

Form 19b-4 Information

1. Text of the Proposed Rule Change

- (a) The text of the proposed change has been annexed as Exhibit 5 and consists of certain procedural and rule changes that have been proposed by ICE Clear Europe Limited (“ICE Clear Europe”). The principal purpose of the proposed change is to amend the ICE Clear Europe CDS Procedures, Finance Procedures and Rules with respect to the calculation and payment of interest on mark-to-market margin on CDS.
- (b) Not applicable.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

- a) ICE Clear Europe’s CDS Risk Committee approved the proposed rule changes.
- (b) Please refer questions and comments on the proposed rule change to Patrick Davis, Head of Legal and Company Secretary, ICE Clear Europe Limited, 5th Floor, Milton Gate, 60 Chiswell Street, London, EC1Y 4SA, United Kingdom, +44 20 7065 7600.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

ICE Clear Europe submits proposed amendments to its CDS Procedures, Finance Procedures and Rules in relation to the calculation and payment of interest on the mark-to-market margin for CDS transactions on a daily basis. The amendments also clarify, consistent with ICE Clear Europe’s current practice, mark-to-market margin and variation margin may be required to be provided by the Clearing Member to the clearing house or vice versa.

The other proposed changes in the ICE Clear Europe Rules and CDS Procedures reflect drafting clarifications and conforming changes that do not affect the substance of the ICE Clear Europe Rules or forms of cleared products. The text of the proposed rule and procedural amendments are attached, with additions underlined and deletions in brackets.

(b) Statutory Basis

The proposed rule amendments are intended to update the particular characteristics of the Rules, CDS Procedures and Finance Procedures applicable to the various CDS Contracts cleared by ICE Clear Europe. Specifically, revising the definitions of mark-to-market margin and variation margin to permit payments to be made either by ICE Clear Europe to the Clearing Member or from the Clearing Member to ICE Clear Europe.

4. Self-Regulatory Organization's Statement on Burden on Competition

ICE Clear Europe does not believe the proposed procedural and rule changes would have any impact, or impose any burden, on competition.

5. Self-Regulatory Organization's statement on Comments on the Proposed Rule Change Received from Members, participants, or Others

ICE Clear Europe has consulted with clearing members and non-member market participants concerning the proposed procedural and rule changes. Written comments relating to the procedural and rule changes have not been solicited or received. ICE Clear Europe will notify the Commission of any written comments received by ICE Clear Europe.

6. Extension of Time Period for Commission Action

ICE Clear Europe does not consent to the extension of the time period listed in Section 19(b)(2) of the Securities Exchange Act of 1934 for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) ICE Clear Europe respectfully requests that the Commission grant accelerated effectiveness of the proposed rule change under Section 19(b)(2). ICE Clear Europe believes that accelerated effectiveness is warranted because, as noted above, the rule change is a straightforward operational improvement that does not fundamentally change the calculation of interest on CDS mark-to-market margin but moves from monthly to daily settlement of that interest. Thus, these changes promote prompt and accurate clearance of transactions and related margin payments. In ICE Clear Europe's view, the proposed changes do not raise any issues that would require a lengthier review process under Rule 19(b), and ICE Clear Europe does not believe the market would benefit from delaying implementation of a clear operational improvement.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or the Commission

The proposed rule changes are not based on the rules of another self-regulatory organization or the Commission.

9. Exhibits

List of exhibits to be filed, as specified in Instructions C and D:

Exhibit 1. Notice of proposed rule change for publication in the Federal Register

Exhibit 2. Not applicable

- Exhibit 3. Not applicable
- Exhibit 4. Not applicable
- Exhibit 5. Text of proposed rule change

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-_____; File No. SR-ICEEU-2012-05]

SELF-REGULATORY ORGANIZATIONS

Proposed Procedure and Rule Changes by ICE Clear Europe Limited to Certain Definitions Related to Terms and Calculation and Payment of Interest a Mark-to-Market Margin

Pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, 2012, 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 primarily prepared by ICE Clear Europe.

