

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period
ended

June 30, 2016

or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: **333-185144**

ICON ECI Fund Sixteen

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

80-0860084

(I.R.S. Employer Identification No.)

**3 Park Avenue, 36th Floor
New York, New York**

(Address of principal executive offices)

10016

(Zip Code)

(212) 418-4700

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Number of outstanding Class A and Class I shares of the registrant on August 5, 2016 is 17,189 and 410, respectively.

ICON ECI Fund Sixteen
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PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

ICON ECI Fund Sixteen (A Delaware Statutory Trust) Consolidated Balance Sheets

	June 30, 2016 (unaudited)	December 31, 2015
Assets		
Cash	\$ 4,668,093	\$ 1,672,868
Net investment in note receivable	2,605,987	2,618,465
Net investment in finance lease	5,325,955	6,565,745
Investment in joint ventures	3,333,490	8,164,949
Other assets	56,841	100,162
Total assets	\$ 15,990,366	\$ 19,122,189
Liabilities and Equity		
Liabilities:		
Due to Investment Manager and affiliates, net	\$ 120,852	\$ 553,021
Revolving line of credit, recourse	-	1,500,000
Accrued expenses and other liabilities	540,274	572,469
Total liabilities	661,126	2,625,490
Commitments and contingencies (Note 8)		
Equity:		
Shareholders' capital		
Class A	12,476,731	13,039,024
Class I	299,739	312,845
Total shareholders' capital	12,776,470	13,351,869
Noncontrolling interests	2,552,770	3,144,830
Total equity	15,329,240	16,496,699
Total liabilities and equity	\$ 15,990,366	\$ 19,122,189

See accompanying notes to consolidated financial statements.

ICON ECI Fund Sixteen
(A Delaware Statutory Trust)
Consolidated Statements of Operations
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue:				
Finance income	\$ 203,398	\$ 281,722	\$ 421,486	\$ 577,126
Income from investment in joint ventures	107,158	221,547	464,540	269,892
Gain on sale of investment in joint ventures	19,566	-	19,566	-
Total revenue	<u>330,122</u>	<u>503,269</u>	<u>905,592</u>	<u>847,018</u>
Expenses:				
Management fees	75,811	41,065	119,330	82,125
Administrative expense reimbursements	109,253	113,980	220,264	236,835
General and administrative	171,323	152,398	263,159	195,823
Interest	7,219	6,518	20,971	14,463
Total expenses	<u>363,606</u>	<u>313,961</u>	<u>623,724</u>	<u>529,246</u>
Net (loss) income	<u>(33,484)</u>	<u>189,308</u>	<u>281,868</u>	<u>317,772</u>
Less: net income attributable to noncontrolling interests	69,292	105,661	145,875	210,218
Net (loss) income attributable to Fund Sixteen	<u>\$ (102,776)</u>	<u>\$ 83,647</u>	<u>\$ 135,993</u>	<u>\$ 107,554</u>
Net (loss) income attributable to Fund Sixteen allocable to:				
Additional Class A shareholders and Class I shareholders	\$ (101,748)	\$ 82,810	\$ 134,633	\$ 106,478
Managing Owner	(1,028)	837	1,360	1,076
	<u>\$ (102,776)</u>	<u>\$ 83,647</u>	<u>\$ 135,993</u>	<u>\$ 107,554</u>
Additional Class A shares:				
Net (loss) income attributable to Fund Sixteen allocable to additional Class A shareholders	<u>\$ (99,456)</u>	<u>\$ 80,781</u>	<u>\$ 131,333</u>	<u>\$ 103,800</u>
Weighted average number of additional Class A shares outstanding	<u>17,189</u>	<u>17,189</u>	<u>17,189</u>	<u>17,189</u>
Net (loss) income attributable to Fund Sixteen per weighted average additional Class A share	<u>\$ (5.79)</u>	<u>\$ 4.70</u>	<u>\$ 7.64</u>	<u>\$ 6.04</u>
Class I shares:				
Net (loss) income attributable to Fund Sixteen allocable to Class I shareholders	<u>\$ (2,292)</u>	<u>\$ 2,029</u>	<u>\$ 3,300</u>	<u>\$ 2,678</u>
Weighted average number of Class I shares outstanding	<u>410</u>	<u>410</u>	<u>410</u>	<u>410</u>
Net (loss) income attributable to Fund Sixteen per weighted average Class I share	<u>\$ (5.59)</u>	<u>\$ 4.95</u>	<u>\$ 8.05</u>	<u>\$ 6.53</u>

See accompanying notes to consolidated financial statements.

ICON ECI Fund Sixteen
(A Delaware Statutory Trust)
Consolidated Statements of Changes in Equity

	Class A						Class I			Total	
	Managing Owner		Additional Shareholders		Total Class A		Shareholders				
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Noncontrolling Interests	Shares	Amount
Balance, December 31, 2015	0.001	\$ (24,036)	17,189	\$ 13,063,060	17,189	\$ 13,039,024	410	\$ 312,845	\$ 3,144,830	17,599	\$ 16,496,699
Net income	-	2,388	-	230,789	-	233,177	-	5,592	76,583	-	315,352
Distributions	-	(3,539)	-	(342,218)	-	(345,757)	-	(8,162)	(288,306)	-	(642,225)
Balance, March 31, 2016 (unaudited)	0.001	(25,187)	17,189	12,951,631	17,189	12,926,444	410	310,275	2,933,107	17,599	16,169,826
Net (loss) income	-	(1,028)	-	(99,456)	-	(100,484)	-	(2,292)	69,292	-	(33,484)
Distributions	-	(3,575)	-	(345,654)	-	(349,229)	-	(8,244)	(449,629)	-	(807,102)
Balance, June 30, 2016 (unaudited)	0.001	\$ (29,790)	17,189	\$ 12,506,521	17,189	\$ 12,476,731	410	\$ 299,739	\$ 2,552,770	17,599	\$ 15,329,240

See accompanying notes to consolidated financial statements.

ICON ECI Fund Sixteen
(A Delaware Statutory Trust)
Consolidated Statements of Cash Flows
(unaudited)

	Six Months Ended June 30,	
	2016	2015
Cash flows from operating activities:		
Net income	\$ 281,868	\$ 317,772
Adjustments to reconcile net income to net cash used in operating activities:		
Finance income	75,344	42,152
Income from investment in joint ventures	(464,540)	(269,892)
Gain on sale of investment in joint ventures	(19,566)	-
Interest expense from amortization of debt financing costs	4,372	5,895
Interest expense, other	7,219	8,568
Changes in operating assets and liabilities:		
Other assets	38,949	(137,430)
Due to Investment Manager and affiliates, net	(432,169)	(1,262,877)
Accrued expenses and other liabilities	10,136	(24,698)
Distributions from joint ventures	461,911	307,096
Net cash used in operating activities	(36,476)	(1,013,414)
Cash flows from investing activities:		
Proceeds from sale of investment in joint ventures	3,788,373	-
Principal received on finance lease	1,176,924	1,395,536
Investment in joint ventures	-	(15,976)
Distributions received from joint ventures in excess of profits	1,065,281	834,909
Net cash provided by investing activities	6,030,578	2,214,469
Cash flows from financing activities:		
Repayment of revolving line of credit, recourse	(1,500,000)	-
Sales and offering expenses paid	(49,550)	-
Investment by noncontrolling interests	-	17,163
Distributions to noncontrolling interests	(737,935)	(897,657)
Distributions to shareholders	(711,392)	(705,055)
Net cash used in financing activities	(2,998,877)	(1,585,549)
Net increase (decrease) in cash	2,995,225	(384,494)
Cash, beginning of period	1,672,868	4,249,074
Cash, end of period	\$ 4,668,093	\$ 3,864,580

See accompanying notes to consolidated financial statements.

