thereunder,[2] a proposed rule change to list and trade shares of the WisdomTree Bitcoin Trust under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares. The proposed rule change was published for comment in the **Federal Register** on April 15, 2021.[3] The Commission has received comments on the proposed rule change.[4]

Section 19(b)(2) of the Act[5] provides that within 45 days of the publication of notice of the filing of a proposed rule change, 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 shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is May 30, 2021. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change and the comments received. Accordingly, pursuant to Section 19(b)(2) of the Act,[6] the Commission designates July 14, 2021, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–CboeBZX–2021–024).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[7]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021–11532 Filed 6–1–21; 8:45 am]

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[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 91521 (April 9, 2021), 86 FR 19917 (April 15, 2021).

[4] Comments received on the proposed rule change are available at: *https://www.sec.gov/comments/sr-cboebzx-2021-024/srcboebzx2021024.htm.*

[5] 15 U.S.C. 78s(b)(2).

[6] *Id.*

[7] 17 CFR 200.30–3(a)(31).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–92020; File No. SR–ICEEU–2021–010]

Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing of Proposed Rule Change Relating to the Clearing Rules, Clearing Procedures, Finance Procedures, Delivery Procedures, CDS Procedures, Membership Procedures, Complaint Resolution Procedures and General Contract Terms

May 26, 2021.

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 May 13, 2021, ICE Clear Europe Limited (''ICE Clear Europe'' or the ''Clearing House'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule changes described in Items I, II and III below, which Items have been prepared primarily by ICE Clear Europe. 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

ICE Clear Europe Limited proposes to amend its Clearing Rules (the ''Rules'')[3] (including to the CDS Standard Terms, F&O Standard Terms and FX Standard Terms annexed thereto), Clearing Procedures, Finance Procedures, Delivery Procedures, CDS Procedures, Membership Procedures, Complaint Resolution Procedures and General Contract Terms (collectively, the ''Amended Documents'') to make various updates and enhancements.

II. Clearing Agency'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 IV below. ICE Clear Europe has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Capitalized terms used but not defined herein have the meanings specified in the Rules.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

ICE Clear Europe is submitting proposed amendments to the Amended Documents that are intended to make a variety of improvements and changes, including to (1) update various Rules and procedures to reflect current laws and regulations such as those relating to post-default porting, capital requirements, and anti-money laundering requirements, (2) update various defined terms, (3) update certain product and Clearing Member termination rules, (4) update certain notice provisions, (5) clarify membership criteria and obligations for Clearing Members, (6) clarify how open contract positions are aggregated and netted, (7) update certain systems references to reflect current systems and delete obsolete references, (8) amend and clarify the Complaint Resolution Procedures, (9) update various provisions of the Delivery Procedures, (10) introduce a summary disciplinary process and clarify disciplinary processes and (11) make various other drafting improvements, clarifications and updates, in each case as described in further detail herein.

a. Removal of ''Default Portability Preference''

Various amendments are proposed to remove the process whereby Non-FCM/BD Clearing Members are able to deliver a ''Default Portability Preference'', with advance, pre-default, porting information to the Clearing House. This process and mechanism had been developed by ICE Clear Europe as part of its default planning processes prior to post-crisis legislation such as EMIR coming into force. EMIR requires post-default porting notices to be served as a pre-condition to porting, rendering the default portability preference structure to be of limited assistance. In addition, and in practice, ICE Clear Europe did not receive many notices of Default Portability Preferences. After EMIR, other clearing houses did not use or ceased to use such notices and potential transferee clearing members are often unwilling to commit to receive porting in advance. As part of default management planning and following default drills with industry participation, it was determined to remove this structure from the Rules. Various changes will be made to the Rules to remove references to pre-default Porting Notice and, where appropriate, replace these references

with post-default Porting Notices, as discussed herein.

This proposal results in a number of proposed changes. In Rule 101, the definition of ''Default Portability Preference'' definition would be deleted. The related concept of ''Non-Transfer Positions'' in Rule 101 would be deleted as this defined term would no longer be used following removal of the Default Portability Preference concept. A new definition of ''Porting Notice'' (which refers to a post-default indication of a porting preference) would be introduced in Rule 101, with a cross-reference to the existing definition of that term in the Standard Terms Annex.

In Rule 904, which addresses procedures for post-default transfer of contracts and margin, various changes are proposed to implement the remove of Default Portability Preferences. Specifically, changes are proposed to Rules 904(g) and 904(j) to remove the references to Default Portability Preference and instead refer to the process around the use of Porting Notices. Rule 904(g) would be amended to state that consent to become a Transferee Clearing Member can only be evidenced in a Porting Notice where that Clearing Member has countersigned the notice or otherwise agreed in writing. This clarifies that simply being named by a customer as a potential Transferee Clearing Member is insufficient. The changes proposed at Rules 904(m), 904(p), 904(u) and 904(w) reflect the deletion of the definition of Default Portability Preference.

Related changes are proposed in Rule 907(d), which relates to the Clearing House's ability to rely on certain information provided to it. References to Default Portability Preference and Non-Transfer Positions have been deleted. Instead, in connection with porting the Clearing House will be entitled to rely on any information provided to it by a defaulter prior to declaration of default in respect of Contracts, Customer-CM Transactions, Margin and the Accounts in which Contracts and Margin were recorded or which relate to particular Customers or particular groups of Customers. This would allow the Clearing House to continue to be able to act efficiently in default scenarios, and be able to rely on more of the relevant information available to it in relation to the Defaulter. Amendments would also clarify that the Clearing House has no obligation to inquire of any person as to any Porting Notice.

The CDS Standard Terms (paragraph 6), F&O Standard Terms (paragraph 6) and FX Standard Terms (paragraph 6) would be amended to remove references to Default Portability Preferences and include reference to Porting Notices.

b. Introducing Consistency to the Definitions Relating to Energy Transactions

A series of amendments are proposed to certain definitions relating to Energy transactions, simplifying and making such terms consistent with certain amendments previously made to definitions for other F&O Products.[4]

Consistent with such prior amendments, in Rule 101, the ''Energy'' definition would be shortened to refer to the term ''Market'' rather than naming all specific ICE markets. New definitions would be introduced for ''Energy Matched Transaction'' (referencing an energy transaction conducted on a Market) and a revised definition of ''Energy Transaction'' would be added (covering an Energy Matched Transaction or an Energy Block Transaction meeting specified criteria). The changes are consistent with the approach used in the definitions of Financials & Softs Matched Transaction and Financials & Softs Transactions.

The introduction to the General Contract Terms would similarly be amended to remove references to named ICE markets and instead use the more generic term ''relevant Market''.

c. EFRP (Exchange for Related Position) Definition Amendments

Several changes to the Rules are proposed to address more clearly exchange for related position transactions (referred to as EFRPs) under applicable Market rules, including to revise defined terms and clarify that such transactions are available on exchanges for products other than soft commodities.

In Rule 101, a new ''EFRP'' definition would be added, to be defined using a similar structure to that for EFP and EFS transactions. Also in Rule 101, in the ''EFS'' definition would be clarified to refer only to exchange for swaps or similar transactions under Market Rules and to remove an existing reference to exchange for related positions, which would now be covered by the EFRP definition. In the ''Financials & Softs Block Transaction'' definition, reference to ''Soft Commodity EFRPs'' would be widened to include all ''EFRP''s under all Market Rules, as Soft Commodity EFRPs are specific to ICE Futures Europe. This would be in line with the definitions for EFP and EFS transactions. Accordingly, the ''Soft Commodity EFRP'' definition (which is not otherwise used) would be deleted.

d. Amendments to Product Termination Rules

Rule 105 would be amended to shorten the termination period (generally from four months to one month) for a service withdrawal for a product in circumstances in which there is no open interest in the relevant Set. In such circumstances, in ICE Clear Europe's view, a longer termination period is unnecessary, since no action is required by Clearing Members to close out their positions. Proposed amendments would also clarify that where a product termination occurs following actions of the relevant exchange (*e.g.,* a de-listing), the notice period required under the exchange's rules would instead apply and the exchange would be responsible for providing such notice.

e. Amendments to the Termination Rules for Clearing Members

Amendments are proposed to Rule 209(d) to facilitate membership terminations in the context of a corporate group reorganization where a new Clearing Member that is an Affiliate will be receiving the terminating Clearing Member's Open Contract Positions. The amendment would establish an exception to the requirement for terminating Clearing Members to immediately upon service of a Termination Notice pay to the Clearing House Assessment Contributions equal to three times the required relevant guaranty fund contribution. In ICE Clear Europe's view, such an exception is warranted since all positions would be received by an affiliated Clearing Member in good standing that would remain liable with respect to any obligations arising from or related to the holding of such positions under the Rules (including as to future Assessment Contributions).

