



# ICE CLEAR CREDIT

## CDS COLLATERAL MANAGEMENT

NOVEMBER 2020

# CLEARING ELIGIBLE COLLATERAL

## Client-Related Initial Margin

- Client-Related US Dollar Denominated Product Requirements
  - 65% US cash and/or US Treasuries
  - +35% US cash, Euro cash, and/or US Treasuries
- Client-Related Euro Denominated Product Requirements
  - 100% US cash, Euro cash, and/or US Treasuries

## Non-Client Initial Margin & Guaranty Fund

- Non-Client US Dollar Denominated Product Requirements
  - 45% US cash
  - +20% US cash and/or US Treasuries
  - +35% US cash, Euro cash, and/or US Treasuries
- Non-Client Euro Denominated Product Requirements
  - 45% Euro cash
  - +20% Euro cash and/or US cash
  - +35% Euro cash, US cash, and/or US Treasuries

*Subject to GF minimum required contribution of \$20 MM being 100% in US Cash*

## Mark-to-Market Margin & Trade Payments\*

- US cash for US Dollar Denominated Products
- Euro cash for Euro Denominated Products

\*Interest on mark-to-market margin, credit event, quarterly coupons and upfront fee payments

# COLLATERAL MANAGEMENT

## ICE CLEAR CREDIT HAIRCUTS

### Debt Haircuts to Cover USD Requirements

Securities	< 1 Year	1 to 3 Years	3 to 5 Years	5 to 10 Years	10 to 20 Years	> 20 Years
U.S. Government Treasury (Bills, Notes and Bonds) Excluding: Floating Rate Notes and STRIPS	1.75%	2.25%	2.50%	4.00%	8.25%	11.00%
U.S. Government Treasury (Inflation-Protected Securities, "TIPS")	2.25%	2.75%	3.00%	4.50%	8.75%	11.25%

### Currency Haircuts to Cover USD Requirements

Currency	EUR €
Haircut	5.00%

- No haircut is applied to Euros used to cover a Euro Denominated Product Requirement.
- All other currency and collateral used to cover a Euro Denominated Product Requirement is first converted to the USD value, based on the haircuts above, then the USD value is haircut at the EUR currency haircut listed above.
- ICE Clear Credit will reduce the collateral valuation of maturing U.S. Treasury Securities deposited to satisfy margin and guaranty fund requirements to \$0 two business days prior to maturity.
- Any questions with respect to acceptable collateral should be directed to ICECLEARCREDITTREASURY@THEICE.com.

\*As of November 12, 2020

# COLLATERAL MANAGEMENT

## ICE CLEAR CREDIT FEES

- ICC retains a spread on interest earned on cash balances, net of cash management expenses.

**ICC Portion of Investment Yield on Cash Balance (all currencies, house and client initial margin and guaranty fund) in bps**

Investment Yield <sup>1</sup> , Net of Expenses <sup>2</sup>	0-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-100	101+
ICC Portion	0	1	2	3	4	5	6	7	8	9	10	10% of Investment Yield <sup>1</sup> , Net of Expenses <sup>2</sup>

- For Euro (house and guaranty fund) an additional 50 basis points for amounts in excess of the total EUR requirement.
- There is a 7.5 basis point fee (annualized) on U.S. Treasury securities held as collateral based on par value of securities.
- Fees are calculated and charged monthly.
- The charges apply to both house and client accounts.

<sup>1</sup> For USD the investment yield is based on the interest rate paid on excess reserves (IORR rate) as determined by the Fed Board of Governors. The following link provides the most recent IORR rate. <https://www.federalreserve.gov/monetarypolicy/reqresbalances.htm>

<sup>2</sup> Expenses include external management fees, where utilized, and 1 bps for treasury related expenses  
INTERCONTINENTAL EXCHANGE