



July 10, 2019

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 –
Delivery Procedure Amendments

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Rule 40.6 for self-certification, the amendments to its Delivery Procedures (the “Delivery Procedures”)¹ discussed herein. The amendments are to become effective on the first 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 amending its Delivery Procedures to add a new Section 11 and a new Part FF to address delivery relating to the ICE Futures Europe New York Harbour Ultra Low Sulphur Diesel Futures Contracts (the “ICE NYH ULSD Futures Contracts”) and the ICE Futures Europe New York Harbour Ultra Low Sulphur Heating Oil Futures Contracts (the “NYH ULSHO Futures Contracts”, and collectively, the “Contracts”). The Contracts will be traded on ICE Futures Europe and cleared by ICE Clear Europe.

Part FF sets out the delivery specifications and procedures for deliveries of fungible 15 ppm ultra low sulphur diesel fuel in respect of the ICE NYH ULSD Futures Contract,

¹ Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Delivery Procedures or, if not defined therein, the ICE Clear Europe Clearing Rules.

and fungible 15 ppm ultra low sulphur heating oil in respect of the ICE NYH ULSHO Futures Contract. The amended Delivery Procedures specify the Buyer's delivery options (delivery into Buyer's barge, into Buyer's tanker, by inter-tank transfer (where certain conditions are satisfied) or by in-tank transfer at the relevant terminal (subject to the terms of business of the terminal)). Consistent with the exchange rules for the Contracts, delivery will take place on a business day nominated by the Buyer (pursuant to a specified delivery nomination form), subject to approval or rejection by the Seller, within a five-day delivery range agreed by the Seller and Buyer. Proposed Part FF also establishes certain timing requirements for exchange of futures for physical and swap transactions under exchange rules.

Proposed Part FF provides a detailed delivery timetable, from the last trading day of the Contract through final settlement, including procedures, deadlines and requirements for nominations of delivery range and delivery day, delivery confirmations, invoicing, provision of Buyer's and Seller's security, release of security following completion of delivery and other matters. The procedures also address invoice calculation with respect to the Contract and delivery tolerances. Proposed Part FF also specifies the delivery documentation required of Buyers and Sellers.

New Section 11 of the Delivery Procedures further specifies the alternative delivery procedure for the Contracts if the Buyer and Seller agree to undertake delivery outside the ICE Futures Europe Rules.

Compliance with the Act and CFTC Regulations

The rule amendments are potentially relevant to the following core principles: (C) Participant and Product Eligibility and (E) Settlement Procedures, and the applicable regulations of the Commission thereunder.

- *Product Eligibility.* The amendments to the Delivery Procedures are intended to facilitate the clearing of new physically settled Contracts, which are being launched for trading by the ICE Futures Europe. The amendments set out the obligations and role of the Clearing House and relevant parties for delivery under the Contracts, supplementing the existing provisions of the Rules. ICE Clear Europe believes that its financial resources, risk management, systems and operational arrangements are sufficient to support clearing of such products (and to address physical delivery under such contracts) and to manage the risks associated with such contracts. As a result, ICE Clear Europe believes that the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As noted above, the amendments set out the delivery procedures with respect to Contracts and clearly set out the role and responsibilities of the Clearing House and Clearing Members in the physical delivery process. The amended Delivery Procedures also set out the procedures for transferring the underlying ultra low sulphur heating oil or ultra low sulphur diesel, as applicable, in settlement of the Contracts. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle E and CFTC Rule 39.14.

As set forth herein, the amendments consist of changes to the Delivery Procedures, a copy of which is attached hereto.

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 Giulia.honorati@theice.com or +44 20 7429 7127.

Very truly yours,



Giulia Honorati
Manager Regulation & Compliance