

**NOTICE  
13-115**

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**Summary of content**

Clearing member collateral fees and cash interest returns

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In order to comply with new CFTC regulations and international regulatory standards regarding liquidity arrangements, ICE Clear US (ICUS) has determined to change the method by which clearing members are charged for collateral and cash management activities.

Accordingly, beginning on January 1, 2014, ICUS will impose a charge of 5 basis points (bp) fee on clearing member US treasury securities balances (based on par value). This fee will be calculated daily, accrued monthly, and included on clearing member summary of fees as part of the monthly clearing member billing. This fee will replace the existing transaction-based charges for collateral activity.

In addition, beginning in early 2014, ICUS will begin to utilize external investment advisors to manage clearing member cash on deposit to meet original margin and guaranty fund requirements. As detailed in the chart below, ICUS will retain a portion of interest earned on cash balances with the remaining return going to clearing members after expenses. ICUS expects such cash management expenses to be 6 bps.

<b>ICUS Portion of Interest Earned on Cash Balances (bp)</b>											
Invest return, Net of Expenses	0-4	5-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-49	+50
ICUS Portion	0	1	2	3	4	5	6	7	8	9	10

Note that clearing member returns may be negative in a low interest rate environment, which tracks actual banking costs for cash deposits.

This cash investment return will be calculated daily, accrued monthly, and deposited to the clearing member's credit (or debit if applicable) on a monthly basis.

**Please ensure that the appropriate members of staff within your organization are advised of the content of this Notice.**