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

ICE Clear Europe proposes rule and CDS procedural amendments that are intended to modify the terms of the calculation and payment of interest on mark-to-market margin for CDS transactions. The amendments would provide further detail for calculation of interest on mark-to-market margin for CDS at the position level, but would not change the overall calculation of that interest. The amendments would also move payment of such interest from a monthly to a daily basis.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

II. Self-Regulatory Organization’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 III below. ICE Clear Europe has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

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

As noted above, the proposed rule changes consist of operational changes to the Rules, CDS Procedures and Finance Procedures ICE Clear Europe has consulted with its CDS Risk Committee, who support the proposed amendment.

ICE Clear Europe submits proposed amendments to its CDS Procedures, Finance Procedures and Rules in relation to the calculation and payment of interest on the mark-to-market margin for CDS transactions on a daily basis. The amendments also clarify, consistent with ICE Clear Europe’s current practice, mark-to-market margin and variation margin may be required to be provided by the clearing member to the clearing house or vice versa.

ICE Clear Europe proposes to update Parts 1 and 3 of its CDS Procedures to state more clearly the daily calculation of interest on mark-to-market margin for CDS transactions and to provide further detail about such calculations. The new definitions of “Daily Aggregate MTM Interest Amount”, “Mark-to-Market Interest” and “Mark-to-Market Margin Balance” and the provisions of Part 3 of the CDS Procedures reflect these

changes. “Daily Aggregate MTM Interest Amount” means for any Clearing Member for a currency on any day the sum of the Mark-to-Market Margin Balances in such currency for that day in respect of that Clearing Member. The Daily Aggregate MTM Interest Amount will be determined separately in respect of the Clearing Member's Proprietary Account and any relevant customer account. Where the Daily Aggregate MTM Interest Amount is positive, it will be owed by ICE Clear Europe to the relevant Clearing Member; where it is negative, the relevant Clearing Member will owe the absolute value of the Daily Aggregate MTM Interest Amount to ICE Clear Europe. “Mark-to-Market Interest” will mean interest calculated daily in accordance with the market convention for the relevant currency by applying the applicable overnight rate. “Mark-to-Market Margin Balance” will mean the sum of all Mark-to-Market Margin delivered up to, but excluding that day, by the relevant Clearing Member in respect of such CDS Contract to ICE Clear Europe less all Mark-to-Market Margin delivered up to, but excluding that day, by ICE Clear Europe in respect of such CDS Contract to such Clearing Member, as determined at the close of business on such day. Pursuant to the amendments to Section 3.1 of the CDS Procedures and 6.11(h)(iv) of the Finance Procedures, interest on Mark-to-Market Margin will be payable on a daily, rather than a monthly basis, although the interest calculation is substantially unchanged.

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

ICE Clear Europe does not believe the proposed rule and procedural changes 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 and procedural changes have not been solicited or received. ICE Clear Europe will notify the Commission of any written comments received by ICE Clear Europe.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has been filed pursuant to Section 19(b)(2)³ of the Act and will become effective upon approval by the Commission.

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-2012-05 on the subject line.

Paper Comments:

- Send paper comments 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-ICEEU-2012-05. 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

³ See id.

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 ICE Clear Credit and on ICE Clear Credit's website at <https://www.theice.com/notices/RegulatoryFilings.shtml>. 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-ICEEU-2012-05 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.⁴

Elizabeth M. Murphy
Secretary

⁴ 17 CFR 200.30-3(a)(12).

Exhibit 5

Underlined text indicates additions.

~~Strikethrough~~ text] indicates deletions

(II) FINANCE PROCEDURES

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and payments will ordinarily be executed in the currency of the relevant Contracts (or underlying Contracts). Liabilities resulting from Original Margin and Initial Margin requirements will be included in the overnight call or return.

Intra-day Calls: Original Margin and Initial Margin may also be subject to *ad hoc* intra-day recalculations and calls. Affected Clearing Members will be informed (not in writing) by the Clearing House in the event of an intra-day call being applicable. If the call affects a significant number of Clearing Members, the Clearing House will issue a Circular. Intra-day Original Margin and Initial Margin calls will be executed via a direct debit from the Clearing Member's Nominated Account at an Approved Financial Institution. Payment must be made within one hour.