Rule 209(d) would be further amended to clarify that references in the Clearing Rules to Assessment Contributions being called or to Guaranty Fund Contributions being replenished or applied, where the Clearing Member has provided Permitted Cover to the Clearing House (whether under Rule 209(d) or prior to the Clearing Member serving its termination notice or the Termination Date), would be interpreted as a reference to that Permitted Cover being applied. The new reference to Permitted Cover which has been provided prior to the serving of a termination notice or a Termination Date would clarify that, as is currently intended, the Cover

[4] See Exchange Act Release No. 34–87275 (File No. SR–ICEEU–2019–020) (Oct. 10, 2019), 84 FR 55649 (Oct. 17, 2019) (changes to definitions using the term Market).

provided at that earlier stage could also be included as part of, for example, any applications of Guaranty Fund by the Clearing House under Part 9 or Part 11.

Further amendments to Rule 209(d) would clarify for the avoidance of doubt that the following obligations would apply to a terminating Clearing Member until Open Contract Positions have been closed, the Termination Date has passed and all Guaranty Fund Contributions have been returned under Rule 1102(g): Application of Guaranty Fund Contributions, application of Assessment Contributions (to the extent paid under Rule 209(d) or otherwise prior to the Termination Date), position limits under Part 6, disciplinary actions under Part 10 and the declaration and consequences of an Event of Default under Part 9 of the Rules. This amendment is not intended to change the current requirements under the Rules, but rather to state those requirements more clearly in a single provision and thereby facilitate the Clearing House's enforcing its rules during a termination period.

The proposed amendments to Rule 209(d) overall reflect the Clearing House's experience with both default planning and recent Clearing Member terminations involving group reorganizations.

f. Notice Provisions

These proposed changes are designed to clarify and provide greater flexibility as to delivery of notices under the Rules. The changes have been informed by default simulation planning and in particular the requirements around default notices under Rule 901, but are not limited to that context. Rules 113(a) and 113(a)(i) would be amended to delete the references to telephone as a valid mode of service of notices (since this is not supported operationally) and to replace it with email. The email address last notified to the Clearing House by a Clearing Member would become an option for service of notices. The addition of new Rule 113(a)(ii) would clarify that the Clearing House may also validly deliver notices to a process agent nominated by the Clearing Member to act as its agent. Rule 113(e) already referred to such agents for service of process, and would be expanded to explicitly refer to service of other contractual notices and communications. A further change to Rule 113(a) clarifies that delivery in accordance with this section would be deemed made to the Clearing Member or Sponsored Principal (also if made to an agent appointed by the Clearing Member or Sponsored Principal).

Rule 113(c) and 113(d) would be amended to clarify the precise time when effective service is deemed to be made for communications by fax, email and courier, and that effective service and delivery can be achieved outside of opening hours on a business day, consistent with current operational practices.

Rule 1901(n) is similarly proposed to be amended to make clear that process agents for Sponsored Principals will act as agents for service of process of any notice, order or other communication under the Rules and the Sponsored Principal Agreement.

To conform to the Rules, amendments to paragraph 4.2E of the summary table at paragraph 4.2 of the Membership Procedures would provide that termination of a Clearing Membership Agreement or membership as a Clearing Member would become effective no less than 30 Business Days after the date of the Termination Notice Time or pursuant to Rule 917(c) instead of no less than three months' advance notice if termination is not for cause and otherwise as specified in and allowed pursuant to the Rules.

Additionally, updates would be made throughout the summary table at paragraph 4.2 of the Membership Procedures to the email address to which Clearing Members should send certain notifications.

g. Clarifying Clearing Membership Criteria and Clearing Member Obligations

Rule 201(a)(ix) would be amended to reference that under existing Rule 201(b), the Clearing House may require that potential Clearing Members enter into additional annexes or agreements to the Clearing Membership Agreement in order to be, and remain, eligible for Clearing Membership. Some such annexes have had to be developed to cater for local law issues arising in certain EU member states as part of Clearing Members' post-Brexit group legal structuring. This change would clarify the basis in the Rules for the Clearing House to require such additional documentation to be executed, where necessary.

Rule 202(a)(xxii) would be amended to extend the requirement for Clearing Members to have competent persons accessible to the Clearing House, to also include two hours prior to the start of the business day. This is consistent with current operational practice and is necessary to ensure that staff are available to process and deal with queries in relation to morning margin calls.

New Rule 301(o) would allow the Clearing House to request information when needed on account balances of nominated accounts of the Clearing Member at financial institutions, including for the purpose of calling on available cash where the Clearing Member has failed to meet a payment obligation or determining whether the Clearing Member is or is likely to be in default. This change would address issues that have arisen in practice where payment banks have refused to provide such information to the Clearing House. This consent, as part of the Rules, should promote the sharing of this important information.

h. Greater flexibility in Financial Reporting by Clearing Members

It is proposed that Rule 205(a)(ii) be amended to give the Clearing House greater flexibility to accept different kinds of financial statements (for example, semi-annual accounts) from Clearing Members as part of their financial reporting obligations, in circumstances where that Clearing Member does not produce a quarterly financial statement for its regulators. This amendment would also result in a conforming change to the summary table at paragraph 4.2 of the Membership Procedures.

The amendment would formalize current operational practice for those Clearing Members who do not draw up regulatory quarterly financials and means that the basis for accepting such reporting would be set forth in the Rules rather than pursuant to a separate arrangement, increasing transparency.

In addition, Rule 205(a)(ii) as well as the summary table at paragraph 4.2 of the Membership Procedures would be amended to change the deadline for submitting financial statements from 30 to 45 days after the relevant period so that the deadline aligns with other regulatory reporting deadlines (for example, the FCA deadlines).

i. Clarifying CDS Contract Formation

Rule 401(o) would be amended to make clear that where a CDS Contract of a Non-FCM/BD Clearing Member for a customer account arises pursuant to Rule 401, a Customer-CM CDS Transaction arises between the Customer and the Non-FCM/BD Clearing Member at the same time as the Contract. The current rule does not specify the timing of the Customer-CM CDS Transaction, and the amendment would reflect the equivalent rule for F&O in Rule 401(n) and eliminate an unintended drafting distinction.

j. Clarifying How Open Contract Positions Are Aggregated and Netted

The proposed amendments at Rule 406(b) and (c) address contractual netting for F&O contracts. The proposed changes would align the provisions for F&O Contracts more closely with the corresponding rule on contractual netting for CDS contracts in Rule 406(d) *et seq.*

In particular, the changes would address aggregation of open contract positions of an F&O Clearing Member in addition to netting of such positions, and would clarify that the process for aggregation or netting takes place via contractual novation.

k. Clarifying How the Clearing House May Amend Contract Terms

It is proposed that Rule 409(a) be amended so that the Clearing House can evidence its consent to amendments, waivers and variations of the Contract Terms by way of Circular. This has been the usual way of issuing such amendments, waivers and variations, and would conform the Rules with operational practice.

l. Pledged Collateral Not for Settlement Payments

It is proposed that Rule 1603(c) be amended to clarify that only ''original'' or ''initial'' types of Margin payments be provided in the form of Pledged Collateral, and that such collateral excludes Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin, which is provided to or by the Clearing House by outright transfer of cash as a settlement payment. The change is intended to be consistent with amendments previously made to the Rules to clarify that such variation and mark-to-market margin are settlement payments rather than collateral, and was inadvertently omitted from such prior amendments.[5]

m. Hedging Following an Event of Default

Rule 903(c) would be amended to clarify that the Clearing House's right to authorize hedging transactions in a Default scenario would include transactions on a Market, any other Exchange or over the counter. The amendments would also provide that such transactions taking place on an exchange which is not a Market, or where requested or directed otherwise by the Clearing House, need not themselves be cleared. These amendments come out of default event simulations and planning.

