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Via Electronic Submission

BCBS Secretariat (baselcommittee@bis.org)
CPMI Secretariat (cpmi@bis.org)
IOSCO Secretariat (margin@iosco.org)

Re: BCBS-CPMI-IOSCO Consultative report on Transparency and responsiveness of initial margin in centrally cleared markets – review and policy proposals

Dear Sir or Madam:

Intercontinental Exchange Inc., on behalf of itself and its subsidiaries (collectively "ICE"), appreciates the opportunity to respond to the ***Consultative report on Transparency and responsiveness of initial margin in centrally cleared markets – review and policy proposals***[1] ("the Consultation") proposed by the BCBS-CPMI-IOSCO.

ICE operates regulated marketplaces for the listing, trading, and clearing of a broad array of derivatives contracts and financial securities, such as commodities, interest rates, foreign exchange and equities as well as corporate and exchange-traded funds, or ETFs. ICE's six clearing houses are regulated as follows:

- ICE Clear Credit ("ICC") and ICE Clear U.S.[2] are regulated by the CFTC as Derivative Clearing Agencies ("DCO") under the Commodity Exchange Act ("CEA"). The Financial Stability Oversight Council has designated ICE Clear Credit as a systemically important financial market utility under Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. ICC is also regulated by the Securities and Exchange Commission ("SEC") as a clearing agency because it clears security-based swaps.

- ICE Clear Europe Limited ("ICE Clear Europe"), which is primarily regulated in the U.K. by the Bank of England as a Recognized Clearing House, is also subject to regulation by the CFTC as a DCO and by the European Securities and Markets Authority ("ESMA").

- In Canada, ICE NGX is recognized as an exchange and clearing house by the Alberta Securities Commission ("ASC") and is also registered by the CFTC as a Foreign Board of Trade ("FBOT") and as a DCO.

[1] BCBS-CPMI-IOSCO, Consultative report on Transparency and responsiveness of initial margin in centrally cleared markets – review and policy proposals (January 2024), available at Link.

[2] ICE Clear U.S. has elected to be a "subpart C" DCO under Commission Rule 39.31.

- In Singapore, ICE Clear Singapore is an approved clearing house supervised by the Monetary Authority of Singapore ("MAS").
- In the EU, ICE Clear Netherlands B.V. is an authorized Central Counterparty ("CCP") under EMIR and is regulated by the Dutch Central Bank ("DNB") and Dutch Authority for the Financial Markets ("AFM").

ICE closely follows regulatory reforms that have the potential to impact the centrally cleared ecosystem and incentives to clear and welcomes the Consultation and the industry's on-going engagement across CCPs, intermediaries and clients on this important topic.

ICE participated in the Global Association of Central Counterparties ("CCP Global") response to the Consultation and is supportive of the remarks included in the response. In general, ICE supports the transparency and responsiveness of margin requirements, and fundamentally agrees that market participants should be in a position to anticipate increases in initial margin requirements thereby allowing market participants to better manage their associated liquidity requirements. In this regard, ICE respectfully submits that the vast majority of margin responsiveness can be determined by simple variation (marked-to-market) and "relative" margin rate calculations. Nevertheless, ICE agrees that margin simulation tools are, in concept, the best means of providing transparency with respect to remaining and relatively small components of initial margin responsiveness (e.g., the volatility component) and has developed and continues to develop hypothetical ("what if") position change margin calculation tools that either have already been deployed or are being planned to be deployed at its clearing houses.

ICE notes that "what if" price change calculators are complicated and expensive to build and operate. Moreover, based upon industry experience it is questionable whether such tools will be utilized by clearing members if available and, more importantly, whether clearing members will prepare for liquidity demands based on "what if" calculations. Nevertheless, ICE is committed to working with the industry to discuss and consider the design and the cost/benefit of building initial margin calculators for "what if" price changes.

ICE appreciates the opportunity to comment on the Consultation.

Sincerely,

Elizabeth K. King

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