ICON ECI Fund Sixteen
(A Delaware Statutory Trust)
Notes to Consolidated Financial Statements
June 30, 2016
(unaudited)

(1) Organization

ICON ECI Fund Sixteen (the “Fund”) was formed on October 11, 2012 as a Delaware statutory trust. When used in these notes to consolidated financial statements, the terms “we,” “us,” “our” or similar terms refer to the Fund and its consolidated subsidiaries.

We are a direct financing fund that primarily makes investments in or that are collateralized by equipment and other corporate infrastructure (collectively, “Capital Assets”). The investments are in companies that utilize Capital Assets to operate their businesses. These investments are primarily structured as debt and debt-like financings such as loans, leases and other structured financing transactions in or that are collateralized by Capital Assets that ICON MT 16, LLC, a Delaware limited liability company and our managing owner (the “Managing Owner”), believes will provide us with a satisfactory, risk-adjusted rate of return. Our Managing Owner makes investment decisions on our behalf and manages our business.

Our investment objectives are to preserve investors’ capital, provide distributions and provide a favorable total return. To meet our investment objectives, we have used the net proceeds from our offering and will use the cash generated from our investments to originate or acquire a diverse pool of investments described above, as well as other strategic investments collateralized by Capital Assets. ICON Capital, LLC, a Delaware limited liability company and our affiliate, is our investment manager (the “Investment Manager”). Our Investment Manager originates and services our investments. Wilmington Trust, National Association (the “Trustee”) serves as our sole trustee pursuant to our Third Amended and Restated Trust Agreement (the “Trust Agreement”). The Trustee delegated to our Managing Owner all of the power and authority to manage our business and affairs and has only nominal duties and liabilities to us.

Our offering period commenced on July 1, 2013 and ended on December 31, 2014. Our Managing Owner determined to cease our offering period earlier than originally anticipated as a result of lower than expected offering proceeds being raised. Our operating period commenced on January 1, 2015. We offered to sell to the public any combination of two classes of shares, Class A shares and Class I shares (collectively, the “Shares”), on a “best efforts” basis with the intention of raising up to \$250,000,000 of capital, of which \$9,000,000 had been reserved for issuance pursuant to our distribution reinvestment plan (the “DRIP”). Other than differing allocable fees and expenses, Class A shares and Class I shares have identical rights and privileges, such as identical voting and distribution rights.

As of November 12, 2013 (the “Initial Closing Date”), we raised a minimum of \$1,200,000 from the sale of our Shares, at which time shareholders were admitted and we commenced operations. As of June 13, 2014, we raised the \$12,500,000 minimum offering amount for the Commonwealth of Pennsylvania. Subsequent to the Initial Closing Date, we returned the initial capital contribution of \$1,000 to ICON Investment Group, LLC (the “Initial Shareholder”). From the commencement of our offering on July 1, 2013 through December 31, 2014, we sold 17,189 Class A shares to 351 Class A shareholders and 410 Class I shares to six Class I shareholders, of which 404 Class A shares and 12 Class I shares were issued pursuant to the DRIP, representing an aggregate of \$17,469,610 of capital contributions. From the Initial Closing Date through December 31, 2014, we incurred sales commissions to third parties of \$1,198,531 and dealer-manager and distribution fees of \$347,547 to CION Securities, LLC, formerly known as ICON Securities, LLC, the dealer-manager of our offering and an affiliate of our Investment Manager (“CION Securities”). In addition, organization costs of \$8,418 and offering expenses of \$161,422 were incurred by us during such period. Organization costs were expensed when incurred and offering expenses were recorded as a reduction of shareholders’ equity.

(2) Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

Our accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for Quarterly Reports on Form 10-Q. In the opinion of our Managing Owner, all adjustments, which are of a normal recurring nature, considered necessary for a fair presentation have been included. These consolidated financial statements should be read together with the consolidated financial statements and notes

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Notes to Consolidated Financial Statements
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(unaudited)

included in our Annual Report on Form 10-K for the year ended December 31, 2015. The results for the interim period are not necessarily indicative of the results for the full year.

Credit Quality of Notes Receivable and Finance Leases and Credit Loss Reserve

Our Investment Manager monitors the ongoing credit quality of our financing receivables by (i) reviewing and analyzing a borrower's financial performance on a regular basis, including review of financial statements received on a monthly, quarterly or annual basis as prescribed in the loan or lease agreement, (ii) tracking the relevant credit metrics of each financing receivable and a borrower's compliance with financial and non-financial covenants, (iii) monitoring a borrower's payment history and public credit rating, if available, and (iv) assessing our exposure based on the current investment mix. As part of the monitoring process, our Investment Manager may physically inspect the collateral or a borrower's facility and meet with a borrower's management to better understand such borrower's financial performance and its future plans on an as-needed basis.

As our financing receivables, generally notes receivable and finance leases, are limited in number, our Investment Manager is able to estimate the credit loss reserve based on a detailed analysis of each financing receivable as opposed to using portfolio-based metrics. Our Investment Manager does not use a system of assigning internal risk ratings to each of our financing receivables. Rather, each financing receivable is analyzed quarterly and categorized as either performing or non-performing based on certain factors including, but not limited to, financial results, satisfying scheduled payments and compliance with financial covenants. A financing receivable is usually categorized as non-performing only when a borrower experiences financial difficulties and has failed to make scheduled payments. Our Investment Manager then analyzes whether the financing receivable should be placed on a non-accrual status, a credit loss reserve should be established or the financing receivable should be restructured. As part of the assessment, updated collateral value is usually considered and such collateral value can be based on a third party industry expert appraisal or, depending on the type of collateral and accessibility to relevant published guides or market sales data, internally derived fair value. Material events would be specifically disclosed in the discussion of each financing receivable held.

Financing receivables are generally placed on a non-accrual status when payments are more than 90 days past due. Additionally, our Investment Manager periodically reviews the creditworthiness of companies with payments outstanding less than 90 days and based upon our Investment Manager's judgment, these accounts may be placed on a non-accrual status.

In accordance with the cost recovery method, payments received on non-accrual financing receivables are applied to principal if there is doubt regarding the ultimate collectability of principal. If collection of the principal of non-accrual financing receivables is not in doubt, interest income is recognized on a cash basis. Financing receivables on non-accrual status may not be restored to accrual status until all delinquent payments have been received, and we believe recovery of the remaining unpaid receivable is probable.

When our Investment Manager deems it is probable that we will not be able to collect all contractual principal and interest on a non-performing financing receivable, we perform an analysis to determine if a credit loss reserve is necessary. This analysis considers the estimated cash flows from the financing receivable, and/or the collateral value of the asset underlying the financing receivable when financing receivable repayment is collateral dependent. If it is determined that the impaired value of the non-performing financing receivable is less than the net carrying value, we will recognize a credit loss reserve or adjust the existing credit loss reserve with a corresponding charge to earnings. We then charge off a financing receivable in the period that it is deemed uncollectible by reducing the credit loss reserve and the balance of the financing receivable.

Recently Adopted Accounting Pronouncements

In January 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-01, *Income Statement – Extraordinary and Unusual Items: Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items* ("ASU 2015-01"), which simplifies income statement presentation by eliminating the concept of extraordinary items. We adopted ASU 2015-01 on January 1, 2016, which did not have an effect on our consolidated financial statements.

In February 2015, FASB issued ASU No. 2015-02, *Consolidation – Amendments to the Consolidation Analysis* ("ASU

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2015-02”), which modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities or voting interest entities, eliminates the presumption that a general partner should consolidate a limited partnership, and affects the consolidation analysis by reducing the frequency of application of related party guidance and excluding certain fees in the primary beneficiary determination. We adopted ASU 2015-02 on January 1, 2016, which did not have an effect on our consolidated financial statements.