n. Affiliate Cross-Defaults

It is proposed that Rule 901(a)(iv) be amended to clarify that the declaration of an Event of Default in respect of one Clearing Member is a circumstance in which the Clearing House can declare an Event of Default in respect of another Clearing Member that is a Group Company. In the Clearing House's view, this is the effect of Rule 901(a) as it stands already, but the Clearing House has decided to clarify this expressly in light of questions raised in default planning exercises.

o. ''Eligible Contract Participant'' Status

Rule 201(a)(xx) would be amended to provide that the requirement that a Clearing Member be an ''eligible contract participant'' [6] only applies if it is to be a CDS Clearing member or an FX Clearing member. Such status would not be required under U.S. law for a Clearing Member that is only an F&O Clearing Member. The amendment reflects that such status is required under applicable U.S. law for persons that trade swaps and security-based swaps (such as CDS), but not for futures.[7] Section 10 of the F&O Standard Terms would for similar reasons be amended to remove a requirement that an F&O Clearing Member and Customer be an eligible contract participant. Rule 1901(b)(xv) would also be amended to provide that the requirement that a Sponsored Principal be an eligible contract participant only applies in relation to CDS Contracts and FX Contracts.

p. Corrected Names of Internal Risk Committees

It is proposed that Rule 916(d) be amended to change the term ''Risk Committee'' to ''relevant product risk committee''. This reflects that there are different product risk committees addressing topics specific to F&O and CDS which take on this role. The Risk Committee established under EMIR has different competencies. The changes clarify and align the Rules to current Clearing House governance processes.

In the Finance Procedures paragraph 14(2) and 14(3), reference to the CDS Risk Committee and FX Risk Committee would be corrected to ''CDS Product Risk Committee'' and ''FX Product Risk Committee'' to reflect the correct committee names. The same change would be made throughout the CDS Procedures where ''CDS Risk Committee'' is currently used.

q. Amendments to Complaint Resolution Procedures

Various clarifications and amendments are proposed throughout the Complaint Resolution Procedures.

Paragraph 1.1 would be amended to reframe the Complaint Resolution Procedures based on ICE Clear Europe's obligations as a CCP under EMIR.[8]

Throughout the procedures, the term ''Complaints Resolution Procedure'' would be replaced with ''Complaint Resolution Procedures'' to correct a typographical error and for consistency with the term used in Rule 101.

Paragraph 1.1 would be amended to use the defined term ''Person'' (which is defined in Rule 101) rather than ''person''. This would be reflected as a global change throughout the Complaint Resolution Procedures. Further amendments in paragraphs 1.1 and 1.2 would be made to provide for an independent ''Commissioner,'' who is responsible for the investigation of complaints generally, and for the appointment of an ''Investigator'' to investigate a particular complaint. Minor drafting updates would be made in paragraph 1.3 to improve clarity.

Additional drafting changes throughout the procedures would be made to refer where appropriate to ''Eligible Complaint'' instead of complaint. This would clarify that only Eligible Complaints (and not other complaints) would be subject to this process. As a result, the defined term ''Complaint'' has been replaced globally by the undefined term ''complaint'', to allow a distinction between complaints generally speaking and those that qualify as ''Eligible Complaints'' within the scope of the procedures.

The definition of ''Eligible Complaints'' in paragraph 2.1 would be broadened to include complaints against any Directors, officers, employees or committees (or committee members) of the Clearing House, which ICE Clear Europe believes is the proper scope for the Complaint Resolution Procedures. The amendments would also clarify that Eligible Complaints may relate to the manner in which the Clearing House has failed to perform applicable regulatory functions.

[5] Exchange Act Release No. 34–88665 (File No. SR–ICEEU–2020–003) (Apr. 16, 2020), 85 FR 22892 (Apr. 23, 2020).

[6] Commodity Exchange Act Section 1a(18), 7 U.S.C. 1a(18).

[7] See Section 6(l) of the Act, 15 U.S.C. 78f(l); Commodity Exchange Act Section 2(e), 7 U.S.C. 2(e).

[8] As a result of ICE Clear Europe Circular C20/163, this reference to EMIR is to be interpreted as including a reference to EMIR as applicable in the United Kingdom under the European Union (Withdrawal) Act 2018. See Exchange Act Release No. 34–90746 (File No. SR–ICEEU–2020–016) (Dec. 21, 2020), 85 FR 85704 (Dec. 29, 2020).

Minor drafting amendments would be made in paragraph 2.2 to correct typographical errors and use of defined terms.

Paragraph 3.6 would be amended to include ''investigation of the'' before ''Eligible Complaint'' for drafting clarity.

A drafting improvement would be made in paragraph 4.1 to clarify that acknowledgment of the complaint by the Clearing House must be made promptly, and in any case within 5 Business Days of receipt.

New paragraph 4.2 would be added to allow the Clearing House to refer complaints to another recognized body or authorized person where they consider that such entity is entirely or partly responsible for the subject matter of the complaint. For example, a complaint might better be administered by an exchange for which the Clearing House clears. New paragraph 4.3 would be added to set out the process whereby the Clearing House would be able to refer such a complaint. The amendments are intended to clarify existing procedures, and avoid a situation where the Clearing House would be forced to address a duplicative complaint or a complaint better handled by another entity.

Paragraph 4.4 would be amended to correct minor typographical errors.

The amendments to paragraph 4.5 would clarify that the Investigator must be an individual who has no personal interest or involvement in the matter of the Eligible Complaint. The amendments to that paragraph would also make typographical corrections and similar drafting improvements.

Paragraph 4.7 would be amended to make clear that the Investigator would not be required to disclose any information about the Complainant's identity when drafting their report of the Eligible Complaint. This paragraph would also be amended to correct minor typographical errors and to update cross-references.

Paragraph 4.8 would be amended to include delivery disputes and appeals in the list of potential ongoing matters that could warrant delay in the consideration of an Eligible Complaint. A similar change would also be made in paragraph 4.12. Certain typographical errors would also be corrected.

Paragraph 4.11 would be amended to clarify that where the Clearing House objects to the referral of a complaint to the Commissioner under specified circumstances (such that the Clearing House can conclude its own investigation), it must submit to the Commissioner the reasons for that determination. Several cross-references in the paragraph would also be updated.

Paragraph 4.12 would be amended to expand the list of ongoing matters that would justify delay in the Commissioner's consideration of an Eligible Complaint to be consistent with the list at paragraph 4.8, and also reference other processes under Part 10 of the Rules.

Paragraph 4.14 would be amended with minor non-substantive drafting improvements.

Paragraph 5 would be amended to clarify that the Investigator recommends rather than takes remedial action himself.

Paragraph 6.3 would be amended to add ''appeal process'' to the list of dispute resolution procedures that a Complainant cannot use if it requires the referral of any Eligible Complaint to the Commissioner pursuant to the Complaint Resolution Procedures. Reference to ''mediation'' has also been deleted (as unnecessary in light of the other listed types of dispute resolution).

Paragraph 7.2 would be amended to clarify that the Commissioner does not have to continue investigating a complaint if the complaint is not an Eligible Complaint. Paragraph 7.3 would be amended to make clear that the Commissioner would only be required to produce a final response where the complaint is an Eligible Complaint.

Paragraph 7.6 would be amended to ensure that the Commissioner has access to all relevant personnel (including directors, officers and other persons to whom functions have been outsourced) that may be needed for the purposes of the Eligible Complaint.

Paragraph 7.8 would be amended to obligate the Clearing House to inform the Complainant of an alternative Commissioner, when one is appointed, within five Business Days of the date of appointment.

Paragraph 8.1 would be amended to state explicitly that the Clearing House is required to consider the Commissioner's report and recommendations, in addition to informing the Commissioner of any proposed steps it would take in response to the report and recommendations. Certain other non-substantive drafting clarifications would be made as well.