Clearing Members can specify the currency in which Original Margin deficits are called. In order to enable this facility Clearing Members will have to complete and return the ICE Clear Europe Margin Deficit Currency Form.

As explained in the Clearing Procedures, in the event that an intra-day Margin call is anticipated, the Clearing House will contact the Clearing Member by phone to notify them of the requirement. This will be followed by written notification distributed by email. Intra-day Margin calls can be made between 09:00 and 19:00 London Time and must be met within 60 minutes of notification by the Clearing House. Clearing Members will be able to answer the call by reducing positions (e.g. reallocation of trades/clearing give-ups), generating profits through trading activities or submitting new cash and/or collateral. Margin calls are not rounded to the nearest major currency unit.

(iii) *Guaranty Fund adjustments*

Each relevant Guaranty Fund Period, the total value of the Guaranty Funds and required Guaranty Fund Contributions of Clearing Members are reviewed and may be amended. Clearing Members will be informed of the total Guaranty Fund Contribution requirements at each Guaranty Fund Period end by Circular. The Clearing House's contributions to the Guaranty Funds (if any) will also be specified in such Circulars. Adjustments to Guaranty Fund Contributions will be notified to individual Clearing Members by e-mail to a nominated e-mail account of each Clearing Member the Business Day after the end of the relevant Guaranty Fund Period. For the Energy Guaranty Fund, adjustments will be made ten Business Days after the date of notification unless the relevant Circular specifies otherwise. For the CDS Guaranty Fund, adjustments will be made two Business Days after the date of notification unless the relevant Circular specifies otherwise. Other than in exceptional circumstances, any additional required Guaranty Fund Contribution payments will be included

together with overnight calls and details will be included in daily reports provided to Clearing Members through ECS.

(iv) *Interest*

The Clearing House will notify Clearing Members of its interest rate in each currency on the Business Day following the day to which the rate applies. The Clearing House rates payable on Original Margin or Initial Margin are referred to as the ICE Deposit Rate (IDR). Interest rates payable on Mark-to-Market Margin for CDS Contracts are specified as referred to in the CDS [~~Operational~~] Procedures.

Payments in respect of interest will be made to Clearing Members in respect of cash, assets and securities in the guarantee fund held by the Clearing House as Margin, Guaranty Fund Contributions or Permitted Cover. The rate of return may vary for different cash and asset classes and between types of cover. IDR and accumulated interest over each month will be available to Clearing Members through the ECS-GUI.

Interest on Mark-to-Market Margin for CDS Contracts will be calculated and payable as set out in the CDS Procedures. Other interest will be calculated on a simple daily basis and will become available for payment to Clearing Members, subject to any required deduction or withholding tax, monthly, on the fourth Business Day after the end of each month. Once credited, the interest is available to meet Margin payments or may be withdrawn by Clearing Members. If used to meet Margin payments, the interest then itself becomes eligible to accrue interest.

(v) *Income (interest and collateral) and Redemption*

The Clearing House will make payment to Clearing Members in respect of income and redemptions on non-cash assets transferred to the Clearing House as Margin, Guaranty Fund Contributions or Permitted Cover. Distributions will be executed direct to the Clearing Member by the relevant custodian pursuant to a standing instruction made by the Clearing House based on account information provided by the Clearing Member. Clearing Members are required to provide account details in relation to accounts in all applicable currencies to the Clearing House. Changes in account details must be notified at least five Business Days in advance.

Payments in respect of income on non-cash assets will be paid to Clearing Members in the same currency as the income is distributed by the relevant issuer or payment agent to the Clearing House. Any required foreign exchange transaction following payment must be arranged by the Clearing Member and the costs of the same must be met by the Clearing Member.

No currency exchange will be arranged by the Clearing House or its custodian.