In April 2015, FASB issued ASU No. 2015-03, *Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* (“ASU 2015-03”), which requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of such debt liability, consistent with debt discounts. In August 2015, FASB issued ASU No. 2015-15, *Interest – Imputation of Interest: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements* (“ASU 2015-15”), which further specifies the SEC staff’s view on the presentation and subsequent measurement of debt issuance costs associated with line of credit arrangements. We adopted ASU 2015-03 on January 1, 2016, which did not have an effect on our consolidated financial statements. In addition, we adopted ASU 2015-15 on January 1, 2016 and continue to present debt issuance costs associated with our revolving line of credit as other assets on our consolidated balance sheets.

Other Recent Accounting Pronouncements

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”), requiring revenue to be recognized in an amount that reflects the consideration expected to be received in exchange for goods and services. This new revenue standard may be applied retrospectively to each prior period presented, or retrospectively with the cumulative effect recognized as of the date of adoption. In August 2015, FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers – Deferral of the Effective Date* (“ASU 2015-14”), which defers implementation of ASU 2014-09 by one year. Under such deferral, the adoption of ASU 2014-09 becomes effective for us on January 1, 2018, including interim periods within that reporting period. Early adoption is permitted, but not before our original effective date of January 1, 2017. We are currently in the process of evaluating the impact of the adoption of ASU 2014-09 on our consolidated financial statements.

In August 2014, FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern: Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern* (“ASU 2014-15”), which provides guidance about management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures. The adoption of ASU 2014-15 becomes effective for us on our fiscal year ending after December 31, 2016, and all subsequent annual and interim periods. Early adoption is permitted. The adoption of ASU 2014-15 is not expected to have a material effect on our consolidated financial statements.

In January 2016, FASB issued ASU No. 2016-01, *Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”), which provides guidance related to accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The adoption of ASU 2016-01 becomes effective for us on January 1, 2018, including interim periods within that reporting period. We are currently in the process of evaluating the impact of the adoption of ASU 2016-01 on our consolidated financial statements.

In February 2016, FASB issued ASU No. 2016-02, *Leases* (“ASU 2016-02”), which requires lessees to recognize assets and liabilities for leases with lease terms greater than twelve months on the balance sheet and disclose key information about leasing arrangements. ASU 2016-02 implements changes to lessor accounting focused on conforming with certain changes made to lessee accounting and the recently released revenue recognition guidance. The adoption of ASU 2016-02 becomes effective for us on January 1, 2019. Early adoption is permitted. We are currently in the process of evaluating the impact of the adoption of ASU 2016-02 on our consolidated financial statements.

In March 2016, FASB issued ASU No. 2016-07, *Investments – Equity Method and Joint Ventures: Simplifying the Transition to the Equity Method of Accounting* (“ASU 2016-07”), which eliminates the retroactive adjustments to an investment upon it qualifying for the equity method of accounting as a result of an increase in the level of ownership interest or degree of

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influence by the investor. ASU 2016-07 requires that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest and adopt the equity method of accounting as of the date the investment qualifies for equity method accounting. The adoption of ASU 2016-07 becomes effective for us on January 1, 2017, including interim periods within that reporting period. Early adoption is permitted. The adoption of ASU 2016-07 is not expected to have a material effect on our consolidated financial statements.

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* (“ASU 2016-13”), which modifies the measurement of credit losses by eliminating the probable initial recognition threshold set forth in current guidance, and instead reflects an entity's current estimate of all expected credit losses. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. An entity will apply the amendments within ASU 2016-13 through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The adoption of ASU 2016-13 becomes effective for us on January 1, 2020, including interim periods within that reporting period. Early adoption is permitted. We are currently in the process of evaluating the impact of the adoption of ASU 2016-13 on our consolidated financial statements.

(3) Net Investment in Note Receivable

As of June 30, 2016 and December 31, 2015, we had no net investment in note receivable on non-accrual status and no net investment in note receivable that was past due 90 days or more and still accruing.

Net investment in note receivable consisted of the following:

	June 30, 2016	December 31, 2015
Principal outstanding	\$ 2,500,000	\$ 2,500,000
Initial direct costs	141,252	157,881
Deferred fees	(35,265)	(39,416)
Net investment in note receivable	<u>\$ 2,605,987</u>	<u>\$ 2,618,465</u>

Assets for which Fair Value is Disclosed

Our fixed-rate note receivable, for which fair value is required to be disclosed, was valued using inputs that are generally unobservable and are supported by little or no market data and is therefore classified within Level 3. Under U.S. GAAP, we use projected cash flows for fair value measurements of this financial asset. Fair value information with respect to certain of our other assets and liabilities is not separately provided since (i) U.S. GAAP does not require fair value disclosures of lease arrangements and (ii) the carrying value of financial assets and liabilities, other than lease-related investments, including the recorded value of our Facility (as defined below in Note 6), approximates fair value due to their short-term maturities.

The estimated fair value of our fixed-rate note receivable was based on the discounted value of future cash flows related to the loan at inception, adjusted for changes in certain variables, including, but not limited to, credit quality, industry, financial markets and other recent comparables. As of June 30, 2016, the fair value of the principal outstanding on our fixed-rate note receivable was estimated to be \$2,530,476 and was derived using a discount rate of 10.20% per year.

(4) Net Investment in Finance Lease

As of June 30, 2016 and December 31, 2015, we had no net investment in finance lease on non-accrual status and no net investment in finance lease that was past due 90 days or more and still accruing.

Net investment in finance lease consisted of the following:

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	June 30, 2016	December 31, 2015
Minimum rents receivable	\$ 4,172,208	\$ 5,706,052
Estimated unguaranteed residual value	1,546,793	1,558,749
Initial direct costs	50,151	87,548
Unearned income	(443,197)	(786,604)
Net investment in finance lease	<u>\$ 5,325,955</u>	<u>\$ 6,565,745</u>

(5) Investment in Joint Ventures

On October 29, 2015, Murray Energy Corporation and certain of its affiliates (collectively, “Murray”) purchased mining equipment from a joint venture owned 19.8% by us pursuant to the terms of the lease for \$2,991,400. As a result, a gain on sale of assets of \$448,710 was recognized by the joint venture, of which our share was \$88,845. Pursuant to a remarketing agreement with a third party, the joint venture paid an aggregate remarketing fee of \$766,466 as part of the transaction.

Information as to the results of operations of this joint venture is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ -	\$ 1,906,537	\$ -	\$ 3,813,074
Net (loss) income	\$ (365)	\$ 662,658	\$ (2,017)	\$ 510,278
Our share of net (loss) income	<u>\$ (72)</u>	<u>\$ 124,173</u>	<u>\$ (399)</u>	<u>\$ 86,968</u>

On January 14, 2016, D&T Holdings, LLC (“D&T”) satisfied its remaining lease obligations by making a prepayment of \$8,000,000. In addition, D&T exercised its option to repurchase all assets under the lease for \$1, upon which title was transferred. As a result of the prepayment, the joint venture owned 12.5% by us recognized finance income of approximately \$1,400,000, of which our share was approximately \$175,000.

