

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>21</sup> and paragraph (f) of Rule 19b-4<sup>22</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or 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](mailto:rule-comments@sec.gov). Please include File Number SR-CboeEDGX-2021-018 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-CboeEDGX-2021-018. 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 the filing also will be available for inspection and copying at the principal office of the Exchange. 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-CboeEDGX-2021-018 and should be submitted on or before May 4, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2021-07493 Filed 4-12-21; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-91493; File No. SR-ICC-2021-008]**

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

April 7, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 31, 2021, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II and III below, which Items have been prepared primarily by ICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>23</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

**I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change**

The principal purpose of the proposed rule change is to make changes to ICC's Risk Management Model Description. These revisions do not require any changes to the ICC Clearing Rules (the "Rules").

**II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, ICC included statements concerning the purpose of and basis for the proposed rule change, security-based swap submission, or advance notice and discussed any comments it received on the proposed rule change, security-based swap submission, or advance notice. The text of these statements may be examined at the places specified in Item IV below. ICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

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

*(a) Purpose*

ICC proposes revising its Risk Management Model Description to include an enhancement related to the index liquidity charge ("LC") methodology and other clarifications. ICC believes that such revisions will facilitate the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which it is responsible. ICC proposes to make such changes effective following Commission approval of the proposed rule change. The proposed revisions are described in detail as follows.

ICC proposes to amend the "Initial Margin Methodology" section of the Risk Management Model Description. The proposed changes memorialize the review and approval process of the document, which consists of review by the Risk Committee and review and approval by the Board at least annually.

ICC proposes to revise the "Liquidity Charge for Index Risk Factors" subsection (Subsection II.2) to include an enhancement related to the index LC methodology. The proposed changes amend a formula for the index series LC. Currently, to arrive at the index series LC, ICC takes into account the estimated LCs for the instruments that belong to the same index series and the sign of the notional amount of the instrument. Under the proposed changes, the index series LC is established as the more

<sup>21</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 240.19b-4(f).

conservative liquidity requirement associated with the sum of the bought and sold protection position LCs for the instruments that belong to the same index series. Such enhancement represents a unification of the index LC with the single name and credit default index swaption (“Index Option”)<sup>3</sup> LC methodologies. ICC does not propose any further changes to the methodology.

ICC proposes additional clarifications in the Risk Management Model Description. In the “Liquidity Charge for Index Options” subsection (Subsection II.2.1), ICC proposes a clarification with respect to long Index Option instruments to specify that the LC combined with the integrated spread response requirement will not exceed the end-of-day option instrument price. Such amendment reflects the maximum loss condition. In the “Anti-Procyclicality Measures” subsection (Subsection VII.5.3), ICC proposes clarifications regarding the scenarios associated with extreme price decreases and extreme price increases (the “Extreme Price Change Scenarios”). Specifically, the proposed changes clarify that the extreme price decrease and increase scenarios for Index Options incorporate hypothetical forward price decreases and increases, respectively. Further, in respect of the maximum loss condition, ICC proposes to update formulas related to the final portfolio initial margin in the “Portfolio Loss Boundary Condition” section (Section IX) to incorporate reference to the portfolio level integrated spread response.

#### (b) Statutory Basis

ICC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act<sup>4</sup> and the regulations thereunder applicable to it, including the applicable standards under Rule 17Ad-22.<sup>5</sup> In particular, Section 17A(b)(3)(F) of the Act<sup>6</sup> requires that the rule change be consistent with the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts and transactions cleared by ICC, the safeguarding of securities and funds in the custody or control of ICC or for which it is responsible, and the protection of investors and the public interest. The proposed amendments include an enhancement related to the index LC methodology. Such

enhancement represents a unification of the index LC with the single name and Index Option LC methodologies, which would simplify the LC methodology and promote ease of understanding. The proposed rule change would also strengthen the governance arrangements set out in the Risk Management Model Description by memorializing the review and approval process for the document. The proposed clarifications would further ensure readability and clarity with respect to ICC’s risk methodology in the Risk Management Model Description to ensure that it remains up-to-date, clear, and transparent to support the effectiveness of ICC’s risk management system. The proposed rule change is therefore consistent with the prompt and accurate clearing and settlement of the contracts cleared by ICC, the safeguarding of securities and funds in the custody or control of ICC or for which it is responsible, and the protection of investors and the public interest, within the meaning of Section 17A(b)(3)(F) of the Act.<sup>7</sup>

Rule 17Ad-22(e)(2)(i) and (v)<sup>8</sup> requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to provide for governance arrangements that are clear and transparent and specify clear and direct lines of responsibility. ICC’s Risk Management Model Description clearly assigns and documents responsibility and accountability for risk decisions and requires consultation or approval from relevant parties. The proposed changes strengthen the governance procedures and arrangements detailed in the Risk Management Model Description by memorializing the review and approval of the document by relevant groups at least annually. As such, in ICC’s view, the proposed rule change continues to ensure that ICC maintains policies and procedures that are reasonably designed to provide for clear and transparent governance arrangements and specify clear and direct lines of responsibility, consistent with Rule 17Ad-22(e)(2)(i) and (v).<sup>9</sup>

