its CDS Procedures (the “CDS Procedures”) and its Clearing Rules (the “Rules”)⁵ to account for a change in the DC Secretary for the Credit Derivatives Determinations Committees.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4).

⁵ Capitalized terms used but not defined herein have the meanings specified in the Rules and CDS Procedures.

II. Clearing Agency'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 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 such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

ICE Clear Europe proposes to modify certain provisions of its CDS Procedures and its Rules to account for an expected change in the DC Secretary for the Credit Derivatives Determinations Committees. The DC Secretary performs certain administrative functions in respect of the Credit Derivatives Determinations Committees that make certain determinations relevant to cleared CDS Contracts under the Rules and CDS Procedures. The International Swaps and Derivatives Association ("ISDA"), which currently serves as the DC Secretary, has announced that it intends to cease performing that role and that it has appointed a new DC Secretary. Once the transition is complete, certain references in the Rules and CDS Procedures to ISDA will no longer be accurate.

The amendments will add a new term in the CDS Procedures for "DC Secretary," which will mean ISDA or such other secretary of the Credit Derivatives Determinations Committees as may be appointed from time to time under the Credit Derivatives Determinations Committees Rules to carry out the functions required thereunder. Certain references to actions by ISDA will be modified to refer to actions by either ISDA or the

DC Secretary. Specifically, the definition of “RMP Deadline Time”, which is a deadline for certain obligations upon a Relevant Restructuring Event, is being modified such that “the date of publication by ISDA of the Final List” will become “the date of publication by ISDA or DC Secretary of the Final List”. Section 6.5(d) relating to Deliverable Obligations disputes will be amended such that relevant time periods will refer to the date on which ISDA or DC Secretary publicly announces the resolution of the Credit Derivatives Determinations Committee.

Further pursuant to the proposed amendments, the definition of “Determining Body” in the Rules is being amended to clarify that neither the Credit Derivatives Determination Committee nor a secretary of the Credit Derivatives Determination Committee (or any such other body or Person) is a Representative or committee of the Clearing House.

(b) Statutory Basis

ICE Clear Europe believes that the changes described herein are consistent with the requirements of Section 17A of the Act⁶ and the regulations thereunder applicable to it. Section 17A(b)(3)(F) of the Act⁷ in particular requires, among other things, that the rules of the 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, to assure 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, in general, protect investors and the public interest. The

⁶ 15 U.S.C. 78q-1.

⁷ 15 U.S.C. 78q-1(b)(3)(F).

proposed amendments are designed to address industry changes resulting in the appointment of a new DC Secretary for the Credit Derivatives Determinations Committees. Amending the CDS Procedures and Rules to be consistent with these industry changes ensures that they will continue to be effective for announcements or other actions by the DC Secretary. The amendments do not affect the substantive terms of cleared CDS Contracts. As a result, in ICE Clear Europe's view, the amendments are consistent with the prompt and accurate clearance and settlement of transactions and the protection of investors and the public interest (and will not affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible).

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

ICE Clear Europe does not believe the proposed rule changes would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purpose of the Act. The proposed changes to the CDS Procedures and the Rules are intended to accommodate an industry-wide change in the administration of the Credit Derivatives Determination Committees, and will not change the substantive terms of cleared CDS Contracts. The change will apply uniformly across all CDS Clearing Members and market participants. ICE Clear Europe does not believe the amendments will adversely affect competition among CDS Clearing Members, the cost of clearing, or the ability of market participants to clear CDS contracts generally. Therefore, ICE Clear Europe does not believe the proposed rule changes impose 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 Received from Members, Participants or Others

Written comments relating to the proposed amendments have not been solicited or received by ICE Clear Europe. ICE Clear Europe will notify the Commission of any comments received with respect to the proposed rule change.

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 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-2018-017 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-2018-017. 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 Section, 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 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All

submissions should refer to File Number SR-ICEEU-2018-017 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.⁸

Eduardo A. Aleman
Assistant Secretary

⁸ 17 CFR 200.30-3(a)(12).