Information as to the results of operations of this joint venture is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ -	\$ 380,693	\$ 1,491,704	\$ 777,888
Net (loss) income	\$ (3,684)	\$ 364,240	\$ 1,480,497	\$ 684,518
Our share of net (loss) income	<u>\$ (460)</u>	<u>\$ 45,865</u>	<u>\$ 185,162</u>	<u>\$ 86,225</u>

On December 23, 2015, a joint venture owned 10% by us, 75% by ICON ECI Fund Fifteen, L.P. (“Fund Fifteen”) and 15% by ICON Equipment and Corporate Infrastructure Fund Fourteen, L.P. (“Fund Fourteen”), each an entity also managed by our Investment Manager, through two indirect subsidiaries, entered into memoranda of agreement to purchase two geotechnical drilling vessels, the Fugro Scout and the Fugro Voyager (collectively, the “Fugro Vessels”), from affiliates of Fugro N.V. (“Fugro”) for an aggregate purchase price of \$130,000,000. The Fugro Scout and the Fugro Voyager were delivered on December 24, 2015 and January 8, 2016, respectively. The Fugro Vessels were bareboat chartered to affiliates of Fugro for a period of 12 years upon the delivery of each respective vessel, although such charters can be terminated by the indirect subsidiaries after year five. On December 24, 2015, the Fugro Scout was acquired for (i) \$8,250,000 in cash, (ii) \$45,500,000 of financing through a senior secured loan from ABN AMRO Bank N.V. (“ABN AMRO”), Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“Rabobank”) and NIBC Bank N.V. (“NIBC”) and (iii) an advanced charter hire payment of \$11,250,000. As of December 31, 2015, the cash portion of the purchase price for the Fugro Voyager of approximately \$10,221,000 was being held by the applicable indirect subsidiary of the joint venture until delivery of the vessel. On January 8, 2016, the Fugro Voyager was also acquired for \$8,250,000 in cash, \$45,500,000 of financing through a senior secured loan from ABN AMRO, Rabobank and NIBC and an advanced charter hire payment of \$11,250,000. The advanced charter hire

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payments were recorded at present value at inception in accordance with U.S. GAAP. The senior secured loans bear interest at the London Interbank Offered Rate ("LIBOR") plus 2.95% per year, which was fixed at 4.117% after giving effect to the indirect subsidiaries' interest rate swap agreements, and mature on December 31, 2020. Our contribution to the joint venture totaling \$2,377,250 was made in December 2015.

On June 8, 2016, an unaffiliated third party purchased 100% of the limited liability company interests of ICON Challenge, LLC ("ICON Challenge"), a joint venture owned 10% by us, 40% by Fund Fourteen and 50% by Fund Fifteen, for net sales proceeds of \$9,004,214. No significant gain or loss was recorded by us as a result of the sale.

Information as to the results of operations of ICON Challenge is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ 196,415	\$ -	\$ 463,524	\$ -
Net income	\$ 215,050	\$ -	\$ 482,159	\$ -
Our share of net income	\$ 21,505	\$ -	\$ 48,216	\$ -

On June 8, 2016, an unaffiliated third party purchased 100% of the limited liability company interests of ICON Challenge III, LLC ("ICON Challenge III"), a joint venture owned 25% by us and 75% by Fund Fifteen, for net sales proceeds of \$11,551,806. As a result, we recorded a gain on sale of investment in joint venture of \$17,681.

Information as to the results of operations of ICON Challenge III is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ 254,206	\$ -	\$ 599,122	\$ -
Net income	\$ 253,906	\$ -	\$ 598,822	\$ -
Our share of net income	\$ 63,476	\$ -	\$ 149,705	\$ -

Information as to the results of operations of ICON Blackhawk, LLC, which is owned 10% by us, is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ 513,952	\$ 677,973	\$ 1,046,607	\$ 1,384,869
Net income	\$ 378,169	\$ 509,444	\$ 777,740	\$ 955,528
Our share of net income	\$ 38,333	\$ 51,509	\$ 78,828	\$ 96,699

(6) Revolving Line of Credit, Recourse

We have an agreement with California Bank & Trust ("CB&T") for a revolving line of credit through May 30, 2017 of up to \$5,000,000 (the "Facility"), which is secured by all of our assets not subject to a first priority lien. Amounts available under the Facility are subject to a borrowing base that is determined, subject to certain limitations, by the present value of the future receivables under certain loans and lease agreements in which we have a beneficial interest.

The interest rate for general advances under the Facility is CB&T's prime rate. We may elect to designate up to five advances on the outstanding principal balance of the Facility to bear interest at LIBOR plus 2.5% per year. In all instances, borrowings under the Facility are subject to an interest rate floor of 4.0% per year. In addition, we are obligated to pay an annualized 0.5% fee on unused commitments under the Facility. As of December 31, 2015, we had \$1,500,000 outstanding under the Facility, of which we repaid \$1,000,000 and \$500,000 on February 9, 2016 and March 29, 2016, respectively. At June 30, 2016, there were no obligations outstanding under the Facility and we were in compliance with all covenants related to the Facility.

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At June 30, 2016, we had \$1,861,788 available under the Facility pursuant to the borrowing base.

(7) Transactions with Related Parties

We have entered into certain agreements with our Investment Manager and CION Securities whereby we paid or pay certain fees and reimbursements to these parties. We paid or pay CION Securities (i) a dealer-manager fee for Class A shares sold in the offering equal to 2% of gross offering proceeds from sales of such Class A shares for managing the offering and to reimburse the dealer-manager for wholesaling fees and expenses and (ii) a distribution fee equal to 0.55% of gross offering proceeds from Class I shares sold in the offering for managing the distribution of the Class I shares. We will continue to pay the distribution fee with respect to the Class I shares sold in the offering until the earlier to occur of: (i) total distribution fees paid with respect to the Class I shares following the completion of the offering equaling 10% of the gross proceeds received with respect to the issuance of such shares from the primary portion of the offering or (ii) our entry into our wind down period. The distribution fee is paid monthly in arrears. No dealer-manager or distribution fees were or will be paid on any Shares sold pursuant to the DRIP. During the three and six months ended June 30, 2016, we paid distribution fees of \$1,017.

Our Managing Owner also has a 1% interest in our profits, losses, distributions and liquidation proceeds, subject to increase based on our investors achieving a preferred return. In addition, our Investment Manager and its affiliates were reimbursed for a portion of the organization and offering expenses incurred in connection with our organization and offering of Shares and will be reimbursed for administrative expenses incurred in connection with our operations. The reimbursement of organization and offering expenses was capped at the lesser of 1.44% of the maximum primary offering amount of \$241,000,000 and the actual costs and expenses incurred by our Investment Manager and its affiliates. Through the end of our offering period, our Investment Manager and its affiliates incurred organization and offering expenses of \$1,759,237 on our behalf, of which our Investment Manager and its affiliates determined only to seek reimbursement of \$239,758.

We pay our Investment Manager (i) a management fee of 3.50% of the gross periodic payments due and paid from our investments and (ii) acquisition fees of 2.50% of the total purchase price (including indebtedness incurred or assumed therewith) of, or the value of the Capital Assets secured by or subject to, each of our investments.

Administrative expense reimbursements are costs incurred by our Investment Manager or its affiliates that are necessary to our operations. These costs include our Investment Manager's and its affiliates' legal, accounting, investor relations and operations personnel, as well as professional fees and other costs that are charged to us. Excluded are salaries and related costs, office rent, travel expenses and other administrative costs incurred by individuals with a controlling interest in our Investment Manager.

We paid distributions to our Managing Owner of \$3,575 and \$7,114 for the three and six months ended June 30, 2016, respectively. We paid distributions to our Managing Owner of \$3,585 and \$7,051 for the three and six months ended June 30, 2015, respectively. Additionally, our Managing Owner's interest in the net (loss) income attributable to us was \$(1,028) and \$1,360 for the three and six months ended June 30, 2016, respectively. Our Managing Owner's interest in the net income attributable to us was \$837 and \$1,076 for the three and six months ended June 30, 2015, respectively.

Fees and other expenses incurred by us to our Investment Manager or its affiliates were as follows:

Entity	Capacity	Description	Three Months Ended June 30,		Six Months Ended June 30,	
			2016	2015	2016	2015
ICON Capital, LLC	Investment Manager	Management fees ⁽¹⁾	\$ 75,811	\$ 41,065	\$ 119,330	\$ 82,125
ICON Capital, LLC	Investment Manager	Administrative expense reimbursements ⁽¹⁾	109,253	113,980	220,264	236,835
			<u>\$ 185,064</u>	<u>\$ 155,045</u>	<u>\$ 339,594</u>	<u>\$ 318,960</u>

(1) Amount charged directly to operations.

At June 30, 2016, we had a net payable of \$120,852 due to our Investment Manager and affiliates that primarily consisted of administrative expense reimbursements of \$109,253. At December 31, 2015, we had a net payable of \$553,021 due to our

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Investment Manager and affiliates that primarily consisted of acquisition fees of \$399,865 and administrative expense reimbursements of \$188,537.

