



June 1, 2015

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6:
Natural Gas Spot Contracts

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), for self-certification pursuant to Commission Rule 40.6, the rule amendments discussed herein. The amendments are to become effective on the business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

Concise Explanation and Analysis

ICE Clear Europe is adopting amendments to its Clearing Rules and Procedures in order for it to commence clearing natural gas spot contracts traded on the ICE Endex UK and ICE Endex Continental markets (the “Natural Gas Spot Contracts”). ICE Endex UK has been designated by the UK’s Office of Gas and Electricity Markets and appointed by National Grid Gas plc (“National Grid”) to operate the independent market for balancing for natural gas in the UK (the “on-the-day” commodity market). ICE Endex Continental operates spot markets for trading of gas at relevant virtual delivery points at the gas transmission systems of the Netherlands and Belgium. Clearing of such contracts is currently conducted by APX Commodities Limited (“APX UK”) and APX Clearing B.V. (“APX Continental”) respectively, and will be moved to ICE Clear Europe. It is expected that ICE Clear Europe will commence clearing of the Natural Gas Spot Contracts, subject to the completion of all regulatory approvals and requirements, on or about July 14, 2015 (or such later date determined

by ICE Clear Europe). ICE Clear Europe currently clears natural gas derivatives traded on the ICE Endex derivatives market, including some contracts with the same underlying products as the Natural Gas Spot Contracts.

The clearing of Natural Gas Spot Contracts will be supported by the F&O Guaranty Fund (and in particular the energy clearing segment of the F&O Guaranty Fund). ICE Clear Europe anticipates that the clearing of the Natural Gas Spot Contracts will initially require no more than a de minimis change in the size of the F&O Guaranty Fund or the energy segment thereof, if indeed any change is actually required. ICE Clear Europe similarly does not anticipate the need to designate a new guaranty fund period as a result of the transition.

ICE Clear Europe submits amendments to Parts 1, 2, 3, 4, 6, 19 and new Part 22 of its Rules and new Parts E and J to the Delivery Procedures to reflect the delivery arrangements in relation to the Natural Gas Spot Contracts. Certain other clarifying and conforming amendments to the Rules and Procedures are also being made. The text of the Rule and Procedure amendments are attached hereto, with additions underlined and deletions in strikethrough text.

In Part 1 of the Rules, Rule 101 is modified to add new defined terms and revise existing definitions in connection with the ICE Endex Continental and ICE Endex UK clearing relationships, including designation of ICE Endex Continental and ICE Endex UK as Markets for which ICE Clear Europe provides clearing services and the addition of defined terms and other revisions to integrate Natural Gas Spot Contracts into the existing ICE Clear Europe clearing framework for energy contracts in the F&O product category. In addition, certain conforming changes and clarifications have been made to definitions relating to delivery. The definition of "Delivery Facility" has been revised to clarify that it also includes certain facilities and systems for gas and power transactions. The definition of "Force Majeure Event" has been expanded to include disruptions or blackouts of gas or electricity transmission systems and actions and omissions by Markets. Certain definitions related to gas transactions, such as "National Grid," "Network Code" and "Trade Nomination" have also been added. The definition of "Non-DCM/Swap" has been revised to clarify the distinction between spot and futures transactions for purposes of applicable CFTC requirements. Certain other general updates to definitions have been made.

In Rule 102(f), ICE Endex UK Rules and ICE Endex Continental Rules have been added to the list of priorities of relevant documents, and certain cross-references have been amended. Rule 102(r) has been revised to take into account the Clearing House's status granted by a relevant Delivery Facility or Market. New Rule 102(y) has been added to provide that the provisions of the Rules relating to Repositories will not apply to Contracts that are not derivatives for purposes of MiFID or MiFID II (such as gas spot transactions). Rule 105 has been modified to provide for the cessation of relevant business (and appropriate notice period) following a loss of status from a Delivery Facility or Market. Rule 106(a) has been modified to permit disclosures of information pursuant to requirements under the UK's Uniform Network Code ("Network Code"), Fluxys Belgium Rules, Huberator Terms or the GTS Rules for gas transactions. Rule 109(b)(v) has been revised to contemplate amendments to the Rules in order to maintain ICE Clear Europe's status granted by a Delivery

Facility or Market. The limitations on the Clearing House's liability in Rule 111 have been revised in Rule 111(c) to apply to certain actions, omissions or failures by a Market or a Delivery Facility.

