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October 21, 2011

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street, NW
Washington, DC 20581

RE: *Study on International Swap Regulation*

Dear Mr. Stawick:

IntercontinentalExchange, Inc. (“ICE”) appreciates the opportunity to respond to the Commodity Futures Trading Commission’s (“CFTC” or “Commission”) and the Securities and Exchange Commission’s study on international derivatives regulation (“Study”).

As background, ICE operates five derivatives clearinghouses: ICE Clear U.S., a Derivatives Clearing Organization (“DCO”) under the Commodity Exchange Act (“Act”), located in New York and serving the markets of ICE Futures U.S.; ICE Clear Europe, a Recognized Clearing House (and U.S. DCO) located in London that serves ICE Futures Europe, ICE’s OTC energy markets and also operates as ICE’s European CDS clearinghouse; ICE Clear Canada, a recognized clearing house located in Winnipeg, Manitoba that serves the markets of ICE Futures Canada; The Clearing Corporation, a U.S.-based DCO; and ICE Trust, a U.S.-based CDS clearing house. In addition, ICE operates four exchanges, ICE Futures Europe, a UK based Recognized Investment Exchange, ICE Futures Canada, a Manitoba regulated commodities exchange, ICE US OTC Markets, LLC, a US Exempt Commercial Market and ICE Futures US, a US Designated Contract Market. As the operator of a diverse set of clearinghouses and exchanges based in three countries, ICE has a practical perspective of international derivatives regulation

ICE responds to the Study’s Sections F and G of the study, which apply to clearinghouses and exchanges.

F. Regulatory Comparison

1. Across jurisdictions, for any or all items listed above, which areas of regulation are similar and which areas are different?

Given that financial reform or regulatory reform efforts are still underway, any definitive answer would be premature. Currently, the US and European Union are



considering or implementing similar requirements to clear, trade and report OTC swap transactions.

2. *In viewing the existing laws, institutions, and enforcement mechanisms of each respective jurisdiction as a whole, are such similarities and differences appropriate and desirable for regulatory purposes, or do certain aspects of a particular jurisdiction's Swap market warrant a different regulatory approach?*

Yes. Regulators may take different approaches to financial regulation guided by the markets unique to each country or jurisdiction. Critically important to global regulation is the ability for international regulators to agree to common core principles. In addition, a mutual recognition system based upon these core principles is necessary given that the burden of meeting multiple, conflicting regulations would hamper or suffocate the financial industry.

3. *What are the potential costs and benefits (in terms of investor protection, market efficiency, competition, or other factors) that may arise from further consistency/harmonization of regulations across borders?*

Again, ICE believes that common core principles across jurisdictions while allowing the flexibility for different jurisdictions to take different approaches to regulation is the best approach.

4. *How should consistency in regulation across jurisdictions be measured and are there factors other than the harmonized text of a regulation that should be taken into consideration when assessing the degree to which cross-border regulatory harmonization has been implemented in practice?*

A common regulatory framework created by a core principle regime will allow jurisdictions to broadly harmonize. Exact harmonization of laws and regulations should not be a goal for regulators; instead, regulators should seek a common approach to core regulatory principles.

5. *Assuming that a theoretically "optimal" set of regulations for a particular jurisdiction might take into consideration elements unique to a specific market in ways that might make cross-border harmonization difficult, to what extent do the benefits of greater regulatory harmonization across borders outweigh the costs associated with having regulations that might be less tailored to a particular market's circumstances? In what areas do you believe the benefits of harmonization most outweigh any potential downsides? Are there any areas where you believe the likely benefits of "optimal" market-specific regulation outweigh the likely benefits of harmonization?*



As noted in our answer to question 2, different circumstances in regulatory jurisdictions warrant approaches. Seeking exactness across jurisdictions is likely to be futile.

6. *In the United States, what steps should or could be taken to better harmonize statutory requirements under the Dodd-Frank Act with statutory requirements implemented in other jurisdictions?*

The US should work through international groups such as IOSCO to promote harmonization of core principles. One key step the United States should take is to define the scope of Dodd/Frank as it effects international transactions. Prior to the passage of Dodd/Frank, the Commodity Exchange Act drew clear lines of jurisdiction for the CFTC. The SEC and CFTC should strive to give international participants certainty over when US regulations and laws apply.

7. *In the United States, what steps could be taken to harmonize CFTC or SEC regulations with regulations promulgated by authorities in other jurisdictions.*

Please see our answer to question number 6.