If there is a failed payment in respect of income or redemption (e.g. as a result of account details being unavailable or incorrect), income may be retained by the Clearing House or custodian but will not be treated by the Clearing House as Permitted Cover. The Clearing House makes no representation or warranty to Clearing Members in respect of the promptness of payment by any issuer or payment agent, the custodian or any of its sub-custodians or agents (save for any liability which by law may not be excluded).

(vi) *Fees*

All Market fees, OTC Participant fees, Clearing House fees, delivery fees, rebates and other fees payable to the Clearing House or a Market will be calculated and charged to each Clearing Member as such fees accrue (typically on a monthly basis). Fee invoices will be made available via ECS on the fourth Business Day of each month. Fees will be included in the overnight call or return on the fifth Business Day after the end of each month. All fees are collected through a Clearing Member's Nominated Proprietary Account.

Clearing Members that wish to query a fee invoice should contact the Clearing House Finance department on or before the 10th Business Day of the relevant month. Any required amendments will be reflected in the next billing cycle.

(vii) *Other Amounts*

Any amount payable by the Clearing Member to the Clearing House (or *vice versa*) pursuant to the Rules or any Contract, including CDS Contract coupon payments, may be included within an end-of-day or *ad hoc* payment. This may include

delivery-related payments (e.g. Buyer's Security and Seller's Security), fines, damages, amounts payable as a result of arbitration or disciplinary proceedings and other amounts payable under the Rules. ~~[Without prejudice to the Clearing House's ability to introduce other ad hoc procedures within ECS, CDS Contract coupon payments will be made in the manner set out in the CDS Operational Procedures.]~~

(viii) *Holidays*

Before the start of each calendar year, the Clearing House will publish a Circular setting out details of bank holidays relevant to the currencies supported by the Clearing House (each, a "Currency Holiday"). Transfer

of funds in a currency will not take place on a Currency Holiday for that currency.

If, due to a Currency Holiday or otherwise, a transfer of funds of a currency is not possible, the Clearing House may call and obtain Original Margin or Initial Margin payments in another currency. The sequence of alternative currencies to be used for Energy Contracts is as follows: USD, GBP, EUR, CAD, CHF and SEK. The sequence of alternative currencies to be used for CDS Contracts is as follows: EUR, USD and GBP.

Payments of Margin will not be netted against obligations in a currency other than that of the underlying Contract, nor paid in another currency. For Variation Margin and Mark-to-Market Margin, Currency Holidays will result in a delay of payments to the next possible day on which payment may be made. Any obligation to pay Variation Margin or Mark-to-Market Margin where payment is delayed will result in an additional Original Margin or Initial Margin requirement, which must be covered with cash or non-cash collateral (which may be of, or be denominated in, a different currency).

Transactions in collateral on bank holidays will not necessarily be rejected upon instruction but will be cancelled at the end of day and must be re-instructed by Clearing Members on a day which is not a bank holiday.

7. CUSTODY ACCOUNTS

- 7.1 Pursuant to Rule 502, Original Margin and Initial Margin requirements are payable initially in cash but a Clearing Member may substitute such cash Original Margin or Initial Margin with other Permitted Cover by delivery of the replacement Permitted Cover to the Clearing House. Guaranty Fund Contribution requirements may also be satisfied through non-cash assets to the extent allowed under the Rules and these Procedures.
- 7.2 Pursuant to Clearing Membership Agreements, the Clearing House receives all non-cash assets provided to it for accounts that are not Pledged Collateral Accounts pursuant to title transfer. For Pledged Collateral Accounts, pursuant to the relevant Pledged Collateral Addendum, the Clearing House is beneficiary of a pledge over such assets. The Clearing House holds all non-cash assets provided to it as Permitted Cover with a third party custodian (which may in turn use sub-custodians). Non-cash assets transferred to the Clearing House by way of title transfer cease to belong to the Clearing Member upon transfer to the Clearing House. The Clearing House will operate up to six custody accounts in respect of each Clearing Member at its custodian in respect of Energy Contracts: a house account (in respect of Proprietary Account margin), up to four client accounts (one in respect of each separate Customer Account) and a Guaranty Fund account. In addition, the Clearing House will operate up to two further custody accounts in respect of each Clearing Member at its custodian in respect of CDS Contracts: a house account and a Guaranty Fund account. Such accounts are labelled by the custodian with

the name of the relevant Clearing Member, for administrative convenience only in the case of accounts that are not Pledged Collateral Accounts. Client accounts will not be maintained for Clearing Members undertaking only Proprietary Account business. This structure is

Exhibit 5

Underlined text indicates additions.