During the three months ended June 30, 2016, we sold our interests in certain of our joint ventures to unaffiliated third parties. In connection with the sales, the third parties required that an affiliate of our Investment Manager provides bookkeeping and administrative services related to such assets for a fee.

(8) Commitments and Contingencies

At the time we acquire or divest of our interest in Capital Assets, we may, under very limited circumstances, agree to indemnify the seller or buyer for specific contingent liabilities. Our Managing Owner believes that any liability of ours that may arise as a result of any such indemnification obligations may or may not have a material adverse effect on our consolidated financial condition or results of operations taken as a whole.

(9) Subsequent Event

On August 9, 2016, Premier Trailer Leasing, Inc. ("Premier Trailer") satisfied its obligations in connection with a secured term loan scheduled to mature on September 24, 2020 by making a prepayment of \$2,581,944.

Item 2. Managing Owner's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of our current financial position and results of operations. This discussion should be read together with our unaudited consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2015. This discussion should also be read in conjunction with the disclosures below regarding "Forward-Looking Statements."

As used in this Quarterly Report on Form 10-Q, references to "we," "us," "our" or similar terms include ICON ECI Fund Sixteen and its consolidated subsidiaries.

Forward-Looking Statements

Certain statements within this Quarterly Report on Form 10-Q may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). These statements are being made pursuant to the PSLRA, with the intention of obtaining the benefits of the "safe harbor" provisions of the PSLRA, and, other than as required by law, we assume no obligation to update or supplement such statements. Forward-looking statements are those that do not relate solely to historical fact. They include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. You can identify these statements by the use of words such as "may," "would," "could," "anticipate," "believe," "estimate," "expect," "continue," "further," "plan," "seek," "intend," "predict" or "project" and variations of these words or comparable words or phrases of similar meaning. These forward-looking statements reflect our current beliefs and expectations with respect to future events. They are based on assumptions and are subject to risks and uncertainties and other factors outside of our control that may cause actual results to differ materially from those projected. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Overview

We are a direct financing fund that primarily makes investments in domestic and international businesses, which investments are primarily structured as debt and debt-like financings (such as loans, leases and other structured financing transactions) in or that are collateralized by Capital Assets utilized by such companies to operate their businesses, as well as other strategic investments in or collateralized by Capital Assets that our Managing Owner believes will provide us with a satisfactory, risk-adjusted rate of return. We were formed as a Delaware statutory trust and are treated as a partnership for federal income tax purposes.

Our offering period commenced on July 1, 2013 and ended on December 31, 2014. Our Managing Owner determined to cease our offering period earlier than originally anticipated as a result of lower than expected offering proceeds being raised. Our operating period commenced on January 1, 2015. As of the Initial Closing Date, we raised a minimum of \$1,200,000 from the sale of our Shares, at which time shareholders were admitted and we commenced operations. As of June 13, 2014, we raised the \$12,500,000 minimum offering amount for the Commonwealth of Pennsylvania. Subsequent to the Initial Closing Date, we returned the initial capital contribution of \$1,000 to the Initial Shareholder. From the commencement of our offering on July 1, 2013 through December 31, 2014, we sold 17,189 Class A shares to 351 Class A shareholders and 410 Class I shares to six Class I shareholders, of which 404 Class A shares and 12 Class I shares were issued pursuant to the DRIP, representing an aggregate of \$17,469,610 of capital contributions. From Initial Closing Date through December 31, 2014, we incurred sales commissions to third parties of \$1,198,531 and dealer-manager and distribution fees to CION Securities of \$347,547. In addition, organization costs of \$8,418 and offering expenses of \$161,422 were incurred by us during such period.

After the net offering proceeds were invested, additional investments have been and will continue to be made with the cash generated from our initial investments to the extent that cash is not used for our expenses, reserves and distributions to our shareholders. The investment in additional Capital Assets in this manner is called "reinvestment." We anticipate investing and reinvesting in Capital Assets from time to time during our five year operating period, which may be extended, at our Managing Owner's discretion, for up to an additional three years. After the operating period, we will then sell our assets and/or let our investments mature in the ordinary course of business, during a time frame called the "wind down period."

Our Trustee serves as our sole trustee pursuant to the Trust Agreement and has delegated to our Managing Owner all of the power and authority to manage our business and affairs, including, but not limited to, our investments in Capital Assets. Pursuant to the terms of our investment management agreement, our Managing Owner has engaged our Investment Manager to, among other things, originate and service our investments.

Recent Significant Transactions

We engaged in the following significant transactions since December 31, 2015:

Geotechnical Drilling Vessels

On December 23, 2015, a joint venture owned 10% by us, through two indirect subsidiaries, entered into memoranda of agreement to purchase the Fugro Vessels from affiliates of Fugro for an aggregate purchase price of \$130,000,000. The Fugro Vessels were bareboat chartered to affiliates of Fugro for a period of 12 years upon the delivery of each respective vessel, although such charters can be terminated by the indirect subsidiaries after year five. The Fugro Scout was acquired in December 2015. On January 8, 2016, the Fugro Voyager was acquired for \$8,250,000 in cash, \$45,500,000 of financing through a senior secured loan from ABN AMRO, Rabobank and NIBC and an advanced charter hire payment of \$11,250,000. The advanced charter hire payment was recorded at present value at inception in accordance with U.S. GAAP. The senior secured loan matures on December 31, 2020. On February 8, 2016, the two indirect subsidiaries entered into interest rate swap agreements to effectively fix the interest rate of the senior secured loans related to the Fugro Scout and the Fugro Voyager from a variable rate of LIBOR plus 2.95% per year to a fixed rate of 4.117% per year. Our contribution to the joint venture totaling \$2,377,250 was made in December 2015.

Trucks and Trailers

On January 14, 2016, D&T satisfied its remaining lease obligations by making a prepayment of \$8,000,000. In addition, D&T exercised its option to repurchase all assets under the lease for \$1, upon which title was transferred. As a result of the prepayment, the joint venture owned 12.5% by us recognized finance income of approximately \$1,400,000, of which our share was approximately \$175,000.

Auto Manufacturing Equipment

On June 8, 2016, an unaffiliated third party purchased 100% of the limited liability company interests of ICON Challenge, a joint venture owned 10% by us, for net sales proceeds of \$9,004,214. No significant gain or loss was recorded by us as a result of the sale.

On June 8, 2016, an unaffiliated third party purchased 100% of the limited liability company interests of ICON Challenge III, a joint venture owned 25% by us, for net sales proceeds of \$11,551,806. As a result, we recorded a gain on sale of investment in joint venture of \$17,681.

The following table includes information on the significant transactions that we engaged in from the Initial Closing Date through June 30, 2016:

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Portfolio Company	Structure	Equity Invested	Interest Rate	Expiration/ Maturity Date	Collateral/ Priority	Net Carrying Value	Credit Loss Reserve	Current Status
Blackhawk Mining, LLC ⁽¹⁾	Lease	\$1,795,597	N/A	2/28/2018	Ownership of mining equipment	\$942,411 ⁽²⁾	None	Performing
Geokinetics, Inc.	Lease	\$5,690,851	N/A	8/31/2017	Ownership of seismic testing equipment	\$2,775,622 ⁽³⁾	None	Performing
Premier Trailer Leasing, Inc.	Loan	\$2,626,471	LIBOR, subject to 1% floor, plus 9%	9/24/2020	Second priority in all assets and equity interests	\$2,605,987 ⁽⁴⁾	None	Performing ⁽⁸⁾
Fugro N.V. ⁽¹⁾	Lease	\$2,377,250	N/A	12/24/2027	Ownership of geotechnical drilling vessels	\$2,384,120 ⁽²⁾	None	Performing
Murray Energy Corporation ⁽¹⁾	Lease	\$2,659,195	N/A	10/29/2015	Ownership of mining equipment	\$3,186 ⁽⁵⁾	None	Expired
D&T Holdings, LLC ⁽¹⁾	Lease	\$1,484,705	N/A	12/31/2018	Ownership of trucks, trailers and equipment	\$1,858 ⁽⁵⁾	None	Prepaid ⁽⁶⁾
Challenge Mfg. Company, LLC ⁽¹⁾	Lease	\$998,379	N/A	7/9/2020	Ownership of auxiliary support equipment and robots	\$1,899 ⁽⁵⁾	None	Sold ⁽⁷⁾
Challenge Mfg. Company, LLC ⁽¹⁾	Lease	\$3,009,587	N/A	1/9/2021	Ownership of stamping presses and support equipment	\$16 ⁽⁵⁾	None	Sold ⁽⁷⁾

(1) Our investment in this portfolio company is through a joint venture and is or was included in our consolidated balance sheets as investment in joint ventures.

