

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104559; File No. SR-ICC-2025-014]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change Relating to the ICC Collateral Risk Management Framework

January 8, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934¹ and Rule 19b-4² notice is hereby given that on December 29, 2025, ICE Clear Credit LLC (“ICC” or “ICE Clear Credit”) filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II and III below, which Items have been primarily prepared by ICC. 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

The principal purpose of the proposed rule change is to revise the Collateral Risk Management Framework (“CRMF”). These revisions do not require any changes to the ICC Clearing Rules (the “Rules”).³

II. Clearing Agency’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, security-based swap submission, or advance notice and discussed any comments it received on the proposed rule change,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ ICC’s Rules are available on its public website:
https://www.ice.com/publicdocs/clear_credit/ICE_Clear_Credit_Rules.pdf.

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

(a) Purpose

ICC proposes revising its CRMF, which includes the collateral assets risk management methodology used to set collateral haircuts. More specifically, the CRMF describes ICC's quantitative risk management approach that accounts for the risk associated with fluctuations of collateral asset prices through the application of haircut factors. ICC believes the proposed revisions described below will facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which it is responsible. ICC proposes to make such changes effective following Commission approval of the proposed rule change.

The primary purpose of the proposed rule change is to amend the CRMF to address independent validator recommendations. The proposed changes remove outdated references to multiple risk measures and more clearly describe ICC's practice of rounding haircut factors and performing back-testing analysis. Overall, such changes do not amend ICC's collateral assets risk management methodology and are intended to provide additional transparency in the CRMF.

ICC proposes minor changes to remove outdated references to multiple risk measures in the CRMF. Currently, ICC considers one risk measure (i.e., Expected Shortfall) to determine haircut factors that capture potential collateral value losses. References to multiple risk measures stem from an earlier version of the CRMF, which

considered two risk measures (i.e., Expected Shortfall and Value-at-Risk at two different risk horizons and quantiles) and utilized the more conservative of the two to determine haircut factors that capture potential collateral value losses.⁴ Accordingly, ICC proposes amending Sections I and III to remove any remaining reference to Value-at-Risk and change related terminology, such as “risk measures” and “risk horizons”, from plural to singular.

ICC proposes clarifications to more clearly describe its practice of rounding haircut factors via a rounding interval in Section I.c. ICC proposes to begin Section I.c. with additional background on the execution and review of collateral haircut factor estimations. Such practice is not new and is currently reflected in Section III, which describes the governance associated with the CRMF. ICC proposes to specify the purpose of rounding estimated haircut factors to ensure appropriate stability and some conservative bias in between periodic reviews. ICC also proposes to describe the rounding interval and the levels within the interval that are considered to achieve stability. ICC would also specify how final haircut factors are set for currency pairs and for sovereign debt collateral to ensure conservative haircuts. As noted above, such changes do not amend ICC’s collateral assets risk management methodology and are intended to more clearly reflect current practices.

ICC proposes clarifications to Section III of the CRMF to more clearly describe the back-testing sample size or “lookback period” used in its analysis. Currently, Section III discusses the review of the collateral haircut model’s performance, including back-

⁴ See Securities Exchange Act Release No. 100274 (June 5, 2024), 89 FR 49252 (June 11, 2024) (File No. SR-ICC-2024-003) (amending the CRMF to remove the Value-at-Risk risk measure from ICC’s haircut model approach).

testing of applicable risk factors. The proposed revisions describe the rationale for selecting lookback periods, consistent with ICC's Back-Testing Framework.⁵ Specifically, ICC proposes language explaining the benefits of a maximum lookback period, including the use of a larger sample size to reduce potential bias and arbitrariness related to a fixed-length rolling window. Additional changes discuss ICC's actions in the event of new observed exceedances, including the consideration of shorter lookback periods, and describe ICC's rationale for the minimum back-testing window length. Such language is proposed for transparency regarding how ICC evaluates collateral haircut model performance and responds to new exceedances within the CRMF. Moreover, such changes do not amend ICC's back-testing methodology and practices, and the proposed language regarding lookback periods is consistent with ICC's Back-Testing Framework.⁶

(b) Statutory Basis

ICC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁷ and the regulations thereunder applicable to it, including the applicable standards under Rule 17Ad-22.⁸ In particular, Section 17A(b)(3)(F) of the Act⁹ requires that the rule change be designed to promote the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts and transactions cleared by ICC, to assure the safeguarding of securities and funds in the

⁵ See Securities Exchange Act Release No. 93388 (October 20, 2021), 86 FR 59258 (October 26, 2021) (File No. SR-ICC-2021-018) (amending the Back-Testing Framework to include additional description on the lookback period for back-testing).