[~~Strikethrough~~ text] indicates deletions

(VIII) CDS PROCEDURES

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- 1.27 The term “**Convened DC Voting Member**” has the meaning given to such term in the DC Rules as published by ISDA from time to time.
- 1.28 The term “**Covered Party**” has the meanings set out in paragraphs 5.8 and 6.12(a).
- 1.29 The term “**Customer Integration Date**” means the first date on which the restrictions in the Rules on the Clearing of Bilateral CDS Transactions and CDS Contracts for Customers cease to apply.
- 1.30 The term “Daily Aggregate MTM Interest Amount” means, for any CDS Clearing Member for each currency on any day, the sum of the Mark-to-Market Margin Balances in such currency for that day in respect of that CDS Clearing Member. The Daily Aggregate MTM Interest Amount will be determined separately in respect of the CDS Clearing Member’s Proprietary Account and any relevant Customer Account. Where the Daily Aggregate MTM Interest Amount is positive, it will be owed by the Clearing House to the relevant CDS Clearing Member; where it is negative, the relevant CDS Clearing Member will owe the absolute value of the Daily Aggregate MTM Interest Amount to the Clearing House.**
- 1.31** ~~[1.30]~~The term “**DC Restructuring Announcement Date**” means the date on which the DC Credit Event Announcement of a Restructuring Credit Event is made, provided that where such DC Credit Event Announcement is made after 6.30 p.m. on a Business Day or on a day which is not a Business Day, the DC Restructuring Announcement Date (only) will, for the purposes of the Rules, be the first following Business Day.
- 1.32** ~~[1.31]~~The term “**DC Rules**” means the Credit Derivatives Determinations Committees Rules, as defined as the “Rules” in Section 1.22 of the Credit Derivatives Definitions. For the avoidance of doubt, the term “Rules” as defined in the Rules shall not replace, or otherwise affect the interpretation of, the term “Rules” in the Credit Derivatives Definitions.
- 1.33** ~~[1.32]~~The term “**Dispute Resolution Panel**” has the meaning set out in paragraph 6.5(a).
- 1.34** ~~[1.33]~~The term “**Dispute Resolver**” has the meaning set out in paragraph 6.5(b).
- 1.35** ~~[1.34]~~The term “**DTCC**” means The Depository Trust and Clearing Corporation or any successor thereto.
- 1.36** ~~[1.35]~~The term “**DTCC Accounts**” means the accounts in Deriv/SERV for the recording of transaction data in relation to CDS Contracts.
- 1.37** ~~[1.36]~~The term “**DTCC Failure**” means any circumstances in which DTCC is unable to process all or substantially all Restructuring Credit Event Notices or Notices to Exercise Movement Option relating to a particular Restructuring Credit Event in the DTCC Accounts in a timely manner, where such failure affects all or substantially all CDS Clearing Members or the Clearing House.