Paragraphs 8.2 and 8.3 would be amended to correct typographical errors.

Paragraph 11 would be amended to include the Investigator as a person subject to the confidentiality obligations with respect to the complaint, and make certain drafting clarifications.

r. Amendments to CDS Procedures Relating to List of Eligible Single Name Reference Entities

Paragraph 11.4 would be amended such that the Clearing House be required to update certain relevant information relating to CDS Contracts on its website after making certain updates relating to Permitted Single Name Fixed Rates and Eligible Single Name Reference Entities instead of giving notice by Circular of such actions.

s. Amendments to CDS Procedures To Allow Clearing Members To Nominate Affiliates

Paragraph 4.4(f) of the CDS Procedures would be amended to clarify that CDS Clearing Members could designate an Affiliate that is also a CDS Clearing Member to accept CDS Contracts in lieu of it for CDS Contracts arising as a result of the existing CDS end-of-day pricing process pursuant to Rule 401(a)(xi).

A similar same change would be made at paragraph 11.5, to allow designation of an Affiliate to accept transactions arising out of the existing auction process to be used in the case of self-referencing CDS transactions. This reflects existing practice for CDS Clearing Members, as documented in certain arrangements between the Clearing House and certain CDS Clearing Members allowing this to take place, but was unintentionally omitted from the CDS Procedures.

t. Clarifications to CDS Clearing Member Sign Off of Weekly Cycles

It is proposed that new paragraph 3.5 be added to the CDS Procedures to require CDS Clearing Members to provide sign off via email on weekly cycles by the time specified by the Clearing House. This change would document existing operational processes.

u. Adjustments to Clearing Member Capital Requirements

It is proposed that paragraph 3.5(a) of the Membership Procedures would be amended to lower, from 50% to 25%, the portion of a Clearing Member's Capital requirement that may be covered by subordinated loans before the Clearing House would require a written undertaking from the Clearing Member to not repay subordinated loans without the consent of the Clearing House. This change would align the Clearing Member capital requirement more closely with Basel III requirements. The Basel II standard for ''tier 2'' instruments was set at 50% of total capital, *i.e.,* Tier 2 capital including

certain subordinated debt instruments could be of an amount equal to tier 1 (essentially share capital) (Section B, Annex 1a, Basel II). This was changed in Basel III (LEX 20.1) to involve greater restrictions on the usage of subordinated debt in general subject, where subordinated debt may be used, to an upper limit of 25%. This proposed change in capital requirements promotes greater consistency with its existing operational implementation of capital requirements for Clearing Members, albeit remaining more liberal than Basel III. All of the Clearing Members are located in countries which have implemented Basel III and this change is not considered to be material for any of them, whilst at the same time making the Clearing House's capital requirements more robust.

It is further proposed that paragraph 3.5 of the Membership Procedures would be amended to remove irrevocable letters of credit as a potential method that Clearing Members or Sponsored Principals may use to satisfy capital requirements. Instead, the Clearing House could, at its discretion, require a Clearing Member to post additional cash or collateral in addition to the normal margin requirements pursuant to the amendments.

v. Replacement of Prospectus Directive

Amendments are proposed to Part 1501 of the Rules to change the definition of ''Prospectus Directive'' to ''Prospectus Regulation'' as the EU Prospectus Directive has been repealed and replaced with the Prospectus Regulation. Conforming changes would be made to the definitions of ''Offer to the Public'', ''Relevant Member State'' and ''Securities''. The definition of ''2010 PD Amending Directive'' (and references thereto) would be deleted as this is also no longer in force. Conforming changes would be made in Rule 1503 to remove obsolete legislative references.

w. Changes to Clearing Member Account Requirements

Amendments to the Finance Procedures in paragraphs 4.1(a)(i) and (iv) and 4.4(a)(i) and (iv) are proposed to the account requirements for members to reflect that ICE Clear Europe clears both EUR and USD denominated CDS contracts and as such all CDS Clearing Members are required to have both EUR and USD accounts (and need not have a GBP account).

x. Updates for Changes to Applicable Anti-Money Laundering Law

Amendments are proposed in Rule 101 to update the definition of ''Money Laundering Directive'' to reflect the implementation of the fifth EU Anti-Money Laundering Directive. A definition of ''Money Laundering Regulations'' is also proposed to be added to the rules to reference the applicable UK regulations corresponding to that Directive (including after its exit from the European Union).

In Rule 201(a)(xxix) and 1901(d)(xi), the reference to 'simplified due diligence' is proposed to be removed. This reflects the repeal and restatement of the former U.K.'s Money Laundering Regulations 2007 pursuant to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, which removed simplified due diligence as the default option for a defined list of entities and replaced this with a discretion on in-scope firms to apply risk-based levels of due diligence.

Rule 201(a)(xxxi) is proposed to be amended to include anti-money laundering laws to the list of applicable laws that are required to be acceptable to the Clearing House in a jurisdiction for Clearing Members.

New Rule 201(a)(xxxiii) is proposed to be added to require Clearing Members to have adequate policies, procedures, systems and controls relating to Applicable Laws, including relating to anti-money laundering and the prevention of financial crime.

Amendments are proposed to Rules 202(a)(xii) and 1901(m) to update relevant references to relevant laws, clarify that the Clearing Member is required to make certain representations and warranties to the Clearing House with respect to the matters in those subsections, require the Clearing Member to have the necessary authority from customers and others to disclose the necessary information about beneficial owners in order to comply with requirements under Applicable Laws, and to retain copies of documents required to be retained under anti-money laundering laws.

A similar amendment is proposed to Rule 1607(g) to require FCM/BD Customers to also obtain the authority from ''beneficial owners'' to disclose information to the Clearing Member and Clearing House necessary for anti-money laundering due diligence.

Similar amendments are also proposed to the CDS Standard Terms 3(q), F&O Standard Terms 3(r) and FX Standard Terms 3(q) to require Customers to obtain the necessary authority from beneficial owners to make disclosure to the Clearing Member and Clearing House necessary for anti-money laundering due diligence.

A new paragraph 1.1(d) of the Delivery Procedures would obligate Clearing Members to conduct appropriate AML due diligence for any transferors/transferees and provide relevant documentation to the Clearing House and/or Clearing Member. The amendments at paragraphs 5.4 and 5.5 of the Delivery Procedures would clarify that transferors and transferees that are customers would be bound by the F&O Standard Terms, including with respect to delivery of information, and also clarify that transferors/transferees are not customers of the Clearing House for purposes of relevant anti-money laundering laws and other Applicable Law.

y. Amendments To Reflect Updates to ICE Clear Europe Systems

New definitions of ''ECS'', ''MFT'', ''ICE FEC'' and ''MPFE'', reflecting various existing ICE Clear Europe systems, are proposed in the Delivery Procedures so that there is consistent usage across the Procedures.

An amendment is proposed to Clearing Procedures paragraph 1.1(a) as the referenced PTMS/ACT systems are legacy systems no longer used by the Clearing House, and have been replaced with ICE FEC.

Amendments are proposed to Clearing Procedures paragraphs 1.1(f) and 3.1(c) to remove the definitions of MFT and ECS as these terms would now be defined in the Delivery Procedures.

Similar amendments are proposed to Finance Procedures paragraphs 3.10, 3.11, 3.21 and 4.5 to ensure that the use of defined term ''ECS'' is consistent.

z. Clarifications Relating to Negative EDSP

The definition of ''Exchange Delivery Settlement Price'' in Rule 101 would be amended to clarify, for the avoidance of doubt, that the EDSP can be positive, negative or zero.

Rule 703(b) would be revised to clarify the process for payment obligations if the EDSP is a negative number.

aa. Clarification to the Finance Procedures

Amendments are proposed to paragraph 6.1(i)(ix) of the Finance Procedures to clarify that the additional margin requirement that applies where payment of variation or mark-to-market margin is made in a currency other than the contractual currency would apply on a Currency Holiday. This reflects current Clearing House practice.

bb. Amendments to Delivery Procedures

Various changes are proposed to the Delivery Procedures to update provisions to update various operational practices and make other drafting improvements.