G. Swap Market Information

1. *Please identify major organized markets and electronic execution facilities (and the Swaps-related regulator(s) for each) for the trading of Swaps.*

ICE offers electronic execution of swaps through ICE US OTC Markets, LLC which is regulated by the Commodity Futures Trading Commission as an exempt commercial market.

a. *For each market or facility, please provide a listing and description of the major contract classes and subclasses, such as credit default swaps (CDS), equity swaps, currency swaps, interest rate swaps (IRS) and commodity swaps;*

b. *For classes and subclasses of contracts identified in paragraph a above, please provide:*

i. *The trading volumes in 2009, 2010, and year-to-date; and*

ii. *The outstanding notional values at year-end 2008, 2009, 2010, and the most recent available.*



2. *Please identify major dealers participating in Swap markets (and the Swap-related regulator(s) for each).*

Not applicable.

3. *Please identify major central counterparties (and the Swap-related regulator(s) for each) for the clearing of Swaps.*

ICE offers credit default swaps clearing through ICE Clear Credit, a Derivatives Clearing Organization regulated by the CFTC and clearing agency regulated by the Securities and Exchange Commission. ICE offers commodity and credit default swap clearing through ICE Clear Europe, which is a FSA Recognized Clearing House, a US Derivatives Clearing Organization and Clearing Agency.

a. *For each central counterparty, please provide a listing and description of the major classes and subclasses of cleared Swap contracts, such as CDS, equity swaps, currency swaps, IRS, and commodity swaps;*

A complete listing of the contracts cleared by ICE Clear Europe and ICE Clear Credit can be found here:

https://www.theice.com/clear_credit.jhtml

https://www.theice.com/publicdocs/ICE_OTC_Cleared_Product_List.pdf

https://www.theice.com/clear_europe_cds.jhtml

b. *For classes and subclasses of contracts identified in paragraph a above, please provide:*

i. *The clearing volumes for 2009, 2010, and year-to-date; and*

ii. *The outstanding notional values at year-end 2008, 2009, 2010, and the most recent available;*

Please see the attached spreadsheets.

c. *For each central counterparty, please provide:*

i. *A description of the method used to clear Swaps;*

ii. *A description of the systems used to establish margin on individual Swaps and on Swap portfolios; and*



iii. *The name of each major clearing member of the central counterparty (and the Swap-related regulator(s) for each).*

The clearing members of ICE Clear Europe and ICE Clear Credit can be found here:

https://www.theice.com/publicdocs/clear_europe/ICE_Clear_Europe_Clearing_Member_List.pdf

https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Participant_List.pdf

Conclusion

We appreciate the opportunity to comment on the Study. Please do not hesitate to contact the undersigned if you have any questions regarding our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Trabue Bland".

R. Trabue Bland
Vice President and Assistant General Counsel
IntercontinentalExchange, Inc.

ICE OTC Energy Volumes

	2009	2010	YTD 2011
Cleared			
Gas	478,107,423,540	602,941,371,500	575,207,820,600
Power	6,520,778,852	6,325,809,740	4,623,349,790
Oil	3,900,150,285	10,765,919,950	12,714,986,945
NGLs		325,734,800	509,035,000
Physical Environmental			1,510,300
Wet/Dry Freight			1,265,000
TOTAL	488,528,352,677	620,358,835,990	593,057,967,635

ICE OTC Cleared Energy Lots

	2009	2010	YTD 2011
Cleared			
Gas	191,845,924	241,142,266	230,074,161
Power	46,520,799	62,958,848	46,601,373
Oil	2,106,395	5,548,390	6,083,325
NGLs	65,316	271,384	483,727
Physical Environmental			1,861
Wet Freight			1,265
TOTAL	240,538,434	309,920,888	283,245,712