(2) Net carrying value of our investment in joint ventures is calculated as follows: investment at cost plus/less our share of the cumulative net income/loss of the joint venture and less distributions received since the date of our initial investment.

(3) This investment is through a joint venture that we consolidated and presented on our consolidated balance sheets as net investment in finance lease. Net investment in finance lease is the sum of the remaining minimum lease payments receivable, the estimated residual value of the asset and the unamortized initial direct costs, less unearned income. Net carrying value represents our proportionate share of the investment and includes the recognition of an investment by noncontrolling interests for the share of such investment held by the joint venture's noncontrolling interest holders.

(4) Net carrying value of our investment in note receivable is the sum of the remaining principal outstanding and the unamortized initial direct costs, less deferred fees.

(5) Primarily represents our proportionate share of the remaining cash balance or receivable held by the joint venture.

(6) Please refer to the disclosure under the subheading "Trucks and Trailers" above for additional information related to the prepayment of the lease by D&T.

(7) Please refer to the disclosure under the subheading "Auto Manufacturing Equipment" above for additional information related to the sale of the interests in the joint venture that owns the equipment subject to the lease.

(8) On August 9, 2016, the loan was prepaid in full (see "Subsequent Event" below).

Subsequent Event

On August 9, 2016, Premier Trailer satisfied its obligations in connection with a secured term loan scheduled to mature on September 24, 2020 by making a prepayment of \$2,581,944.

Recently Adopted Accounting Pronouncements

In January 2015, FASB issued ASU 2015-01, *Income Statement – Extraordinary and Unusual Items: Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*, which we adopted on January 1, 2016. The adoption of ASU 2015-01 did not have an effect on our consolidated financial statements.

In February 2015, FASB issued ASU 2015-02, *Consolidation – Amendments to the Consolidation Analysis*, which we adopted on January 1, 2016. The adoption of ASU 2015-02 did not have an effect on our consolidated financial statements.

In April 2015 and August 2015, FASB issued ASU 2015-03, *Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*, and ASU 2015-15, *Interest – Imputation of Interest: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-Of-Credit Arrangements*, respectively, each of which we adopted on January 1, 2016. The adoption of ASU 2015-03 and ASU 2015-15 did not have an effect on our consolidated financial statements.

Other Recent Accounting Pronouncements

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. In August 2015, FASB issued ASU 2015-14, *Revenue from Contracts with Customers – Deferral of the Effective Date*, which defers implementation of ASU 2014-09 by one year. ASU 2014-09 will become effective for us on January 1, 2018. We are currently in the process of evaluating the impact of the adoption of ASU 2014-09 on our consolidated financial statements.

In August 2014, FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which will become effective for us on our fiscal year ending after December 31, 2016. The adoption of ASU 2014-15 is not expected to have a material effect on our consolidated financial statements.

In January 2016, FASB issued ASU 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*, which will become effective for us on January 1, 2018. We are currently in the process of evaluating the impact of the adoption of ASU 2016-01 on our consolidated financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases*, which will become effective for us on January 1, 2019. We are currently in the process of evaluating the impact of the adoption of ASU 2016-02 on our consolidated financial statements.

In March 2016, FASB issued ASU 2016-07, *Investments – Equity Method and Joint Ventures: Simplifying the Transition to the Equity Method of Accounting*, which will become effective for us on January 1, 2017. The adoption of ASU 2016-07 is not expected to have a material effect on our consolidated financial statements.

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses*, which will become effective for us on January 1, 2020. We are currently in the process of evaluating the impact of the adoption of ASU 2016-13 on our consolidated financial statements.

We do not believe any other recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on our consolidated financial statements.

Results of Operations for the Three Months Ended June 30, 2016 (the “2016 Quarter”) and 2015 (the “2015 Quarter”)

The following percentages are only as of a stated period and are not expected to be comparable in future periods. Further, these percentages are only representative of the percentage of the carrying value of such assets or finance income as of each stated period, and as such are not indicative of the concentration of any asset type or customer by the amount of equity invested or our investment portfolio as a whole.

Financing Transactions

As of June 30, 2016 and December 31, 2015, the net investment in finance lease amount presented on our consolidated balance sheets is secured by our ownership of seismic testing equipment. As of June 30, 2016 and December 31, 2015, the net

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investment in note receivable amount presented on our consolidated balance sheets is secured by a second priority security interest in all of the borrower's assets, including trailers and equity interests.

During the 2016 Quarter and the 2015 Quarter, certain customers generated significant portions (defined as 10% or more) of our total finance income as follows:

Customer	Asset Type	Percentage of Total Finance Income	
		2016 Quarter	2015 Quarter
Geokinetics, Inc.	Seismic testing equipment	72%	80%
Premier Trailer Leasing, Inc.	Trailers	28%	20%
		100%	100%

Interest income from our net investment in note receivable and finance income from our net investment in finance lease are included in finance income in our consolidated statements of operations.

Revenue for the 2016 Quarter and the 2015 Quarter is summarized as follows:

	Three Months Ended June 30,		Change
	2016	2015	
Finance income	\$ 203,398	\$ 281,722	\$ (78,324)
Income from investment in joint ventures	107,158	221,547	(114,389)
Gain on sale of investment in joint ventures	19,566	-	19,566
Total revenue	\$ 330,122	\$ 503,269	\$ (173,147)

Total revenue for the 2016 Quarter decreased \$173,147, or 34.4%, as compared to the 2015 Quarter. The decrease in income from investment in joint ventures was primarily due to (i) the expiration of the lease with Murray and the sale of the equipment previously subject to such lease in 2015 and (ii) the prepayment of the lease by D&T in January 2016, each of which resulted in no income recognition for the 2016 Quarter. This decrease was partially offset by income generated by new joint ventures that we entered into subsequent to the 2015 Quarter. The decrease in finance income was due to damage to certain assets on lease to Geokinetics, Inc. ("Geokinetics") primarily in 2015, which accelerated income recognition related to such assets, and the declining nature of recognizing income using the effective interest rate method. The decrease in total revenue was partially offset by the gain on sale of investment in joint ventures as a result of the sale of our interests in ICON Challenge and ICON Challenge III during the 2016 Quarter.

Expenses for the 2016 Quarter and the 2015 Quarter are summarized as follows:

	Three Months Ended June 30,		Change
	2016	2015	
Management fees	\$ 75,811	\$ 41,065	\$ 34,746
Administrative expense reimbursements	109,253	113,980	(4,727)
General and administrative	171,323	152,398	18,925
Interest	7,219	6,518	701
Total expenses	\$ 363,606	\$ 313,961	\$ 49,645

Total expenses for the 2016 Quarter increased \$49,645, or 15.8%, as compared to the 2015 Quarter. The increase was primarily due to an increase in (i) management fees related to the prepayment of the lease by D&T and (ii) general and administrative expenses due to higher audit-related professional fees incurred during the 2016 Quarter as compared to the 2015 Quarter.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests decreased \$36,369, from \$105,661 in the 2015 Quarter to \$69,292 in the 2016 Quarter. The decrease was a result of a decrease in net income generated by our finance lease related to Geokinetics during the 2016 Quarter as compared to the 2015 Quarter.