It is proposed that a new paragraph 7 be added to the Delivery Procedures to reference the alternative delivery procedure for Emission Contracts as set out in paragraph A.7 of the Delivery Procedures. Subsequent paragraphs would be renumbered and conforming amendments to cross-references would be made.

Various changes would made throughout to remove references to the legacy ICE System Crystal, and update this to refer to ECS, MFT and ICE FEC which are the systems now used by the Clearing House. Similarly, changes are proposed to delete Delivery Documentation Summaries and form references where ECS has replaced the manual submission of forms to the Clearing House. These changes are made throughout the Delivery Procedures, including in relation to ICE Gasoil Futures (in Part B), and ICE Futures UK Natural Gas Contracts (in Part D), ICE Endex TTF Natural Gas Contracts (in Part F), ICE Endex Gaspool Natural Gas Contracts (in Part G), ICE Endex NCG Natural Gas (in Part H), ICE Endex ZTP Natural Gas Contracts (in Part I), ICE Deliverable US Emissions Contracts (in Part N), Financials & Softs White Sugar Contracts (in Part Q), Financials & Softs Gilt Contract (in Part U) and Equity Futures/Options (in Part Z).

In Part A (ICE Deliverables EU Emissions Contracts), references to ''Account'', which is no longer a defined term in the Delivery Procedures, would be corrected to reference the defined term, ''Registry Account''. The defined term, ''Contract Date'', would be amended such that it would no longer include a Business Day on which the Delivery Period commences for those trades executed on a Business Day. Section 9.3 would be deleted as unnecessary as Part A no longer references auction contracts.

Also in Part A, the procedures following the entry into an EADP Agreement by a Clearing Member and the Clearing House would be amended such that the existing Contract would no longer be liquidated, but instead dealt with in the manner specified in the EADP. If the existing Contract were to be liquidated under the EADP, this would be done on the basis of the Exchange Delivery Settlement Price. Delivery under the EADP Agreement would be subject to the requirements set out in the entirety of paragraph 7 instead of just paragraph 7.3. The amendments would provide that the Clearing Members and Clearing House would have a reasonable period of time after the Failed Delivery to enter into an EADP Agreement or effect delivery under EADP instead of only until the close of business on the Business Day following the day of the Failed Delivery before the Clearing House refers the matter to the relevant exchange. Pursuant to the amendments, the Clearing House would also consider what reasonable next steps it should take. The Clearing House could decide to take one of the listed steps, but pursuant to the amendments would not be limited by the list and would not be required to Invoice Back affected Contracts.

Part M (ICE Endex German Power Futures) would be deleted as these contracts have been delisted from the relevant exchange.

In Part N, outdated references to ICE OTC Contracts would be deleted.

In Part U, new provisions relating to failed settlement and non-delivery of securities under a Financials & Softs Gilt Contract would be added, including as to the steps the Clearing House can take to promote settlement in accordance with the contract terms and the requirements of the CREST central securities depository and allocation of the costs of such steps to the Clearing Member that failed to make delivery. These changes are intended to reflect existing practices and provide consistency with provisions of the Delivery Procedures for other contracts, including Part Z.

In Part Z, relating to Equity Futures and Options, various updates would be made to reference the correct settlement facilities and relevant settlement details and settlement procedures. The treatment of corporate events relating to underlying securities would be clarified through reference to the relevant Exchange corporate action policy. Provisions dealing with failed deliveries and partial deliveries would also be clarified, including as to the steps the Clearing House may take to facilitate delivery, the rights and responsibilities of the buying clearing member with respect to onward deliveries under other contracts and the allocation of costs to clearing members. The buying-in timetable would also be clarified. Other typographical corrections and similar drafting clarifications would be made throughout Part Z.

In the first table in Part FF, with respect to the receipt of documents by the Clearing House, the statement that in the event of non-availability of any of the listed delivery documents, Seller may substitute a letter of indemnity in favor of the Buyer would be removed.

Various other typographical corrections and updates to use of defined terms and cross-references are made throughout the Delivery Procedures.

cc. Introduction of a Summary Disciplinary Process and Other Disciplinary Process Updates

Amendments would be made to the Rules to introduce a summary fining power for the Clearing House (in line with other ICE exchanges for which ICE Clear Europe provides clearing services) and to make certain minor drafting improvements to the disciplinary process provisions of the Rules. The intention behind these provisions is to introduce a more streamlined sanctioning process for clear-cut and minor rules violations, examples of which are cited in the rule itself and discussed further below, rather than having these subject to the formal and more cumbersome proceedings of a disciplinary committee.

In Rule 101, the definition of ''Appeal Panel'' would be amended to include reference to the new Summary Disciplinary Process. Also in Rule 101, a new definition of ''Summary Disciplinary Process'' would be introduced.

A minor amendment is proposed to Rule 102(j) to refer to new Rule 1008 in the context of disciplinary proceedings under the Rules. An amendment is proposed to Rule 102(p) to clarify that Disciplinary Panels, Summary Disciplinary Committees and Appeal Panels are also able to exercise discretion in the same way as the Clearing House.

Amendments are proposed to 1002(i) and 1003(b) to make reference to the new Summary Disciplinary Process. In 1005(c), the word ''exclusive'' would be deleted in relation to discretion, as Rule 102(p) now governs this matter.

New Rule 1005(g) would be added to make clear that Rule 1005 applies as the appeal process for the Summary Disciplinary Process.

Proposed Rule 1008 would be introduced to set out the new summary disciplinary process against a Clearing Member, clarifying the situations in which these new Rules apply, the sanctioning power of the Summary Disciplinary Process and the process by which the Summary Disciplinary Process would be conducted. The Summary Disciplinary Process may be applied in relation to: The late filing or submission of any document, notice or information; the late making of any payment; any failure to record a

Contract in the correct Account; the late making or taking of any delivery; any breach of Rule 202(a)(xix) (participation in default management simulations, new technology testing and other exercises); any breach of Rule 503(g) (the submission of end-of-day prices relating to Sets of CDS Contracts required of Clearing Members to aid in the establishment of Mark-to-Market Prices); any breach of a position limit under Part 6 of the Rules; any breach of any provision of the Rules or Procedures considered by the Clearing House to be of a factual nature where the Clearing House holds sufficient evidence of such facts; any breach of any provision of the Rules or Procedures considered by the Clearing House to be minor in nature; or any breach of the Rules or Procedures which the Clearing House considered would be appropriately addressed by the Summary Disciplinary Process.

Sanctions pursuant to proposed Rule 1008 would be limited to the following: Issuance of a private warning or reprimand naming the Clearing Member or a Clearing Member Customer, client or Representative; a fine of up to £50,000; or any combination of the foregoing.

Proposed Rule 1008 would also specify the process of imposing any sanction, including the notice process by the Clearing House, the opportunity for a Clearing Member to appeal, the grounds for appeal and the actions the appeal panel may take (*i.e.,* to affirm, vary or revoke a sanction). It would also allow the Clearing House to provide further guidance by way of Circular in relation to the operation of the Summary Disciplinary Process.

dd. Other Proposed Drafting Enhancements and Improvements

A number of other drafting enhancements, clarifications and improvements are proposed.

This includes a number of amendments to the definitions in Rule 101. A new definition of ''Acceptance Time'' would be added. The definition is consistent with the definitions currently in the CDS Procedures and FX Procedures, and would be added to the Rules for clarity given that the term is used in the Rules, *e.g.,* Rule 1204 and also in paragraph 10 of Standard Terms annexes.

In the definition of ''Applicable Law'', a reference to ''the FSMA'' would be added. This important piece of UK legislation for CCPs, such as ICE Clear Europe, was unintentionally omitted from the ''Applicable Law'' definition.

In the ''Clearing Organisation'' definition, a reference to ''securities clearing agency'' would be added, to ensure that the defined term includes securities clearing agencies regulated by the SEC.

In the ''Defaulter'' definition, amendments would clarify that the defined term refers to a person in respect of whom an Event of Default has occurred, rather than a person in respect of whom a Default Notice has been issued.

A new definition of ''FINRA'' referencing the U.S. Financial Industry Regulatory Authority, the self-regulatory body of several US clearing members, would be added. The term is currently used but in the definition of Regulatory Authority, but is not defined.

