
Circular C19/046

ICE Clear Europe: Proposed Changes to the Clearing Rules

Category
Regulations

Attachments
ICE Clear Europe Clearing Rules

The purpose of this Circular is to advise Clearing Members of proposed amendments to the ICE Clear Europe Clearing Rules. These amendments reflect, inter alia, changes in legislation, new business developments or clarification of existing provisions which have, in order to simplify the consultation and governance process, been collated.

The proposed amendments include, but are not limited to, the following changes:

- simplifying rules to reduce number of references to particular exchange entities and delivery system operators; and related changes to reflect the merger of various legal entities within ICE Endex;
- deletion of unused or obsolete provisions, such as references to LIFFE, its historic Japan link and past transition rules for contracts which have gone to expiry;
- CRDIV update, including clarifications, reflecting existing practice that CDS contracts are settled to market daily;
- amendments to more accurately describe the treatment of NLV and reference prices on options;
- strengthening the ICE Clear Europe customer documentation structure and promoting incorporation of the standard terms annex;
- implementing new guaranty fund periodicity for F&O;
- greater detail on post-default pricing mechanism for close-out and porting;
- changes to address third country and national law resolution regimes;
- clarifying express powers for operational combining of customer accounts for operational purposes in default auctions;
- new SFD transfer order for allocations between clearing members;
- post-MiFID II amendments, including reflecting the final text of applicable indirect clearing provisions;
- post-EMIR authorisation amendments, including amendment of legacy UK legislative references, holding of securities in CSD accounts and removal of letters of credit as collateral;
- provisions to allow the non-netting of payment flows such that variation margin can alternatively settle separately from initial margin cash movements;
- updates to obsolete legislative references; and
- other updates, enhancements and corrections to the Clearing Rules.

I therefore give formal notice that the amendments set out in the attached draft Clearing Rules are proposed, subject to completion of relevant regulatory processes.

Clearing Members are invited to comment on the proposed amendments to the Clearing Rules within 14 days of publication of this Circular.

Comments should therefore be made by 22 March 2019 in writing to:

**The Head of Legal
ICE Clear Europe
Milton Gate 5th Floor
60 Chiswell Street
London EC1Y 4SA**

The effective date of these proposed Clearing Rules will be published by Circular.

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08 March 2019



In connection these proposed changes to the Clearing Rules the Clearing House is also proposing to make a number changes to certain of its Procedures. Drafts of these revised Procedures will be made available to Clearing Members on request.

Should you have any questions in relation to this Circular or require any further information, including drafts of the revised Procedures, please contact Charles Lindsay, Head of Legal by phone on +44 (0)20 3142 0925 or by email charles.lindsay@theice.com or Mark Woodward, Vice President, Corporate Development, by phone on +44 (0)20 7065 7617 or by email mark.woodward@theice.com.

Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:

A handwritten signature in black ink, appearing to read 'Finbarr Hutcheson'.

Finbarr Hutcheson
President

For more information, please contact:

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