- 1.38** [~~1.37~~]The term “**DTCC Reversioning Date**” means the date on which DTCC completes its reversioning process in Deriv/SERV in respect of all Old Index CDS transactions to separate out, from the remainder, the component transaction relating to a Reference Entity in respect of which a Restructuring Credit Event has occurred.
- 1.39** [~~1.38~~]The term “**Effectiveness Convention**” has the meaning set out in paragraph 6.3(g).
- 1.40** [~~1.39~~]The term “**Effectiveness Supermajority**” has the meaning set out in paragraph 6.3(d)(v).
- 1.41** [~~1.40~~]The term “**Electronic Notice**” means an MP Notice which is a Restructuring Credit Event Notice or Notice to Exercise Movement Option delivered pursuant to the Electronic Notice Process.
- 1.42** [~~1.41~~]The term “**Electronic Notice Process**” means the process for the delivery and receipt of Restructuring Credit Event Notices and Notices to Exercise Movement Option pursuant to paragraphs 8.4(f)(i) and 8.4(f)(ii).
- 1.43** [~~1.42~~]The term “**Eligible Employee**” has the meaning set out in paragraph 5.1.
- 1.44** [~~1.43~~]The term “**Exhibits**” has the meaning set out in paragraph 6.8(o)(ii).
- 1.45** [~~1.44~~]The term “**Existing Supplements**” has the meaning set out in paragraph 10.1(c).
- 1.46** [~~1.45~~]The term “**External RMP**” means all Matched Pairs matched and notified by the Clearing House pursuant to Rule 1508 other than Internal RMPs.
- 1.47** [~~1.46~~]The term “**Fitch**” has the meaning set out in paragraph 2.2(b).
- 1.48** [~~1.47~~]The term “**Fungibility Date**” has the meaning set out in paragraph 11.5(a).
- 1.49** [~~1.48~~]The term “**Internal RMP**” means a Matched Pair matched and notified by the Clearing House pursuant to Rule 1508 in which the same CDS Clearing Member is matched with itself, as a result of one CDS Sub-Account of a CDS Clearing Member being matched with another CDS Sub-Account of the same CDS Clearing Member.
- 1.50** [~~1.49~~]The term “**Issue**” has the meaning set out in paragraph 6.7(a).
- 1.51** The term “**Mark-to-Market Interest**” means interest calculated daily in accordance with the market convention for the relevant currency by applying the applicable overnight rate referred to in paragraph 3.1 to the Mark-to-Market Margin Balance for the relevant period.
- 1.52** The term “**Mark-to-Market Margin Balance**”, in respect of CDS Contract(s) on any day, means the sum of all Mark-to-Market Margin delivered up to but excluding that day by the relevant CDS Clearing Member in respect of such CDS Contract(s) to the Clearing House less all Mark-to-Market Margin delivered up to but excluding

that day by the Clearing House in respect of such CDS Contract(s) to such CDS Clearing Member, as determined at the close of business on such day.

3. CERTAIN PROVISIONS RELATING TO MARGIN AND OTHER PROCEDURES

3.1 Mark-to-Market Interest will be calculated daily, including in respect of weekends and currency holidays, based upon the applicable overnight rate notified by the Clearing House from time to time to CDS Clearing Members for each of the currencies in which Mark-to-Market Margin is paid.

3.2 Mark-to-Market Interest will be calculated by the Clearing House in respect of Mark-to-Market Margin Balance relating to CDS Contracts as recorded by the Clearing House (on a 'trade by trade', 'gross' or 'net' basis) as referred to in Rule 406(d).

3.3 The Daily Aggregate MTM Interest Amount, if any, in any currency will be payable by the Clearing House (if positive) or the Clearing Member (as to the absolute value thereof if negative), as the case may be, in accordance with Part 3 of the Rules and the Finance Procedures.

3.4 ~~3.1~~ The Finance Procedures, Membership Procedures, Business Continuity Procedures, Complaints Procedures and CDS Operational Procedures also apply in relation to CDS Contracts and to CDS Clearing Members.

(b) Terms of the Cleared iTraxx Contract

- (i) Any capitalised term used in paragraph 11.2 but not defined in paragraph 11.2 or elsewhere in the Rules or Procedures shall have the meaning provided in the Relevant iTraxx Terms Supplement.
- (ii) For purposes of these CDS Procedures, the CDS Region for each iTraxx Contract is the European Region.
- (iii) Each iTraxx Contract will be governed by the Relevant iTraxx Terms Supplement, as modified by this paragraph 11.2, whether or not the relevant Bilateral CDS Transaction was in a form comprising the Relevant iTraxx Terms Supplement. In the event of any inconsistency between the Relevant iTraxx Terms Supplement or the Confirmation (including in electronic form) for an iTraxx Contract and this paragraph 11.2, this paragraph 11.2 will govern.
- (iv) For the purposes of any determination as to whether a Credit Event has occurred in respect of a Reference Entity or an Obligation thereof:

Exhibit 5

Underlined text indicates additions.