The definition of ''Original Margin'' would be amended to clarify that buyer's security, seller's security and delivery margin would all be included.

The ''Regulatory Authority'' definition would also be updated to include reference to ''National Futures Association'', a self-regulatory body in the U.S. which supervises several clearing members.

The definition of ''Rule Change'' would be amended expressly to include changes to the Contract Terms. Rule 109(b)(vii) and (viii) and 109(k) already assume that the definition ''Rule Change'' covers changes to Contract Terms, but the definition itself is inconsistently narrower. The cross reference to Rule 109 would be clarified to reflect that it is not the sole provision governing the process for Rule Changes.

In the definition of ''Segregated Customer'', typographical corrections would be made.

The definitions of ''Transferee'' and ''Transferor'' would be revised to clarify that the subject of a transfer or delivery is a Deliverable (as defined in the Rules).

Rule 201(a)(v) is proposed to be amended to correct an erroneous use of the singular ''Contract'' when the plural ''Contracts'' should be used.

Rules 304(a)(ii)(A), 304(a)(ii)(B) and 1901(e) would be amended to correctly reference the term ''Nominated Bank Account''.

A clarification is proposed to Rule 401(g) to reflect that under existing practice and as stated and assumed elsewhere in the Rules (*e.g.,* Rule 906, Clearing Procedures), Clearing Members can have multiple Proprietary Position Accounts.

Rule 406(a) would be amended to remove an erroneous reference to the legacy term ''Clearing Processing System'' and replace it with the correct defined term ''ICE System''.

Rule 904(b) would be amended to correct the use of an incorrect term ''Market-to-Market Value'' to the correct definition ''Mark-to-Market Price''. A change would similarly be made at Rule 905(g) to delete a reference to ''Market-to-Market Value'' as well as the unused term Reference Price.

An amendment is proposed to Rule 905(b)(ix) to reflect that there may be multiple Defaulters rather than just one.

Amendments to Rule 908(i) would correct typographical errors and an incorrect cross-reference.

Rule 908(ii) would be amended to reflect that the applicable modifications would be set out in the Default Auction Procedures as opposed to a Circular.

In the definition of ''MTM/VM'' in Rule 913(a)(xxxi), amendments would be proposed to reflect that MTM/VM is transferred to rather than held as a deposit by the Clearing House.

The definition of ''Product Termination Amount'' in Rule 913(a)(xxxviii) is proposed to be deleted as this term is already defined in Rule 916.

A minor amendment is proposed to Rule 913(a)(lviii) to clarify for the avoidance of doubt that amounts payable in respect of transfers are included in the definition of ''Transfer Cost''.

A correction would be made to Rule 915(e) to refer to correctly reference all categories of mark-to-market or variation margin for all product categories.

Clarifications would be made to Rule 916(i) to be clear that Guaranty Fund and Assessment contributions due pursuant to Rule 916(i) are subject to the provisions of Rule 917 (including the limitations thereon during a Cooling-off Period).

Rule 918(d) would be clarified to refer to any Event of Default rather than multiple Events of Default.

It is proposed to incorporate references to Rules 916 and 918 into Rule 1102(g) to reflect that these Rules are also applicable in certain cases to determining the return of Guaranty Fund contributions.

Rule 1901(d)(vi) would be deleted because the Council Directive referenced by this provision has been repealed. Subsequent provisions would be renumbered and cross-references in other provisions updated.

A typographical error in the title of Part 23 would be corrected.

Other typographical and similar corrections would be made in various provisions of the Rules, including 102(q), 202(a)(xxi), 203(a)(xx) and 504(c)(vi).

Part 3(b) of the F&O Standard Terms would be amended to more clearly state that Customer-CM F&O Transactions would arise in accordance with Part 4 of the Rules. This change would align

with the drafting used in the other Standard Terms.

Proposed clarifications would be made to Rule 1607(d)(iii), CDS Standard Terms 7(iii), F&O Standard Terms 7(iii) and FX Standard Terms 7(iii) to refer to ''Personal Data'' rather than ''Personal Data of its Data Subjects''. This change eliminates unnecessary language.

A minor change is proposed to paragraph 15.4(b) of the Finance Procedures to delete an outdated reference to the Continuing CDS Rule Provisions, which are no longer in effect.

(b) Statutory Basis

ICE Clear Europe believes that the proposed rule changes are consistent with the requirements of Section 17A of the Act [9] and the regulations thereunder applicable to it, including the standards under Rule 17Ad–22.[10] In particular, Section 17A(b)(3)(F) of the Act requires that that rule changes be consistent with the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts and transactions cleared by ICE Clear Europe, the safeguarding of securities and funds in the custody or control of ICE Clear Europe or for which it is responsible, and the protection of investors and the public interest.[11] As discussed herein, the proposed rule changes are principally designed to clarify various aspects of the Rules and Procedures to improve drafting and to update the Rules and Procedures to ensure consistency with current operational practices and processes as well as current applicable laws and regulations. In ICE Clear Europe's view, these changes would therefore facilitate the prompt and accurate clearance and settlement of transactions through the Clearing House and would generally be consistent with the protection of investors and the public interest. Furthermore, ensuring that the Rules and Procedures are clear, including with respect to matters such as portability, will enhance the safeguarding of securities and funds in the custody or control of the Clearing House or for which it is responsible. As such, ICE Clear Europe believes the amendments are consistent with the requirements of Section 17A(b)(3)(F) of the Act.[12]

Further, Section 17A(b)(3)(G) of the Act [13] requires that clearing agency rules provide that its participants shall be appropriately disciplined for violations of the rules including by fine, censure or any other fitting sanction. Section 17A(b)(3)(H) of the Act [14] requires that a clearing agency provide a fair procedure with respect to the disciplining of participants. The addition of the new Summary Disciplinary Process would enable the Clearing House to impose appropriate fines or to censure appropriate parties in the event of a rule violation. It would also specify the process of imposing any sanction, including the notice process by the Clearing House, the opportunity for a Clearing Member to appeal, the grounds for appeal and the actions the appeal panel may take (*i.e.,* to affirm, vary or revoke a sanction). As such, by enabling appropriate disciplining of participants and providing a fair procedure relating to this process, ICE Clear Europe believes the amendments are consistent with the requirements of Section 17A(b)(3)(G) and (H) of the Act.[15]

The amendments are also consistent with the relevant specific requirements of Rule 17Ad–22,[16] as set forth in the following discussion:

(i) Portability

Rule 17Ad–22(e)(14) [17] requires that clearing agencies maintain policies and procedures which enable the segregation and portability of customer's positions and collateral. The amendments provide greater clarity with respect to providing porting instructions. The amendments would remove the existing process whereby Non-FCM/BD Clearing Members may deliver a ''Default Portability Preference'', with advance porting information, to the Clearing House, an option that was rarely used and that has proven to be impractical and has been superseded by requirements under EMIR that post-default porting notices be served prior to porting, which limited the value of instructions provided prior to default. The amendments will also clarify the process for providing post-default porting notices. The amendments will thus facilitate the process of post-default porting in a manner consistent with applicable regulations, including the requirements of Rule 17Ad–22(e)(14),[18] while avoiding the concerns created by the existing process.

Further, proposed amendments to Rule 209(d) would facilitate the process of porting positions, pre-default, in the context of a corporate group reorganization where a new Clearing Member that is an Affiliate will be receiving the terminating Clearing Member's Open Contract Positions, and thereby facilitate the Clearing House's compliance with requirements of Rule 17Ad–22(e)(14) [19] to enable portability of customer positions and collateral.

(ii) Operational Risk

Rule 17Ad–22(e)(17)(i) [20] requires that a clearing agency manage its operational risks through appropriate policies and procedures. The amendments to the notices provisions would facilitate electronic notice, including for default notices under Rule 901 and other notices more generally under Rule 113. These clarifications better ensure appropriate and timely notices will be provided, reducing operational risks relating to timely receipt of notices.

