



BY ELECTRONIC TRANSMISSION

Submission No. 14-105
September 17, 2014

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

Re: Amendments to Rule 4.11 – Transfer Transactions
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) self certifies the amendments set forth in Exhibit A to Exchange Rule 4.11, which provides for transfer transactions. As described below, the amendments consolidate, clarify and delete obsolete provisions from the rule.

Subject to certain restrictions, Exchange Rule 4.11 allows transfer transactions when there is no change in beneficial ownership. The Rule generally prohibits transfers that do result in a change in beneficial ownership (with limited exception) and also authorizes the president to permit transfers in special circumstances. Currently, there is repetitive language in subparagraphs (a)(i) through (iii) of the Rule regarding transfers where no change in beneficial ownership is involved. The amendments consolidate these provisions into new subparagraphs (a)(i) and (a)(i)(A).

Additional changes to subparagraph (a): (1) codify current Exchange procedures regarding transfers that are made to correct errors; (2) clarify the treatment of concurrent long and short positions held by the same beneficial owner during the notice period for physical delivery contracts; (3) eliminate the restriction regarding transfers of Energy Contracts during the period that spot month position limits are in effect because the restriction is not necessary for cash-settled products, as traders do not face the risk of making or taking delivery of a physical product; and (4) delete the provision which addresses transfers necessitated by the death of the only Member of a firm, which can be addressed by the president under the authority granted to him in subparagraph (e) of the Rule.

Non-substantive clarifying changes have been made throughout the Rule to harmonize the use of the term “transfers” rather than “Transactions” and to subparagraphs (c) and (d). The provision currently found in subparagraph (b)(iii) has been relocated as subparagraph (e). That subparagraph sets forth the authority the President has to authorize a transfer when it is deemed to be in the best interests of the

marketplace, and has been supplemented by language which allows the president to authorize a transfer if it is the most appropriate means to remedy an error that is not eligible for transfer under amended subparagraph (a)(i)(B).

Finally, current subparagraph (e) has been renumbered as (f) and amendments have been made to conform the requirements for transfers after the close of trading on Last Trading Day of any delivery month to reference current trading hours and ICE Clear U.S. procedures.

The amendments will become effective on October 2, 2014. The Exchange certifies that the amendments to the Procedures comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. Specifically, the amendments comply with Core Principal 9 (Execution of Transactions), which expressly allows non-competitive transfer trades. Transfers permitted under amended Rule 4.11 are limited to bona fide purposes and are structured to minimize any impact or disruption to the competitive market. The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and may be accessed at (<https://www.theice.com/notices/RegulatoryFilings.shtml>). No substantive opposing views were expressed by members or others with respect to the amendments.

If you have any questions or need further information, please contact the undersigned at 212-748-4021 or (jason.fusco@theice.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is fluid and cursive, with a large loop at the end of the last name.

Jason V. Fusco
Assistant General Counsel
Market Regulation

cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

Rule 4.11. Transfer Transactions Not Required to Be Made Competitively

(a) The following transfer Transactions need not be made competitively:

(i) transfers of open contracts on the books of a Clearing Member or from one (1) Clearing Member to another Clearing Member:

(A) made at the request of a client where no change in beneficial ownership is involved;

(B) to correct errors made in the clearing of a trade(s) provided that the transfer occurs within three Business Days after the date on which the error occurred; and

(ii) ~~transfers of open contracts at the request of the original Carrying Member to another Member];~~

~~(iii) [transfers of open contracts from one (1) account to another account on the books of the same Member made at the request of a client where no change in ownership is involved;~~

~~(iv) transfers of open contracts necessitated by the death of the only Member of a firm who held Membership in the Exchange; and]~~

~~{(v)} transfers of open contracts following the close of trading on the Last Trading Day of a particular delivery month, as provided in paragraph (e) of this Rule.~~

Transfers referred to in subparagraph[s] (a)(i)(A) [~~through iv~~], which offset existing Positions in the spot month [~~and where there is no change of ownership~~], may not occur (1) on or after the first (1st) notice day of the delivery month, [~~or (2) in the case of Energy Contracts, during the period when the applicable spot month position limit is in effect., when the date of execution of the position being transferred is not the same as the transfer date.~~] Concurrent long and short positions that are held by the same beneficial owner on or after the first (1st) notice day of the delivery month must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be transferred for offset if the trade date of the position being transferred is the same as the transfer date. The receiving Firm has the responsibility to assure compliance with this Rule.

(b) Transfers [~~Transactions~~] of Futures Contracts made pursuant to subparagraph[s] (a)(i)(A)[~~(iv)~~] may be effected at (i) the prior day's Settlement Price, (ii) the current day's Settlement Price, or (iii) at the original market price. Transfers [~~Transactions~~] of Options Contracts made pursuant to subparagraph[s] (a)(i)(A)[~~(iv)~~] may be effected at either the original market Premium or a Premium of zero. For all such transfers, the transferee must carry the transferred contracts on his or its books at either the original dates or the transfer date.