⁶ *Id.*

⁷ 15 U.S.C. 78q-1.

⁸ 17 CFR 240.17Ad-22.

⁹ 15 U.S.C. 78q-1(b)(3)(F).

custody or control of ICC or for which it is responsible, and to protect investors and the public interest.

As discussed above, the proposed revisions to the CRMF address independent validator recommendations. Such changes remove outdated references to multiple risk measures and more clearly describe the practice of rounding haircut factors and the performance of back-testing analysis. Such clarifications do not amend ICC's collateral assets risk management methodology. In ICC's view, such changes more clearly reflect current practices and provide transparency with respect to ICC's collateral risk management practices, which would also ensure that responsible parties carry out their assigned duties effectively and aid them in doing so. ICC believes that having policies and procedures that clearly and accurately document its collateral risk management practices is an important component to the effectiveness of ICC's risk management system and support ICC's ability to maintain adequate financial resources and collateral management resources. Accordingly, ICC believes that the proposed rule change is consistent with the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions, the safeguarding of securities and funds in the custody or control of ICC or for which it is responsible, and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.¹⁰

Rule 17Ad-22(e)(4)(ii)¹¹ requires ICC to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively identify,

¹⁰ *Id.*

¹¹ 17 CFR 240.17Ad-22(e)(4)(ii).

measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the two participant families that would potentially cause the largest aggregate credit exposure for ICC in extreme but plausible market conditions. The proposed revisions enhance ICC's ability to manage its financial resources by providing further clarity and transparency on its collateral assets risk management approach by removing outdated references to multiple risk measures and more clearly describing the practice of rounding haircut factors and the performance of back-testing analysis, which will promote the effective and accurate function of the collateral assets risk management methodology. Such changes would also promote the implementation of processes and procedures pertaining to determining and rounding haircut factors and performing back-testing analysis to ensure that responsible parties effectively carry out their associated duties. As such, the proposed amendments would support ICC's ability to maintain its financial resources and withstand the pressures of defaults, consistent with the requirements of Rule 17Ad-22(e)(4)(ii).¹²

Rule 17Ad-22(e)(5)¹³ requires ICC to establish, implement, maintain, and enforce written policies and procedures reasonably designed to limit the assets it accepts as collateral to those with low credit, liquidity, and market risks, and set and enforce

¹² *Id.*

¹³ 17 CFR 240.17Ad-22(e)(5).

appropriately conservative haircuts and concentration limits if the covered clearing agency requires collateral to manage its or its participants' credit exposure; and require a review of the sufficiency of its collateral haircuts and concentration limits to be performed not less than annually. ICC would continue to limit the assets that ICC accepts as collateral to those with low credit, liquidity, and market risks under the proposed rule change. Collateral haircut factor estimations would continue to be executed daily, and the ICC Risk Department would continue to review the results and determine any updates, at least monthly. Furthermore, the CRMF continues to provide a clear framework for ICC to set and enforce appropriately conservative haircuts for acceptable collateral assets. As such, the amendments would satisfy the requirements of Rule 17Ad-22(e)(5).¹⁴

(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 changes remove outdated references to multiple risk measures and more clearly describe the practice of rounding haircut factors and the performance of back-testing analysis. Such changes do not amend ICC's collateral assets risk management methodology and are intended to provide additional transparency in the CRMF. ICC does not believe these amendments would affect the costs of clearing or the ability of market participants to access clearing. Therefore, ICC does not believe the proposed rule 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 Received from Members, Participants or Others

¹⁴ *Id.*

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 such 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 (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>); or
- Send an e-mail to rule-comments@sec.gov. Please include file number SR-ICC-2025-014 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-2025-014. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all comments on the Commission's Internet website (<https://www.sec.gov/rules-regulations/self-regulatory-organization-rulemaking>). Copies of such filings 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.ice.com/clear-credit/regulation>.

Do not include personal identifiable information in submissions, you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-ICC-2025-014 and should be submitted on or before [INSERT DATE 21 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Sherry R. Haywood,

Assistant Secretary.

¹⁵ 17 CFR 200.30-3(a)(12).