Further, proposed amendments to Rule 202(a)(xxii) would extend the requirement for Clearing Members to have competent persons accessible to the Clearing House to also include the two hours prior to the start of the business day, to ensure that operational policies are consistent with consistent with operational practices and ensures that staff are available to process and deal with questions in relation to morning margin calls. The amendment would thus reduce the operational risks of not being able to address such calls in a timely manner.

The proposed changes at Rule 301(o) enhance the Clearing House's ability to request information when needed on account balances, including for the purpose of calling on available cash where the Clearing Member has failed to meet a payment obligation, and are expected to reduce operational risks that may arise where the Clearing House may not otherwise have access to such information.

[9] 15 U.S.C. 78q–1.

[10] 17 CFR 240.17Ad–22.

[11] 15 U.S.C. 78q–1(b)(3)(F).

[12] 15 U.S.C. 78q–1(b)(3)(F).

[13] 15 U.S.C. 78q–1(b)(3)(G).

[14] 15 U.S.C. 78q–1(b)(3)(H).

[15] 15 U.S.C. 78q–1(b)(3)(G) and (H).

[16] 17 CFR 240.17Ad–22.

[17] 17 CFR 240.17Ad–22(e)(14) which states that ''[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable: (14) Enable, when the covered clearing agency provides central counterparty services for security-based swaps or engages in activities that the Commission has determined to have a more complex risk profile, the segregation and portability of positions of a participant's customers and the collateral provided to the covered clearing agency with respect to those positions and effectively protect such positions and related collateral from the default or insolvency of that participant.''

[18] 17 CFR 240.17Ad–22(e)(14).

[19] 17 CFR 240.17Ad–22(e)(14).

[20] 17 CFR 240.17Ad–22(e)(17)(i) which states that ''[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable: (17) Manage the covered clearing agency's operational risks by: (i) Identifying the plausible sources of operational risk, both internal and external, and mitigating their impact through the use of appropriate systems, policies, procedures, and controls.''

(iii) Legal Basis

Rule 17Ad–22(e)(1) [21] requires that a clearing agency provide for a well-founded legal basis for each aspect of its activities in all relevant jurisdictions. The amendments to Rule 201(a)(ix) would clarify that the Clearing House may require that potential Clearing Members enter into additional annexes/agreements to the Clearing Membership Agreement in accordance with Rule 201(b) in order to be, and remain, eligible for Clearing Membership. The Clearing House would expect to impose such requirements where necessary to comply with or address post-Brexit local law group structuring issues, including as applicable to its Clearing Members located in certain EU member states. This change would clarify the legal basis under the Rules for the Clearing House to require additional documentation to be executed, where necessary.

The proposed amendments to Rule 1901(b)(xv), Rule 1901(d)(ix), Rule 201(a)(xx) and Section 10 of the F&O Standard Terms, which would remove the requirement for Clearing Members, Customer and Sponsored Principals to be ''eligible contract participants'' if they are solely engaging in F&O Contracts, is intended to remove an unnecessary requirement for such Contracts while ensuring that the membership requirements remain compliant with applicable US laws.

The amendments to paragraph 3.5(a) of the Membership Procedures to lower the threshold at which the Clearing House will require a written undertaking from a Clearing Member to not repay subordinated loans will align the Rules more closely with Basel III requirements applicable to Clearing Members.

The various amendments to address applicable anti-money laundering laws in the EU and UK, including to address requirements to provide necessary information for due diligence checks, are intended to facilitate compliance by the Clearing House, Clearing Members, Sponsored Principals and Customers with applicable anti-money laundering laws. Similarly, amendments to the Delivery Procedures would obligate Clearing Members to conduct appropriate anti-money laundering AML due diligence for any transferors/transferees and provide relevant documentation to the Clearing House and/or Clearing Member. These requirements support the well-founded basis for the Clearing House's operation under applicable anti-money laundering laws.

Overall, these changes, as well the numerous other changes to improve the drafting and clarity of the Rules and Procedures, are generally consistent with establishing a well-founded legal framework for the Clearing House's operations, within the meaning of Rule 17Ad–22(e)(1).[22]

(iv) Margin

Rule 17Ad–22(e)(6) require that a covered clearing agency establish a risk-based margin system that, among other matters, ''[m]arks participant positions to market and collects margin, including variation margin . . ., at least daily.'' [23] Rule 1603(c) would be amended to clarify that only ''original'' or ''initial'' types of Margin payments would be provided in the form of Pledged Collateral, and that such collateral excludes Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin which is provided to or by the Clearing House by outright transfer of cash as a settlement payment. This amendment is consistent with the treatment of variation and mark-to-market margin as settlement payments,[24] as provided elsewhere in the Rules and Procedures, and in ICE Clear Europe's view is consistent with the margin framework requirements under Rule 17Ad–22(e)(6).[25]

(v) Settlement and Physical Delivery

Rule 17Ad–22(e)(10) requires that a covered clearing agency ''establish and maintain transparent written standards that state its obligations with respect to the delivery of physical instruments, and establish and maintain operational practices that identify, monitor, and manage the risks associated with such physical deliveries.'' [26] The proposed amendment to the definition of ''Exchange Delivery Settlement Price'' in the Rules will clarify for the avoidance of doubt that the EDSP can be positive, negative or zero. The amendments will also clarify the procedure for payment of the EDSP in a physical settlement where the EDSP is negative. The amendments will thus clarify and enhance the settlement process in such case, consistent with Rule 17Ad–22(e)(10).[27]

Proposed amendments to the Delivery Procedures will clarify other aspects of the physical settlement process. Proposed new paragraph 7 to the Delivery Procedures will contemplate an alternative delivery procedure for certain Emission Contracts in the event of a failed delivery. In Part U, new provisions relating to failed settlement and non-delivery of securities under a Financials & Softs Gilt Contract would be added, including as to the steps the Clearing House can take to promote settlement in accordance with the contract terms and the requirements of the CREST central securities depository and allocation of the costs of such steps to the Clearing Member that failed to make delivery. Updates to Part Z would be made to reference the correct settlement facilities and relevant settlement details and settlement procedures. Part Z provisions dealing with failed deliveries and partial deliveries would also be clarified. Throughout the Delivery Procedures, the delivery documentation summaries, timetables and other relevant provisions will be updated and clarified to reflect current operational processes and Clearing House systems and to remove outdated references and language. Taken together, these changes will establish and update transparent written standards associated with physical deliveries, consistent with the requirements of Rule 17Ad–22(e)(10).[28]

(vi) Governance Arrangements

Rule 17Ad–22(e)(2)(i) [29] requires that a clearing agency have governance arrangements that are clear and transparent. The proposed amendments to Rule 916(d) would change ''Risk Committee'' to ''relevant product risk committee'' to reflect the different product risk committees addressing topics specific to F&O and CDS Contracts. Similar changes would be made to references to relevant risk committees in certain Procedures, as discussed above. In ICE Clear Europe's view, these amendments would clarify governance descriptions in the Rules and Procedures to more clearly and accurately reflect established arrangements, and are thus consistent with Rule 17Ad–22(e)(2)(i).

[21] 17 CFR 240.17Ad–22(e)(1) which states that ''[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable: (1) Provide for a well-founded, clear, transparent, and enforceable legal basis for each aspect of its activities in all relevant jurisdictions.''

[22] 17 CFR 240.17Ad–22(e)(1).

[23] 17 CFR 240.17Ad–22(e)(6).

[24] As discussed above, the amendments are also consistent with the approach provided for in Exchange Act Release No. 34–88665 (File No. SR–ICEEU–2020–003) (Apr. 16, 2020), 85 FR 22892 (Apr. 23, 2020).

[25] 17 CFR 240.17Ad–22(e)(6).

[26] 17 CFR 240.17Ad–22(e)(10).

[27] 17 CFR 240.17Ad–22(e)(10).

[28] 17 CFR 240.17Ad–22(e)(10).

[29] 17 CFR 240.17Ad–22(e)(2)(i) which states that ''[e]ach covered clearing agency shall establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable: (2) Provide for governance arrangements that: (i) Are clear and transparent;''.

