

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66918; File No. SR-ICC-2012-08)

May 3, 2012

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to Add Margin Collection Requirements for Futures Commission Merchant Clearing Participants

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 April 23, 2012, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared primarily by ICC. The Commission is publishing this Notice and Order to solicit comments on the proposed rule change from interested persons and to approve the proposed rule change on an accelerated basis.

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

ICC proposes to require FCM clearing participants to collect margin from their customers in respect of such customers’ non-hedge positions at a level that is ten percent (10%) greater than ICC’s related margin requirement with respect to each product and swap portfolio. As discussed in more detail in Item II(A) below, ICC published a Circular on April 20, 2012 informing its clearing participants of this rule change.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

change. The text of these statements may be examined at the places specified in Item III below. ICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.³

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

ICC is registered as a derivatives clearing organization ("DCO") with the Commodity Futures Trading Commission ("CFTC") and clears credit default swap contracts subject to the jurisdiction of the CFTC. CFTC Regulation 39.13(g)(8)(ii) provides that a DCO "shall require its clearing members to collect customer initial margin...from their customers, for non-hedge positions, at a level that is greater than 100 percent of the derivatives clearing organization's initial margin requirements with respect to each product and swap portfolio."

As further described in ICC's Circular 2012/008 dated April 20, 2012, in compliance with CFTC Regulation 39.13(g)(8)(ii), no later than the May 7, 2012 effective date, ICC will require FCM clearing participants to collect margin from their customers in respect of such customers' non-hedge positions, at a level that is ten percent (10%) greater than ICC's related margin requirement with respect to each product and swap portfolio.

ICC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder applicable to it. ICC believes that its proposed rule will help protect investors and the public interest because the requirements help safeguard customer funds held at the FCM level.

(B) Self-Regulatory Organization's Statement on Burden on Competition

³ The Commission has modified the text of the summaries prepared by ICC.

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

Written comments relating to the proposed rule change have not been solicited or received. ICC represented that it will notify the Commission of any written comments it receives.

III. 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 may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or by sending an e-mail to rule-comments@sec.gov. Please include File Number SR-ICC-2012-08 on the subject line.
- Paper comments may be sent 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-2012-08. 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 Section, 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 ICC and on ICC's website at

https://www.theice.com/publicdocs/regulatory_filings/042312_SEC_ICEClearCredit.pdf.

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-2012-08 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

Section 19(b)(2)(C) of the Act⁴ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act⁵ 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. Section 17A(b)(3)(F) also requires that the rules of a clearing agency be designed to contribute to the safeguarding of securities and funds associated with swap transactions.⁶

⁴ 15 U.S.C. 78s(b)(2)(C).

⁵ 15 U.S.C. 78q-1(b)(3)(F).

⁶ Id.

The proposed change would allow ICC to require ICC's clearing participants to enhance the margin collected from clients for clients' non-hedge positions, thereby contributing to the safeguarding of securities and funds associated with swap transactions. It should also allow ICC to comply with new CFTC regulatory requirements, thereby promoting the prompt and accurate clearance and settlement of derivative agreements, contracts, and transactions.

Further, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,⁷ for approving the proposed rule change prior to the 30th day after the date of publication of notice in the Federal Register because as a registered DCO ICC is required to comply with the new CFTC regulations by the time they become effective on May 7, 2012.⁸

⁷ 15 U.S.C. 78s(b)(2).

⁸ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

V. Conclusion

IT IS THEREFORE ORDERED, pursuant to 19(b)(2) of the Act,⁹ that the proposed rule change (SR-ICC-2012-08) is approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Kevin O'Neill
Deputy Secretary

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 17 CFR 200.30-3(a)(12).