~~Strikethrough~~ text] indicates deletions



ICE Clear Europesm
Clearing Rules

The term “**ICE OTC Matched Contract**” means a Contract resulting from an ICE OTC Matched Transaction.

The term “**ICE OTC Matched Transaction**” means a transaction that occurs or occurred on ICE OTC in accordance with applicable ICE OTC Participant Agreements and, where applicable, any ICE OTC Broker Agreement.

The term “**ICE OTC Operator**” means either: (i) ICE Commodity Markets, in connection with any Contract entered into, transaction submitted or other circumstance relating to ICE OTC occurring on or after the ICE OTC Changeover Time; or (ii) ICE Inc., in connection with any Contract entered into, transaction submitted or other circumstance relating to ICE OTC occurring prior to the ICE OTC Changeover Time. For the purposes of this definition, the term “ICE OTC Changeover Time” means the time notified as such by the Clearing House in a Circular, at which ICE Inc. will cease to be the ICE OTC Operator and ICE Commodity Markets will become the new ICE OTC Operator.

The term “**ICE OTC Participant**” means a Clearing Member or Customer that has entered into an ICE OTC Participant Agreement.

The term “**ICE OTC Participant Agreement**” means an agreement between the ICE OTC Operator and an ICE OTC Participant, in the form approved by the ICE OTC Operator from time to time, relating to the ICE OTC Participant’s access to ICE OTC.

The term “**ICE OTC Transaction**” means an ICE OTC Matched Transaction or an ICE OTC Block Transaction.

The term “**ISDA**” means the International Swaps and Derivatives Association, Inc. and any successor thereto.

The term “**Initial Margin**” means Portfolio Risk Margin, Physical Settlement Margin or other margin transferred in relation to CDS Contracts, including pursuant to Rule 502(f).

The term "**Initial Payment**" means, in relation to a CDS Contract, the payment, if any, specified as the "Initial Payment Amount" [~~(or, in relation to certain CDS Contracts relating to indices, as the "Additional Amount")~~] under the Contract Terms for such CDS Contract and, in relation to a Bilateral CDS Transaction, the payment, usually described therein as the "Initial Payment Amount" or "Additional Amount", payable by one party thereto to the other ~~for~~ usually not later than the third business day after the trade date of such Bilateral CDS Transaction.

The term “**Insolvency**” means, in relation to any Person: a bankruptcy or winding-up petition being presented; a bankruptcy order being made; a voluntary arrangement being approved; an Insolvency Practitioner being appointed or petition or order being made for such an appointment; a composition or scheme of arrangement being approved by a court or other Governmental Authority; an assignment, compromise or composition being made or approved for the benefit of any creditors or significant creditor; an order being made or resolution being passed for winding up; dissolution; the striking off of that Person’s name from a register of companies or other corporate bodies; a distress process being levied or enforced or served upon or against property

of that Person; a Governmental Authority making an order pursuant to which any of that Person's securities, property, rights or liabilities are transferred; a Governmental Authority exercising one or more of its stabilisation powers under the Banking Act 2009 in respect of that Person; a trust deed granted by it becoming a protected trust deed (where the terms 'trust deed' and 'protected trust deed' are construed in accordance with section 73(1) of the Bankruptcy (Scotland) Act 1985) and, for CDS Clearing Members only, also any event not otherwise falling within this definition constituting a "Bankruptcy" in respect of such CDS Clearing Member as defined in the Master Agreement between the relevant CDS Clearing Member and the Clearing House; or any event analogous to any of the foregoing in any jurisdiction (always excluding any frivolous or vexatious petition or solvent reorganisation, change of Control or merger notified to the Clearing House in accordance with Rule 204(a)(i)).

The term "**Insolvency Practitioner**" means a receiver, administrator, bank administrator, manager or administrative receiver, trustee in bankruptcy, relevant office-holder (under the Companies Act 1989) or any other Person appointed or with powers in relation to an Insolvency in any jurisdiction.