(vii) Membership Criteria

Rule 17Ad–22(e)(18) requires covered clearing agencies to establish criteria for participation which ensures participants have sufficient financial resources and robust operational capacity to meet obligations arising from participation and to monitor compliance.[30] Proposed amendments would extend the hours during which staff are available to process and deal with questions in relation to morning margin calls, which strengthen operational capacity to meet obligations arising from participation. The amendments would also clarify certain requirements as to member Capital, including to reference updated capital standards and to limit the use of certain subordinated debt as capital. These amendments are intended to be consistent with the requirements of the Basel III capital framework applicable to most Clearing Members. In ICE Clear Europe view, the amendments accordingly set appropriate Capital requirements for Clearing Members, consistent with the requirements of Rule 17Ad–22(e)(18).

(viii) Default Management

Rule 17Ad–22(e)(13) [31] requires a covered clearing agency to ensure that it ''has the authority and operational capacity to take timely action to contain losses and liquidity demands'' in the case of default.

The amendments would, as noted above, clarify certain aspects of the Clearing House's default management procedures, including the use of post-default porting notices and the manner of delivering default notices. The amendments would clarify the ability of the Clearing House to use hedging post-default, and clarify certain aspects of the definition of Event of Default, particularly in connection with defaults of affiliated Clearing Members. A number of other drafting improvements would be made in the Part 9 of the Rules, as discussed above. In ICE Clear Europe's view, these amendments will generally enhance the Clearing House's default management procedures and facilitate its ability to take timely action in the case of a default to contain losses, consistent with the requirements of Rule 17Ad–22(e)(13).[32]

(B) Clearing Agency's Statement on Burden on Competition

ICE Clear Europe does not believe the proposed amendments would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purpose of the Act. The amendments are generally intended to improve drafting clarity in the Rules and Procedures and update various provisions to refer to current laws and operational and other processes, including with respect to such matters as portability, settlement and delivery procedures, updated system references, anti-money laundering procedures and similar matters. Overall, ICE Clear Europe does not expect the amendments would impose any material new obligations on Clearing Member. Further, ICE Clear Europe does not expect that the proposed changes will adversely affect access to clearing or the ability of Clearing Members, their customers or other market participants to continue to clear contracts. ICE Clear Europe also does not believe the amendments would materially affect the cost of clearing or otherwise limit market participants' choices for selecting clearing services. Accordingly, ICE Clear Europe does not believe the amendments would impose any burden on competition not necessary or appropriate in furtherance of the purpose of the Act.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

ICE Clear Europe conducted a consultation with respect to the proposed amendments to the Rules set forth herein.[33] No written comments relating to the proposed amendments have been received by ICE Clear Europe. ICE Clear Europe will notify the Commission of any comments received with respect to the proposed rule change.

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 (*http://www.sec.gov/rules/sro.shtml*) or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–ICEEU–2021–010 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–ICEEU–2021–010. 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. 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 Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings will also be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe's website at *https://www.theice.com/clear-europe/regulation.*

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ICEEU–2021–010 and should be submitted on or before June 23, 2021.

[30] 17 CFR 240.17Ad–22(e)(18).

[31] 17 CFR 240.17Ad–22(e)(13).

[32] 17 CFR 240.17Ad–22(e)(13).

[33] ICE Clear Europe Circular C21/013 (Feb. 2, 2021).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[34]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021–11529 Filed 6–1–21; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[License No. 02/02–0695]

QS Capital Strategies II, L.P.; Notice Seeking Exemption Under Section 312 of the Small Business Investment Act, Conflicts of Interest

Notice is hereby given that QS Capital Strategies II, L.P., 527 Madison Avenue, 11th Floor, New York, NY 10022, a Federal Licensee under the Small Business Investment Act of 1958, as amended (''the Act''), in connection with the financing of a small concerns, has sought an exemption under Section 312 of the Act and Section 107.730, Financings which Constitute Conflicts of Interest of the Small Business Administration (''SBA'') Rules and Regulations (13 CFR 107.730). QS Capital Strategies II, L.P. is proposing to provide financing to BrandMuscle, Inc. to support the Company's growth.

The proposed transaction is brought within the purview of § 107.730 of the Regulations because QS Capital Strategies, L.P., an Associate of QS Capital Strategies II, L.P., by virtue of Common Control as defined at § 107.50, holds a debt investment in BrandMuscle, Inc. and the proposed transaction would discharge an obligation to an Associate.

Therefore, the proposed transaction is considered self-deal pursuant to 13 CFR 107.730 and requires a regulatory exemption. Notice is hereby given that any interested person may submit written comments on the transaction within fifteen days of the date of this publication to Associate Administrator for Investment, U.S. Small Business Administration, 409 Third Street SW, Washington, DC 20416.

Thomas Morris,

Acting Associate Administrator, Director, Office of SBIC Liquidation, Office of Investment and Innovation.

[FR Doc. 2021–11503 Filed 6–1–21; 8:45 am]

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[34] 17 CFR 200.30–3(a)(12).

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36519]

Gulf & Ship Island Railroad LLC—Lease and Operation Exemption—Rail Line of Harrison County Development Commission at or Near Gulfport, Harrison County, MS

Gulf & Ship Island Railroad LLC (GSIR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease from the Harrison County Development Commission, acting with the Harrison County Board of Supervisors (the County), and operate approximately five miles of industrial lead tracks known as the Seaway Lead, extending between a point approximately 800 feet east of U.S. Highway 49 on the Seaway Lead and the end of the Seaway Lead at Bernard Bayou Industrial Park, at or near Gulfport, in Harrison County, Miss. (the Line).

This transaction is related to a concurrently filed verified notice of exemption in *Chicago, Rock Island & Pacific Railroad LLC—Continuance in Control Exemption—Gulf & Ship Island Railroad LLC,* Docket No. FD 36420, in which Chicago Rock Island & Pacific LLC seeks to continue in control of GSIR upon GSIR's becoming a Class III rail carrier.

GSIR states that it has reached an agreement with the County pursuant to which GSIR will lease the Line from the County and operate it. GSIR further states that the proposed transaction does not involve any provision or agreement that would limit GSIR's future interchange of traffic on the Line with a third-party connecting carrier.

GSIR certifies that its projected annual revenues as a result of this transaction will not result in GSIR's becoming a Class II or Class I rail carrier. GSIR further certifies that its projected annual revenue will not exceed $5 million.

The transaction may be consummated on or after June 16, 2021, the effective date of the exemption (30 days after the verified notice was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than June 9, 2021 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36519, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on GSIR's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 2230 Marston Lane, Flossmoor, IL 60422–1336.

According to GSIR, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at *www.stb.gov.*

Decided: May 27, 2021.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Brendetta Jones,

Clearance Clerk.

[FR Doc. 2021–11589 Filed 6–1–21; 8:45 am]

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SURFACE TRANSPORTATION BOARD

[Docket No. FD 36472; Docket No. FD 36472 (Sub-No. 1); Docket No. FD 36472 (Sub-No. 2); Docket No. FD 36472 (Sub-No. 3); Docket No. FD 36472 (Sub-No. 4); Docket No. FD 36472 (Sub-No. 5); Docket No. AB 1312X]

CSX Corporation and CSX Transportation, Inc., et al.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company; Norfolk Southern Railway—Trackage Rights Exemption—CSX Transportation, Inc.; Norfolk Southern Railway—Trackage Rights Exemption—Providence & Worcester Railroad; Norfolk Southern Railway—Trackage Rights Exemption—Boston & Maine Corp.; Norfolk Southern Railway—Trackage Rights Exemption—Pan Am Southern LLC; Pittsburg & Shawmut Railroad—Operation Exemption—Pan Am Southern LLC; SMS Rail Lines of New York, LLC—Discontinuance Exemption—in Albany County, N.Y.

AGENCY: Surface Transportation Board.

ACTION: Decision No. 3 in STB Finance Docket No. 36472 et al.; notice of rejection of application.

SUMMARY: The Board rejects as incomplete an application seeking approval for CSX Corporation (CSXC), CSX Transportation, Inc. (CSXT), and 747 Merger Sub 2, Inc., to acquire control of seven rail carriers owned by Pan Am Systems, Inc. (Systems), and Pan Am Railways, Inc. (PAR), and to