Net (Loss) Income Attributable to Fund Sixteen

As a result of the foregoing factors, net (loss) income attributable to us for the 2016 Quarter and the 2015 Quarter was \$(102,776) and \$83,647, respectively. Net loss attributable to us per weighted average additional Class A share and Class I share outstanding for the 2016 Quarter was \$5.79 and \$5.59, respectively. Net income attributable to us per weighted average additional Class A share and Class I share outstanding for the 2015 Quarter was \$4.70 and \$4.95, respectively.

Results of Operations for the Six Months Ended June 30, 2016 (the “2016 Period”) and 2015 (the “2015 Period”)

The following percentages are only as of a stated period and are not expected to be comparable in future periods. Further, these percentages are only representative of the percentage of finance income as of each stated period, and as such are not indicative of the concentration of any asset type or customer by the amount of equity invested or our investment portfolio as a whole.

Financing Transactions

During the 2016 Period and the 2015 Period, certain customers generated significant portions (defined as 10% or more) of our total finance income as follows:

Customer	Asset Type	Percentage of Total Finance Income	
		2016 Period	2015 Period
Geokinetics, Inc.	Seismic testing equipment	73%	80%
Premier Trailer Leasing, Inc.	Trailers	27%	20%
		100%	100%

Interest income from our net investment in note receivable and finance income from our net investment in finance lease are included in finance income in our consolidated statements of operations.

Revenue for the 2016 Period and the 2015 Period is summarized as follows:

	Six Months Ended June 30,		Change
	2016	2015	
Finance income	\$ 421,486	\$ 577,126	\$ (155,640)
Income from investment in joint ventures	464,540	269,892	194,648
Gain on sale of investment in joint ventures	19,566	-	19,566
Total revenue	\$ 905,592	\$ 847,018	\$ 58,574

Total revenue for the 2016 Period increased \$58,574, or 6.9%, as compared to the 2015 Period. The increase was due to an increase in income from investment in joint ventures primarily as a result of entering into new joint ventures subsequent to the 2015 Period and the gain on sale of investment in joint ventures as a result of the sale of our interests in ICON Challenge and ICON Challenge III during the 2016 Period. These increases were partially offset by a decrease in finance income due to damage to certain assets on lease to Geokinetics primarily in 2015, which accelerated income recognition related to such assets, and the declining nature of recognizing income using the effective interest rate method.

Expenses for the 2016 Period and the 2015 Period are summarized as follows:

	Six Months Ended June 30,		Change
	2016	2015	
Management fees	\$ 119,330	\$ 82,125	\$ 37,205
Administrative expense reimbursements	220,264	236,835	(16,571)
General and administrative	263,159	195,823	67,336
Interest	20,971	14,463	6,508
Total expenses	\$ 623,724	\$ 529,246	\$ 94,478

Total expenses for the 2016 Period increased \$94,478, or 17.9%, as compared to the 2015 Period. The increase was primarily due to an increase in (i) general and administrative expenses due to higher audit-related professional fees and bank

fees incurred and (ii) management fees related to the prepayment of the lease by D&T during the 2016 Period as compared to the 2015 Period.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests decreased \$64,343, from \$210,218 in the 2015 Period to \$145,875 in the 2016 Period. The decrease was a result of a decrease in net income generated by our finance lease related to Geokinetics during the 2016 Period as compared to the 2015 Period.

Net Income Attributable to Fund Sixteen

As a result of the foregoing factors, net income attributable to us for the 2016 Period and the 2015 Period was \$135,993 and \$107,554, respectively. Net income attributable to us per weighted average additional Class A share and Class I share outstanding for the 2016 Period was \$7.64 and \$8.05, respectively. Net income attributable to us per weighted average additional Class A share and Class I share outstanding for the 2015 Period was \$6.04 and \$6.53, respectively.

Financial Condition

This section discusses the major balance sheet variances at June 30, 2016 compared to December 31, 2015.

Total Assets

Total assets decreased \$3,131,823, from \$19,122,189 at December 31, 2015 to \$15,990,366 at June 30, 2016. The decrease was primarily due to existing cash and cash generated by our investments and from the sale of our interests in certain joint ventures being partially used to (i) repay the total amount outstanding on our Facility, (ii) pay distributions to our shareholders and noncontrolling interests and (iii) repay certain of our related party payable during the 2016 Period.

Total Liabilities

Total liabilities decreased \$1,964,364, from \$2,625,490 at December 31, 2015 to \$661,126 at June 30, 2016. The decrease was primarily due to the repayment of the total amount outstanding on our Facility and certain of our related party payable during the 2016 Period.

Equity

Equity decreased \$1,167,459, from \$16,496,699 at December 31, 2015 to \$15,329,240 at June 30, 2016. The decrease was primarily due to distributions to our shareholders and noncontrolling interests, partially offset by our net income in the 2016 Period.

Liquidity and Capital Resources

Summary

At June 30, 2016 and December 31, 2015, we had cash of \$4,668,093 and \$1,672,868, respectively. Pursuant to the terms of our offering, we have established a cash reserve in the amount of 0.50% of the gross offering proceeds from the sale of our Shares. As of June 30, 2016, the cash reserve was \$87,348. During our operating period, which commenced on January 1, 2015, our main source of cash will be from the collection of income and principal on our note receivable and finance lease and distributions from our joint ventures. Our main use of cash will be for distributions to our shareholders and noncontrolling interests. Our liquidity will vary in the future, increasing to the extent cash flows from investments and proceeds from the sale of our investments exceed expenses and decreasing as we make new investments, pay distributions to our shareholders and noncontrolling interests and to the extent that expenses exceed cash flows from operations and proceeds from the sale of our investments.

We believe that cash generated from the expected results of our operations will be sufficient to finance our liquidity requirements for the foreseeable future, including distributions to our shareholders and noncontrolling interests, general and administrative expenses, new investment opportunities, management fees and administrative expense reimbursements.

Our ability to generate cash in the future is subject to general economic, financial, competitive, regulatory and other factors that affect us and our borrowers' and lessees' businesses that are beyond our control.

We have used the net proceeds of our offering and will use the cash generated from our investments to invest in Capital Assets located in North America and other developed markets, including those in Asia and elsewhere. We have sought and continue to seek to acquire a portfolio of Capital Assets that is comprised of transactions that generate (a) current cash flow from payments of principal and/or interest (in the case of secured loans and other financing transactions) and rental payments (in the case of leases), (b) deferred cash flow by realizing the value of Capital Assets or interests therein at the maturity of the investment, or (c) a combination of both from other structured investments.

Unanticipated or greater than anticipated operating costs or losses (including a borrower's inability to make timely loan payments or a lessee's inability to make timely lease payments) would adversely affect our liquidity. To the extent that working capital may be insufficient to satisfy our cash requirements, we anticipate that we would fund our operations from cash flow generated by investing and financing activities. At June 30, 2016, we had \$1,861,788 available under the Facility pursuant to the borrowing base to fund our short-term liquidity needs. For additional information, see "Financings and Borrowings – Revolving Line of Credit, Recourse" below and Note 6 to our consolidated financial statements. Our Managing Owner does not intend to fund any cash flow deficit of ours or provide other financial assistance to us.

Cash Flows

Operating Activities

Cash used in operating activities decreased \$976,938, from \$1,013,414 in the 2015 Period to \$36,476 in the 2016 Period. The decrease was primarily due to (i) less cash being used to repay the amount due to our Investment Manager during the 2016 Period as a result of the timing of the payments of and the reduction in expenses incurred on our behalf by our Investment Manager and (ii) an increase in distributions from our joint ventures during the 2016 Period as compared to the 2015 Period.