The term "**Intellectual Property**" means copyright, trade marks, design rights, patents, domain names, database rights and know-how, in each case whether registered or unregistered and including applications to register and rights to apply for registration, and all similar or equivalent rights which may subsist anywhere in the world.

The term "**Investment**" means any 'specified investment' as defined in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or any loan, bond, obligation or debenture referenced in a CDS Contract.

The term "**Invoice Back**" means the process by which a Contract of the same Set as an existing Contract is created by the Clearing House pursuant to Rule 104 and Rule 401(a)(vi), with the role of Buying Clearing Member or Selling Clearing Member reversed and, at the Clearing House's discretion, a different price or premium and other terms as are determined by the Clearing House pursuant to Rule 104; and the terms "**Invoiced Back**", "**Invoicing Back**" and other similar expressions shall be construed accordingly.

The term "**LCIA**" means the London Court of International Arbitration or any successor thereto.

The term "**LCIA Rules**" means the arbitration rules of the London Court of International Arbitration.

The term "**Long**", in respect of an Option, refers to the positions of Persons entitled to exercise Options.

The term "**Margin**" means Original Margin, Variation Margin, Initial Margin, Portfolio Risk Margin, Physical Settlement Margin, Mark-to-Market Margin and other margin, security or collateral provided (by way of title transfer collateral pursuant to a Clearing Membership Agreement or as collateral pursuant to a Pledged Collateral Addendum) to the Clearing House pursuant to the Rules or the Procedures and includes, where the context so requires, any proceeds of realisation of the same.

The term "**Mark-to-Market Margin**" means the Permitted Cover required to be provided by a Clearing ~~[Members]~~Member to the Clearing House or by the Clearing House to a Clearing Member related to the market value of a Clearing Member's Open Contract Positions relating to CDS Contracts, as determined pursuant to Rule 503(f)(ii) and the Procedures.

may be divided for administrative convenience only into sub-accounts relating to different Swap Customers or groups of Swap Customers.

The term "**Termination Date**" means the date on which a Clearing Member's membership of the Clearing House terminates.

The term "**Trade Date Clearing**" has the meaning given to it in the Procedures.

The term "**Transaction**" means an ICE Futures Europe Transaction, an ICE OTC Transaction or a Bilateral CDS Transaction.

The term "**Transaction Rights or Obligations**" means any rights, liabilities or obligations of a Clearing Member relating to, or arising out of or in connection with any Transaction, whether pursuant to contract, tort, equity, restitution or otherwise, pursuant to the laws of any jurisdiction, which fall or fell due for performance to any Person other than a Customer of the Clearing Member in relation to the Transaction in question.

The term "**Transferee**" means a Person nominated by a Buyer to whom a transfer or delivery is to be made under an Energy Contract and includes reference to the Buyer where transfer or delivery is to be made to the Buyer.

The term "**Transferor**" means a Person nominated by a Seller by whom a transfer or delivery is to be made under an Energy Contract and includes reference to the Seller where transfer or delivery is to be made by the Seller.

The term "**Tribunal**" means an arbitral tribunal established under Rule 117.

The term "**USD**" means the lawful currency from time to time of the United States of America.

The term "**U.S. Future**" means a Future or an Option that is an option on a Future, in either case that is traded on or subject to the rules of a designated contract market under Section 5 of the CEA. For the avoidance of doubt, U.S. Futures will not include Swaps.

The term "**Variation Margin**" means the cash required to be provided (by way of title transfer collateral pursuant to a Clearing Membership Agreement or as collateral pursuant to a Pledged Collateral Addendum) by a Clearing Member to the Clearing House [~~by Clearing Members~~]or by the Clearing House to a Clearing Member in respect of Energy Contracts pursuant to Rule 503(e) and the Procedures. The term "**Weekly Clearing**" has the meaning given to it in the Procedures.

The term "**Withdrawal Date**" means, if at any time the Clearing House decides to terminate its services, either generally or in relation to a significant part of its business or certain categories of Contract, the date on which that termination will take effect.