In Part 2 of the Rules, Rule 201 has been revised to provide that in order to be a Clearing Member for Natural Gas Spot Contracts, the applicable nominated Transferor and Transferee for delivery under the transactions must be a member of the applicable market (or have arrangements in place to permit the Clearing Member to manage a default with respect to such an entity) and satisfy certain other requirements relevant to delivery under the relevant gas transactions. Rule 202 has been revised to add an explicit requirement that the Clearing Member comply with any applicable Market and Delivery Facility rules and agreements, as applicable.

In Part 3 of the Rules, new Rule 305 addresses the interaction of the Rules and the Network Code for ICE Endex UK transactions, including prevention of double recoveries and treatment of certain payments in respect of cash calls under the Network Code.

Changes to Part 4 of the Rules incorporate Natural Gas Spot Contracts into the procedures for submission of contracts for clearing and establishment of cleared contracts. New Rule 404(a)(x) extends ICE Clear Europe's discretion to avoid a Contract or Transaction in circumstances where, solely in respect of Natural Gas Spot Transactions or Contracts, a trade nomination has been rejected by National Grid. Various other relevant clarifying and conforming changes concerning transactions resulting from errors have also been incorporated.

Rule 602 has been revised to provide expressly that the Clearing House may request a Market to withdraw orders on that Market if a Clearing Member's positions exceed applicable position limits. Certain other corrections and updates to cross-references have been made in Part 6 of the Rules.

As provided in new Rule 1906, the Clearing House's sponsored principal model for individual segregation will not be available for Natural Gas Spot Contracts.

New Part 22 of the Rules adopts certain transitional provisions relating to the launch of clearing for Natural Gas Spot Contracts. In particular, Rules 2203 and 2204 address the termination of the clearing of Natural Gas Spot Contracts by APX Continental and APX UK and the commencement of clearing in those contracts by ICE Clear Europe. Rule 2205 requires Clearing Members for such contracts to have deposited the requisite amounts in the F&O Guaranty Fund and satisfy the appropriate Original Margin requirements prior to the Launch Time. Rule 2206 also allocates responsibility for certain disciplinary matters as among ICE Clear Europe and APX Continental and APX UK.

ICE Clear Europe also proposes to amend its Delivery Procedures to add a new Part E for ICE Endex UK Natural Gas Spot Contracts and a new Part J for ICE Endex Continental Natural Gas Spot Contracts. (Other parts of the Delivery Procedures have been renumbered accordingly and various cross-references have been updated as necessary.) The Delivery Procedures amendments set forth specifications for delivery of natural gas under the Natural Gas Spot Contracts, including relevant definitions and

a detailed delivery timetable. The amendments also address invoicing and payment for delivery. The amendments provide for calculation by the Clearing House of buyer's and seller's security to cover delivery obligations and related liabilities, costs or charges, as well as procedures to address failed deliveries. The revised procedures also set out various documentation requirements for the relevant parties.

ICE Clear Europe also proposes various conforming and clarifying amendments to the Clearing Procedures, Membership Procedures and General Contract Terms. The Clearing Procedures have been amended to add a reference to the Clearing House's Managed File Transfer Service, which is used for reporting and data file downloads. The Clearing Procedures have also been modified to clarify the cash settlement amount for F&O Contracts entered into on the last day of trading. The Membership Procedures have been amended to update references to relevant EU capital regulations, as well as to make conforming changes to various information and notice requirements and delete certain obsolete references. The General Contract Terms have been amended to incorporate conforming changes relating to the Natural Gas Spot Contracts.

Compliance with the Act and Commission Regulations

The rule amendments are potentially relevant to the following core principles: (B) Financial Resources, (C) Participant and Product Eligibility, (D) Risk Management, (E) Settlement Procedures and (G) Default Rules and Procedures, and the applicable regulations of the Commission thereunder.