(c) In addition to the prohibition against transfers which offset existing Positions in the spot month provided in subparagraph (a), Cocoa, Coffee "C", Sugar No. 11 and Sugar No. 16 transfers [~~Transactions~~] involving Futures Contracts referred to in subparagraph (a)(i)(A)[~~(iv)~~] shall not be permitted if, pursuant to the regulations of the CFTC or otherwise, such transfers would result in the liquidation of a trader's Position with separate Clearing Members, unless the Clearing Organization which clears the Trade shall have been notified of the duplications within three (3) Business Days following the day the duplicating Trades were made; provided, however, that Positions which are not reported as duplications may be transferred and liquidated only if such Positions represent less than two percent (2%) of the open interest in the relevant contract month reported for the Business Day preceding the transfer. Each Futures Contract transferred and liquidated by a Clearing Member which has not been reported as a duplicating Position shall be subject to fees as determined by the Board.

(d) ~~All Transactions referred to in~~ Notwithstanding the requirements of subparagraph[s] (a)(i)(A), a transfer that results in a change of beneficial ownership may be [through (iv shall not be)] permitted in the following circumstances [if there is any change in beneficial ownership of the contracts involved except for the following]:

(i) transfers made for the purpose of facilitating a restructuring or consolidation of a partnership, investment fund or [of combining the Positions held by two (2) or more] commodity pool[s which are operated by the same commodity pool operator and traded by the same commodity trading advisor, pursuant to the same strategy, into a single account] so long as the managing partner or pool operator remains the same, the transfers do not result in the liquidation of any open Positions, and the pro rata allocation of positions [interests] in the [consolidating] new account does not result in more than a de minimis change in the value of the interest of any ~~[pool-]participant; and~~

(ii) such other transfer as the President or his designee, in his discretion, shall exempt in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring corporate transaction between two (2) or more entities where one (1) or several entities become the successor in interest of one (1) or several other entities. ~~[; and]~~

(iii) ~~[with the consent of the Clearing Member(s) and the approval of the President or his designee, the transfer of existing Positions between accounts or between Clearing Members when the situation so requires and such transfer is in the best interests of the Exchange or the marketplace.~~

~~(iv)~~ For purposes of this Rule, a change in beneficial ownership shall not be deemed to have occurred with respect to (A) transfers between Firms which are 100% owned by the same Person and (B) transfers between any Person and any entity owned 100% by such Person.

~~[(iv) Transactions referred to in subparagraph (a)(ii) shall not be considered a change of ownership if the transfer is necessitated by an error in the identification of the Carrying Member and:~~

~~(A) the original Carrying Member notifies the Exchange, in writing, of such error within twenty-four (24) hours of the occurrence of such error; and~~

~~(B) the receiving Member notifies the Exchange, in writing, that it will receive the transferred contracts in correction of such error.]~~

(e) Notwithstanding any other provision of this Rule, the President or his designee may, with the consent of the Clearing Member(s), authorize the transfer of existing Positions between accounts or between Clearing Members when the circumstances so require and such transfer is deemed: (i) to be in the best interests of the marketplace; or (ii) to be the most appropriate means to remedy an error that results from the good faith acts or omissions of any party.

(f) After the close of trading on the Last Trading Day of any delivery month in any Cocoa, Coffee “C”, Cotton No. 2, Financial, FCOJ, Sugar No. 11, Sugar No. 16 Contract and Precious Metal Contract (but not later than 5 [4]:00 p.m. of the Last Trading Day for the Financial Contracts, Precious Metals Contracts, [and not later than noon for] Cocoa, Coffee “C”, Cotton No. 2 and FCOJ and not later than 10:00 a.m. for Sugar No. 11 and Sugar No. 16 on the following Business Day), a Clearing Member carrying one (1) or more open contracts for that delivery month for its own account or the account of any other Person as the result of an error may transfer any or all of such contracts to any other account carried by such Clearing Member or to any other Clearing Member (together with any delivery documents evidencing an intention to deliver or receive with respect to such contracts); provided that:

(i) for any delivery month in Cocoa, Coffee “C” and Sugar No. 16, no Clearing Member may so transfer for its own account and/or the account of any other Person, in the aggregate, more than ten (10) contracts in such delivery month;

(ii) for any delivery month in Cotton No. 2, a Financial Contract, Precious Metals, and FCOJ, no Clearing Member may so transfer for its own account or the account of any other Person, in the aggregate, more than twenty (20) contracts in such delivery month;

(iii) for any delivery month in Sugar No. 11, no Clearing Member may so transfer for its own account and/or the account of another Person, in the aggregate, more than eighty (80) contracts in such delivery month; and

(iv) ~~[not later than 1:00 p.m. of the Last Trading Day for a Financial Contract, 5:00 p.m. of the Last Trading Day for Precious Metals Contracts and not later than noon of the Business Day following such Last Trading Day for all other contracts listed in subparagraph (i)-(iii), the Clearing Member effecting the transfer shall deliver to the Clearing Organization written notification of such transfer (in such form as the Clearing Organization may prescribe), specifying the parties thereto and the prices at which such transfers were effected.~~

~~(v)~~ If a Clearing Member transferring purchase contracts pursuant to this paragraph (f) ~~{(e)}~~ shall have received a Multiple Delivery Notice with respect to such contracts and:

(A) if the transfer is made to one (1) or more of the Deliverers identified in such Multiple Delivery Notice, then, after the transfer has been effected, such Multiple Delivery Notice shall be deemed amended to reflect the deletion of the contracts so transferred; or

(B) if the transfer is to any other Person, then all of the rights and obligations of the transferor under the Multiple Delivery Notice with respect to the contracts transferred will become the rights and obligations of the transferee, and the transferee will immediately notify the Deliverer of the transfer, specifying the name and address of the transferee and identifying the contracts transferred.