Rule 17Ad-22(e)(3)(i)<sup>10</sup> requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks

that arise in or are borne by the covered clearing agency, which includes risk management policies, procedures, and systems designed to identify, measure, monitor, and manage the range of risks that arise in or are borne by the covered clearing agency, that are subject to review on a specified periodic basis and approved by the Board annually. ICC maintains a sound risk management framework that identifies, measures, monitors, and manages the range of risks that it faces. The Risk Management Model Description is a key aspect of ICC’s risk management approach, and the proposed amendments would memorialize that the document is reviewed by the Risk Committee and reviewed and approved by the Board at least annually. As such, the amendments would satisfy the requirements of Rule 17Ad-22(e)(3)(i).<sup>11</sup>

Rule 17Ad-22(e)(4)(ii)<sup>12</sup> requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the two participant families that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions. The proposed changes promote the soundness of the model including by enhancing the index LC methodology, such that the index series LC is established as the more conservative liquidity requirement associated with the sum of the bought and sold protection position LCs for the instruments that belong to the same index series. Such enhancement represents a unification of the index LC with the single name and Index Option LC methodologies, which would simplify the LC methodology and promote ease of understanding. ICC proposes additional clarifications discussed above related to the maximum loss condition and the Extreme Price Change Scenarios. In ICC’s view, the proposed changes enhance and provide further clarity and transparency on ICC’s risk methodology and, as such, the proposed amendments would strengthen ICC’s ability to maintain its financial resources and withstand the pressures of defaults,

<sup>3</sup> Index Swaptions are also referred to herein and in the Risk Management Model Description as “index options” or “index CDS options”, or in similar terms.

<sup>4</sup> 15 U.S.C. 78q-1.

<sup>5</sup> 17 CFR 240.17Ad-22.

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>7</sup> *Id.*

<sup>8</sup> 17 CFR 240.17Ad-22(e)(2)(i) and (v).

<sup>9</sup> *Id.*

<sup>10</sup> 17 CFR 240.17Ad-22(e)(3)(i).

<sup>11</sup> *Id.*

<sup>12</sup> 17 CFR 240.17Ad-22(e)(4)(ii).

consistent with the requirements of Rule 17Ad-22(e)(4)(ii).<sup>13</sup>

Rule 17Ad-22(e)(6)(i)<sup>14</sup> requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, at a minimum, considers, and produces margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market. As described above, the proposed changes amend a formula with respect to the index series LC, which would unify the index LC with the single name and Index Option LC methodologies. ICC does not propose to otherwise change the methodology. The additional clarifications in respect of the maximum loss condition and the Extreme Price Change Scenarios further promote clarity and transparency in the Risk Management Model Description. ICC believes that the proposed changes enhance the margin methodology, which will continue to consider and produce margin levels commensurate with the risks and particular attributes of each relevant product, portfolio, and market, consistent with the requirements of Rule 17Ad-22(e)(6)(i).<sup>15</sup>

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

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition. The proposed changes to ICC's Risk Management Model Description will apply uniformly across all market participants. Therefore, ICC does not believe the proposed rule change imposes any burden on competition that is inappropriate in furtherance of the purposes of the Act.

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

Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may

designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-ICC-2021-008 on the subject line.

#### *Paper Comments*

Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549. All submissions should refer to File Number SR-ICC-2021-008. 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 Credit and on ICE Clear Credit's website at <https://www.theice.com/clear-credit/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-ICC-2021-008 and should be submitted on or before May 4, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2021-07492 Filed 4-12-21; 8:45 am]

**BILLING CODE 8011-01-P**

## **SUSQUEHANNA RIVER BASIN COMMISSION**

### **Public Hearing**

**AGENCY:** Susquehanna River Basin Commission.

**ACTION:** Notice.

**SUMMARY:** The Susquehanna River Basin Commission will hold a public hearing on May 6, 2021. Due to the COVID-19 situation and the relevant orders in place in the Commission's member jurisdictions, the Commission will hold this hearing telephonically. At this public hearing, the Commission will hear testimony on the projects listed in the **SUPPLEMENTARY INFORMATION** section of this notice. The Commission will also hear testimony on a proposed rulemaking and three proposed policies at this hearing. Such projects and proposals are intended to be scheduled for Commission action at its next business meeting, tentatively scheduled for June 17, 2021, which will be noticed separately. The public should take note that this public hearing will be the only opportunity to offer oral comment to the Commission for the listed projects and proposals. The deadline for the submission of written comments is May 17, 2021.

**DATES:** The public hearing will convene on May 6, 2021, at 6:30 p.m. The public hearing will end at 9:00 p.m. or at the conclusion of public testimony, whichever is sooner. The deadline for the submission of written comments is May 17, 2021.

**ADDRESSES:** This hearing will be held by telephone rather than at a physical location. Conference Call # 1-888-387-8686, Conference Room Code # 9179686050.

### **FOR FURTHER INFORMATION CONTACT:**

Jason Oyler, General Counsel and Secretary to the Commission, telephone: (717) 238-0423; fax: (717) 238-2436.

<sup>13</sup> *Id.*

<sup>14</sup> 17 CFR 240.17Ad-22(e)(6)(i).

<sup>15</sup> *Id.*

<sup>16</sup> 17 CFR 200.30-3(a)(12).