

domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Date of required notice:* October 2, 2024.

**FOR FURTHER INFORMATION CONTACT:**

Sean C. Robinson, 202-268-8405.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on September 23, 2024, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage® Contract 379 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2024-735, K2024-28.

**Sean C. Robinson,**

*Attorney, Corporate and Postal Business Law.*

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**BILLING CODE 7710-12-P**

## POSTAL SERVICE

### Product Change—Priority Mail Express, Priority Mail, and USPS Ground Advantage® Negotiated Service Agreement

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Date of required notice:* October 2, 2024.

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Sean C. Robinson, 202-268-8405.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on September 24, 2024, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage® Contract 384 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2024-740, K2024-33.

**Sean C. Robinson,**

*Attorney, Corporate and Postal Business Law.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-34-101196; File No. SR-ICC-2024-008]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICC Back-Testing Framework

September 26, 2024.

#### I. Introduction

On July 30, 2024, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend its Back-Testing Framework (“BTF”).<sup>3</sup> The proposed rule change was published for comment in the **Federal Register** on August 23, 2024.<sup>4</sup> The Commission did not receive comments regarding the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

#### II. Description of the Proposed Rule Change

##### A. Background

ICC is registered with the Commission as a clearing agency for the purpose of clearing Credit Default Swap (“CDS”) contracts.<sup>5</sup> In addition to clearing CDS contracts, ICC also clears options to purchase index CDS contracts, which are also known as “Index Swaptions.”

As noted above, the proposed rule change would amend ICC’s BTF. The BTF describes how ICC conducts back-testing and how ICC remediates poor back-testing results. The proposed rule change would amend ICC’s BTF to (1) better describe how ICC treats its back-testing Index Swaption positions that expire in-the-money and within the margin period of risk (“MPOR”),<sup>6</sup> and

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

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

<sup>3</sup> ICC’s Back-Testing Framework summarizes its formal statistical approach to determining whether its Value-at-Risk (VaR) model can reliably forecast risk.

<sup>4</sup> Securities Exchange Act Release No. 100679 (Aug. 8, 2024), 89 FR 66154 (Aug. 14, 2024) (File No. SR-ICC-2024-008) (“Notice of Filing”).

<sup>5</sup> Capitalized terms not otherwise defined herein have the meanings assigned to them in ICC’s BTF or Clearing Rules, as applicable.

<sup>6</sup> “Margin-period-of-risk or ‘MPOR’ is a maturity factor that is applied to reflect the length of exposure period over which the defaulted portfolio is exposed to changes in value.” Securities Exchange Act Release No. 100008 (Apr. 22, 2024), 89 FR 32496 (Apr. 26, 2024) (File No. SR-ICC-2024-003) (“Notice of Filing”).

(2) make other updates and clarifications.

##### B. Index Swaption Positions

ICC’s proposed rule change would revise Subsection 2.4 (“Detailed Daily-Portfolio Back-Testing Results”) of the BTF to (1) add a description of ICC’s treatment of expiring in-the-money and within-the-MPOR Index Swaption positions, and (2) add an illustrative example in the form of a new Table 5.

##### 1. Subsection 2.4: Description of Expiring In-the-Money Index Swaption Positions

The proposed rule change would revise Subsection 2.4 to explain how ICC treats its back-testing Index Swaption positions that expire in-the-money and within the MPOR. ICC proposes that when a particular portfolio contains Index Swaption positions that expire within the MPOR, ICC would replace the Mark-to-Market (“MTM”) values of the expired option positions with the corresponding Intrinsic Values (“IV”). In doing so, ICC would use the end-of-day (“EOD”) prices as of the given day that ICC is back-testing.

In carrying out this process, ICC would use the following assumptions, as noted in the revised Subsection 2.4:<sup>7</sup>

- i. The IV is positive for a bought option position and negative for a sold option position that is in-the-money.
- ii. The option position with positive IV results in an option exercise on the expiration date and reflects the positive value to the option holder buying/selling the underlying index position at the fixed strike price and selling/buying the underlying index position at the EOD-price for a profit.
- iii. The sold option position, with negative IV, results in the assignment of an underlying index position to the seller of the option on the expiration date.
- iv. The assigned underlying index position could be bought or sold protection depending on the type of sold option instrument.
- v. The unrealized P/L for the exercised/assigned option positions are computed against the underlying MTM value for all days after the CDS index option’s expiration date.

##### 2. Addition of Table 5 to Subsection 2.4

The proposed rule change also would add to Subsection 2.4 a new Table 5, entitled “Minimum 5-Day P/L Detail for Expiring Options Positions.” Table 5 would provide an illustrative example of the back-testing computation described in the BTF and the unrealized profit/loss (“P/L”) for an in-the-money Index Swaption position that expires within the MPOR.

<sup>7</sup> Currently, the BTF assigns a standardized P/L value of \$0.00 to such positions.