ICE Clearinghouse Notional Monthly Summary

** Updated at Month End **

** Amounts in Millions **

Clearing Month ¹	ICE Clear Credit (\$)			ICE Clear Europe (\$)			GLOBAL (\$)		
	Index	Single Name	CDS Notional (\$)	Index	Single Name	CDS Notional (\$)	Index	Single Name	CDS Notional (\$)
Mar-09	\$44,906	-	\$44,906	NA	NA	NA	\$44,906		\$44,906
Apr-09	\$110,126	-	\$110,126	NA	NA	NA	\$110,126		\$110,126
May-09	\$575,696	-	\$575,696	NA	NA	NA	\$575,696		\$575,696
Jun-09	\$601,236	-	\$601,236	NA	NA	NA	\$601,236		\$601,236
Jul-09	\$335,653	-	\$335,653	\$8,478	-	\$8,478	\$344,131		\$344,131
Aug-09	\$251,794	-	\$251,794	\$283,071	-	\$283,071	\$534,865		\$534,865
Sep-09	\$286,862	-	\$286,862	\$251,304	-	\$251,304	\$538,166		\$538,166
Oct-09	\$435,050	-	\$435,050	\$376,404	-	\$376,404	\$811,454		\$811,454
Nov-09	\$243,871	-	\$243,871	\$198,814	-	\$198,814	\$442,685		\$442,685
Dec-09	\$415,227	\$1,253	\$416,480	\$178,106	\$829	\$178,935	\$593,333	\$2,082	\$595,415
Jan-10	\$388,378	\$9,521	\$397,899	\$300,175	\$50,225	\$350,400	\$688,553	\$59,746	\$748,299
Feb-10	\$454,856	\$36,215	\$491,070	\$371,933	\$83,772	\$455,704	\$826,788	\$119,986	\$946,775
Mar-10	\$348,493	\$26,497	\$374,990	\$215,560	\$55,861	\$271,421	\$564,053	\$82,358	\$646,411
Apr-10	\$457,716	\$84,256	\$541,972	\$286,170	\$134,137	\$420,307	\$743,886	\$218,392	\$962,278
May-10	\$577,773	\$55,099	\$632,873	\$373,257	\$116,065	\$489,322	\$951,030	\$171,164	\$1,122,194
Jun-10	\$411,032	\$43,584	\$454,616	\$376,111	\$42,518	\$418,630	\$787,143	\$86,102	\$873,245
Jul-10	\$409,570	\$81,732	\$491,302	\$359,649	\$100,838	\$460,487	\$769,220	\$182,569	\$951,789
Aug-10	\$292,221	\$71,014	\$363,235	\$216,426	\$88,636	\$305,062	\$508,647	\$159,650	\$668,297
Sep-10	\$310,980	\$57,801	\$368,781	\$201,221	\$36,909	\$238,130	\$512,201	\$94,710	\$606,911
Oct-10	\$472,002	\$53,895	\$525,897	\$408,976	\$70,637	\$479,613	\$880,978	\$124,532	\$1,005,510
Nov-10	\$422,718	\$49,621	\$472,338	\$305,179	\$69,550	\$374,729	\$727,897	\$119,170	\$847,067
Dec-10	\$305,012	\$31,660	\$336,672	\$247,647	\$45,957	\$293,604	\$552,659	\$77,617	\$630,276
Jan-11	\$330,748	\$43,773	\$374,521	\$221,107	\$45,991	\$267,098	\$551,854	\$89,764	\$641,619
Feb-11	\$378,813	\$32,252	\$411,065	\$255,055	\$55,783	\$310,839	\$633,869	\$88,035	\$721,904
Mar-11	\$445,653	\$29,483	\$475,136	\$253,949	\$45,314	\$299,263	\$699,601	\$74,798	\$774,399
Apr-11	\$508,716	\$91,725	\$600,442	\$364,231	\$76,190	\$440,421	\$872,947	\$167,916	\$1,040,863
May-11	\$379,166	\$58,982	\$438,147	\$244,474	\$67,196	\$311,669	\$623,639	\$126,177	\$749,817
Jun-11	\$448,439	\$92,777	\$541,216	\$347,703	\$70,325	\$418,027	\$796,142	\$163,101	\$959,243
Jul-11	\$545,888	\$62,304	\$608,192	\$526,776	\$51,043	\$577,818	\$1,072,664	\$113,346	\$1,186,010
Aug-11	\$659,194	\$50,195	\$709,389	\$495,499	\$38,602	\$534,101	\$1,154,692	\$88,797	\$1,243,490
Sep-11	\$634,168	\$67,227	\$701,395	\$623,943	\$48,572	\$672,515	\$1,258,110	\$115,799	\$1,373,909
Cumulative	\$12,481,954	\$1,130,866	\$13,612,820	\$8,291,216	\$1,394,949	\$9,686,166	\$20,773,171	\$2,525,815	\$23,298,985

¹ Updated at month end

² Based on monthly average rate used for European FX conversion

³ Month-end rate based on ending balance sheet rate used for European FX conversion