- *Financial Resources.* ICE Clear Europe believes that it will have sufficient financial, operational and managerial resources to clear the Natural Gas Spot Contracts, consistent with the requirements of Core Principle B and Commission Rule 39.11. In terms of financial resources, as discussed above, the existing energy segment of the F&O Guaranty Fund will be sufficient to permit ICE Clear Europe to clear the Natural Gas Spot Contracts. ICE Clear Europe contemplates that the clearing of the Natural Gas Spot Contracts will initially require only a de minimis change in the F&O Guaranty Fund (or the energy segment thereof), if any change is required. ICE Clear Europe will also use its existing original margin model for energy contracts for the Natural Gas Spot Contracts. In terms of operational and managerial resources, ICE Clear Europe believes that the Natural Gas Spot Contracts are similar from an operational perspective to other energy contracts currently cleared, and that its existing systems are appropriately scalable to handle the additional contracts.
- *Participant and Product Eligibility.* ICE Clear Europe has established appropriate standards for determining the eligibility of the Natural Gas Spot Contracts to be submitted to the Clearing House for clearing. ICE Clear Europe believes that its existing Rules and Procedures, taken together with the proposed amendments, as well as related systems, are appropriately scalable to handle the Natural Gas Spot Contracts, which are generally similar from an operational perspective to other energy contracts currently cleared by ICE Clear Europe (including futures contracts on the same or similar underlying gas deliveries). In terms of participant eligibility, the amendments establish

fair and objective criteria for Clearing Member eligibility to clear Natural Gas Spot Contracts, consistent with existing Clearing House requirements (financial and other) and the requirements of the applicable delivery facilities. In particular, new requirements have been added to ensure that relevant designated transferors and transferees under Natural Gas Spot Contracts have appropriate access to the relevant market, or other appropriate arrangements for default management. The amendments are thus consistent with the participant and product eligibility requirements under Core Principle C and Commission Rule 39.12.

- *Risk Management.* ICE Clear Europe believes that it will be able to manage the risks associated with acceptance of Natural Gas Spot Contracts for clearing (and physical delivery in such contracts), consistent with the requirements of Core Principle D and Commission Rule 39.13. The Natural Gas Spot Contracts present a similar risk profile to other energy contracts cleared by ICE Clear Europe, particularly the ICE Endex natural gas futures contracts. ICE Clear Europe believes that its existing risk management and margin framework is sufficient to appropriately identify and manage the risks associated with the Natural Gas Spot Contracts (including settlements thereunder).
- *Settlement Procedures.* ICE Clear Europe will use its existing settlement infrastructure used in energy clearing for the Natural Gas Spot Contracts, with the additional modifications set forth in the proposed rule changes addressing the interaction with relevant delivery facilities for such contracts. The amended Rules and Delivery Procedures establish the rights and obligations of the Clearing House and Clearing Members with respect to physical delivery under the Natural Gas Spot Contracts. As noted above, the amended Rules and Delivery Procedures also facilitate the management by the Clearing House of the risks relating to physical settlement. In ICE Clear Europe's view, the amended Rules and Delivery Procedures are consistent with the requirements of Core Principle E and Commission Rule 39.14.
- *Default Management.* The Rules and Procedures, as amended, allow for the efficient, fair and safe management of the Clearing House's obligations, including for the Natural Gas Spot Contracts, in the event of a Clearing Member default. In particular, the Rules and Delivery Procedures impose additional requirements on Clearing Members for Natural Gas Spot Contracts to facilitate default management, and address the interaction of the Clearing House with relevant delivery facilities in connection with these contracts, including in a default scenario. In ICE Clear Europe's view, the amendments are consistent with the requirements of Core Principle G and Commission Rule 39.16.

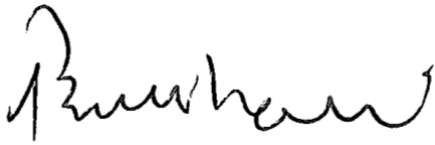
ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission's regulations thereunder.

ICE Clear Europe has received no substantive opposing views in relation to the proposed rule amendments.

ICE Clear Europe has posted a notice of pending certification and a copy of this submission on its website concurrent with the filing of this submission.

If you or your staff should have any questions or comments or require further information regarding this submission, please do not hesitate to contact the undersigned at patrick.davis@theice.com or +44 20 7065 7738, Dee Blake, Director of Regulation, at dee.blake@theice.com or +44 20 7065 7752 or Paul Swann, President & Managing Director, at paul.swann@theice.com or +44 20 7065 7700.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Patrick Davis', written in a cursive style.

Patrick Davis
Head of Legal and Company Secretary