Investing Activities

Cash provided by investing activities increased \$3,816,109, from \$2,214,469 in the 2015 Period to \$6,030,578 in the 2016 Period. The increase was primarily due to proceeds from the sale of our interests in ICON Challenge and ICON Challenge III and an increase in distributions from our joint ventures in excess of profits during the 2016 Period as compared to the 2015 Period, partially offset by a decrease in principal received on our finance lease related to Geokinetics.

Financing Activities

Cash used in financing activities increased \$1,413,328, from \$1,585,549 in the 2015 Period to \$2,998,877 in the 2016 Period. The increase was primarily due to the repayment of the total amount outstanding on our Facility during the 2016 Period, partially offset by a decrease in distributions paid to noncontrolling interests.

Financings and Borrowings

Revolving Line of Credit, Recourse

We have an agreement with CB&T for our Facility, which is secured by all of our assets not subject to a first priority lien. Amounts available under the Facility are subject to a borrowing base that is determined, subject to certain limitations, by the present value of the future receivables under certain loans and lease agreements in which we have a beneficial interest.

The interest rate for general advances under the Facility is CB&T's prime rate. We may elect to designate up to five advances on the outstanding principal balance of the Facility to bear interest at LIBOR plus 2.5% per year. In all instances, borrowings under the Facility are subject to an interest rate floor of 4.0% per year. In addition, we are obligated to pay an annualized 0.5% fee on unused commitments under the Facility. On February 9, 2016 and March 29, 2016, we repaid \$1,000,000 and \$500,000, respectively, of the total outstanding balance under the Facility. At June 30, 2016, there were no obligations outstanding under the Facility and we were in compliance with all covenants related to the Facility.

At June 30, 2016, we had \$1,861,788 available under the Facility pursuant to the borrowing base.

Distributions

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We, at our Managing Owner's discretion, pay monthly distributions to our shareholders beginning with the first month after each such shareholder's admission and expect to continue to pay such distributions until the termination of our operating period. During the 2016 Period, we paid distributions to our Managing Owner, Class A additional shareholders and Class I shareholders of \$7,114, \$687,872 and \$16,406, respectively. We also paid distributions to our noncontrolling interests of \$737,935 in the 2016 Period.

Commitments and Contingencies and Off-Balance Sheet Transactions

Commitments and Contingencies

At the time we acquire or divest of our interest in Capital Assets, we may, under very limited circumstances, agree to indemnify the seller or buyer for specific contingent liabilities. Our Managing Owner believes that any liability of ours that may arise as a result of any such indemnification obligations may or may not have a material adverse effect on our consolidated financial condition or results of operations taken as a whole. We are a party to the Facility, as discussed in "Financings and Borrowings – Revolving Line of Credit, Recourse" above. We had no borrowings under the Facility at June 30, 2016.

Off-Balance Sheet Transactions

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Smaller reporting companies are not required to provide the information required by this item.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

In connection with the preparation of this Quarterly Report on Form 10-Q for the three months ended June 30, 2016, our Managing Owner carried out an evaluation, under the supervision and with the participation of the management of our Managing Owner, including its Co-Chief Executive Officers and the Principal Financial and Accounting Officer, of the effectiveness of the design and operation of our Managing Owner's disclosure controls and procedures as of the end of the period covered by this report pursuant to the Securities Exchange Act of 1934, as amended. Based on the foregoing evaluation, the Co-Chief Executive Officers and the Principal Financial and Accounting Officer concluded that our Managing Owner's disclosure controls and procedures were effective.

In designing and evaluating our Managing Owner's disclosure controls and procedures, our Managing Owner recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our Managing Owner's disclosure controls and procedures have been designed to meet reasonable assurance standards. Disclosure controls and procedures cannot detect or prevent all error and fraud. Some inherent limitations in disclosure controls and procedures include costs of implementation, faulty decision-making, simple error and mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all anticipated and unanticipated future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with established policies or procedures.

Evaluation of internal control over financial reporting

There have been no changes in our internal control over financial reporting during the three months ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of conducting our business, we may be subject to certain claims, suits, and complaints filed against us. In our Managing Owner's opinion, the outcome of such matters, if any, will not have a material impact on our consolidated financial position or results of operations. We are not aware of any material legal proceedings that are currently pending against us or against any of our assets.

Item 1A. Risk Factors

Smaller reporting companies are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell or repurchase any Shares during the three months ended June 30, 2016.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

3.1	Certificate of Trust of Registrant (Incorporated by reference to Exhibit 3.1 to Registrant's Registration Statement on Form S-1 filed with the SEC on November 26, 2012 (File No. 333-185144)).
4.1	Form of Third Amended and Restated Trust Agreement of Registrant (Incorporated by reference to Exhibit A to Registrant's Prospectus Supplement No. 4 filed with the SEC on April 2, 2014 (File No. 333-185144)).
10.1	Form of Investment Management Agreement, by and between ICON ECI Fund Sixteen and ICON Capital, LLC (Incorporated by reference to Exhibit 10.2 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1 filed with the SEC on February 1, 2013 (File No. 333-185144)).
10.2	Commercial Loan Agreement, by and between California Bank & Trust and ICON ECI Fund Sixteen, dated as of December 26, 2013 (Incorporated by reference to Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013, filed March 28, 2014).
10.3	Loan Modification Agreement, by and between California Bank & Trust and ICON ECI Fund Sixteen, dated as of March 31, 2015 (Incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015, filed on May, 8, 2015).
31.1	Rule 13a-14(a)/15d-14(a) Certification of Co-Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Co-Chief Executive Officer.
31.3	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial and Accounting Officer.
32.1	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3	Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ICON ECI Fund Sixteen
(Registrant)

By: ICON MT 16, LLC
(Managing Owner of the Registrant)

August 11, 2016

By: /s/ Michael A. Reisner
Michael A. Reisner
Co-Chief Executive Officer and Co-President
(Co-Principal Executive Officer)

By: /s/ Mark Gatto
Mark Gatto
Co-Chief Executive Officer and Co-President
(Co-Principal Executive Officer)

By: /s/ Christine H. Yap
Christine H. Yap
Managing Director
(Principal Financial and Accounting Officer)

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Reisner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ICON ECI Fund Sixteen;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the board of directors of ICON MT 16, LLC (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2016

/s/ Michael A. Reisner

Michael A. Reisner

Co-Chief Executive Officer and Co-President

ICON MT 16, LLC

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Gatto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ICON ECI Fund Sixteen;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the board of directors of ICON MT 16, LLC (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2016

/s/ Mark Gatto

Mark Gatto

Co-Chief Executive Officer and Co-President

ICON MT 16, LLC

**CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christine H. Yap, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ICON ECI Fund Sixteen;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the board of directors of ICON MT 16, LLC (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2016

/s/ Christine H. Yap

Christine H. Yap
Managing Director
(Principal Financial and Accounting Officer)
ICON MT 16, LLC

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Reisner, Co-Chief Executive Officer and Co-President of ICON MT 16, LLC, the Managing Owner of the Registrant, in connection with the Quarterly Report of ICON ECI Fund Sixteen (the "Fund") on Form 10-Q for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Date: August 11, 2016

/s/ Michael A. Reisner

Michael A. Reisner

Co-Chief Executive Officer and Co-President

ICON MT 16, LLC

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Gatto, Co-Chief Executive Officer and Co-President of ICON MT 16, LLC, the Managing Owner of the Registrant, in connection with the Quarterly Report of ICON ECI Fund Sixteen (the "Fund") on Form 10-Q for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Date: August 11, 2016

/s/ Mark Gatto

Mark Gatto

Co-Chief Executive Officer and Co-President

ICON MT 16, LLC

**CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christine H. Yap, Principal Financial and Accounting Officer of ICON MT 16, LLC, the Managing Owner of the Registrant, in connection with the Quarterly Report of ICON ECI Fund Sixteen (the "Fund") on Form 10-Q for the quarter ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Date: August 11, 2016

/s/ Christine H. Yap

Christine H. Yap
Managing Director
(Principal Financial and Accounting Officer)
ICON MT 16, LLC
