



55 East 52<sup>nd</sup> Street  
New York, NY 10055

**BY ELECTRONIC TRANSMISSION**

Submission No. 15-177  
October 19, 2015

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

**Re: Amendments to Appendix II of Chapter 27 - Exchange Messaging Policy  
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”) and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“Exchange”) hereby self-certifies an amendment to the Exchange’s messaging policy, which changes the Weighted Volume Ratio (“WVR”) threshold for U.S. Dollar Index (“USD”) Futures from 100,000 messages per day to 150,000 messages per day.

The Exchange’s Messaging Policy is designed to discourage inefficient and excessive messaging without compromising market liquidity and sets out certain WVR thresholds which it expects market participants not to exceed. The WVR is defined as the total number of messages sent to the electronic trading platform multiplied by a price-based weighting scale divided by the total number of lots traded. The result is a figure for weighted messages per executed contract. The Exchange is amending the WVR threshold for the USD because it believes the current level, set at 100,000 messages per day, is too low and may create a disincentive for participants to provide liquidity in back month delivery contracts, which are less frequently traded and therefore skew the WVR. Accordingly, the WVR for the USD is being increased to 150,000 messages per day to encourage quoting in the back delivery.

The Exchange certifies that the amendments to Rule Appendix II of Chapter 27, which will become effective on November 2, 2015, comply with the requirements of the Commodity

Exchange Act and the rules and regulations promulgated thereunder. 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/futures-us/regulation#Rule-Filings>). The Exchange is not aware of any substantive opposing views expressed with respect to this filing.

If you have any questions or need further information, please contact me at 212-748-4021 or at [jason.fusco@theice.com](mailto: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 long horizontal stroke at the end.

Jason V. Fusco  
Assistant General Counsel  
Market Regulation

Enc.  
cc: Division of Market Oversight

## EXHIBIT A

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

### APPENDIX II EXCHANGE MESSAGING POLICY

#### **Introduction**

The level of computer-generated order-flow on the Exchange has progressively increased since the Exchange's business became fully electronic. In some circumstances, inefficient and excessive messaging can slow the performance of the ETS and increase bandwidth and other operational requirements for Members. In order to address this concern, the Exchange implemented the Exchange Messaging Policy ("the Policy").

The Policy is designed to discourage inefficient and excessive messaging without compromising market liquidity and sets out certain messaging thresholds which it expects Firms with Direct Access not to exceed. Most trading activity for Firms with Direct Access operates well within the thresholds set out in this Policy. The Exchange will levy charges on those Firms with Direct Access whose system usage per Firm as configured on the ETS exceeds certain thresholds.

#### **Scope of Policy**

This Policy applies to such Exchange contracts as shall be designated from time-to-time ("the Designated Contracts"). The initial Designated Contracts are Cocoa, Cotton No. 2<sup>®</sup>, Coffee "C"<sup>®</sup>, Sugar No. 11<sup>®</sup>, the Russell 2000 Index U.S. Dollar Index<sup>®</sup> and the Henry Hub futures contracts. The Policy will apply to those Firms with Direct Access who enter more than the number of messages specified in the chart below ~~100,000 messages~~ in any Designated Contract market on a particular trading day. For the purposes of the Policy, each order submission, revision, hold, cancel/replace and/or consummation constitutes a message.

<b><u>Designated Contracts</u></b>	<b><u>Message Threshold</u></b>
<u>Cocoa Futures</u>	<u>100,000</u>
<u>Cotton No. 2<sup>®</sup> Futures</u>	<u>100,000</u>
<u>Coffee "C"<sup>®</sup> Futures</u>	<u>100,000</u>
<u>Sugar No. 11<sup>®</sup> Futures</u>	<u>100,000</u>
<u>Russell 2000 Index Futures</u>	<u>100,000</u>
<u>U. S. Dollar Index<sup>®</sup> Futures</u>	<u>150,000</u>
<u>Henry Hub Futures</u>	<u>100,000</u>

#### **Weighted Volume Ratio**

The Weighted Volume Ratio ("WVR") is defined as the total number of messages sent to the ETS multiplied by a price-based weighting scale divided by the total number of lots traded. The result is a figure for weighted messages per executed contract.

Each message is weighted as set out below.

	Price-based weighting multiplier		Description
	Outrights	Spreads	
Price difference from best bid or offer			

None (best bid or offer)	0	0	If the price is the best bid or offer, it will not be counted
At market bid or offer	0	0	If the price equals the best bid or best offer, it will not be counted
1 tick off market	0.5	0.25	If the price is within one minimum price fluctuation (“tick”) of the best bid or best offer it will count as one half of a message for an outright market and one quarter of a message for a spread market
2 ticks off market	1.0	0.5	If the price is within two (2) ticks of the best bid or best offer it will count as one (1) message for an outright market and half (0.5) a message for a spread market
3 to 5 ticks off market	2.0	1.0	If the price is between three (3) and five (5) ticks from the best bid or best offer it will count as two (2) messages for an outright market and one (1) message for a spread market
More than 5 ticks off market	3.0	2.0	If the price is more than five (5) ticks from the best bid or best offer it will count as three (3) messages for an outright market and two (2) messages for a spread market

### **WVR Thresholds**

Firms with Direct Access who exceed a WVR of 100:1 in a Designated Contract on a particular trading day will receive an electronic notification.

Firms with Direct Access who exceed a WVR of 100:1 in any Designated Contract or spread market for seven (7) or more electronic trading days in any calendar month will be subject to a one thousand dollar (\$1,000) surcharge for that calendar month.

Firms with Direct Access who meet or exceed a WVR of 500:1 in any Designated Contract or spread market on any electronic trading day will be subject to a two thousand dollar (\$2,000) surcharge per day for every day that the WVR of 500:1 has been met or exceeded.

Firms with Direct Access may obtain information regarding their messaging at the ICE website, [www.theice.com](http://www.theice.com).

Firms with Direct Access who are enrolled in any official Exchange Market Maker Program will be monitored under the guidelines set forth in this Messaging Policy; however, such Market Makers may be exempted from the surcharges listed below with such exemption to be determined on a case-by-case basis according to specific circumstances, which include but are not limited to, the liquidity of the particular market and the volume and number of trades by such Market Maker in the particular market.

### **Restriction or suspension of access**

In addition to the surcharges, the Exchange retains the right to restrict or suspend access to Exchange markets listed on the ETS should the Exchange determine that the message usage associated with any Firm with Direct Access becomes capable of impairing the orderly conduct of business. Such determination will be made by the Exchange in its absolute discretion and may be made at any time and, if necessary, any consequent restriction or suspension may be implemented immediately and without notice.