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BY ELECTRONIC TRANSMISSION

Submission No. 21-149
October 28, 2021

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 Exchange Rule 18.02 - 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, (the "Act") and Commodity Futures Trading Commission ("Commission") Regulation 40.6(a), ICE Futures U.S., Inc. ("IFUS" or "Exchange") self-certifies the amendments to Exchange Rule 18.02, "Obligations of Option Purchaser," set forth in Exhibit A.

The amendments alter the requirements of options purchasers in energy markets to accommodate alternative margining models. The Exchange plans to list new Physical Environmental options contracts which will utilize "futures-style" margining, as opposed to legacy "equity-style" margining. (*See* Exchange Submission Nos. 21-119 through 21-123, 21-146.) The distinction between the two margin regimes being that in equity-style margined options contracts, the buyer of the option is required to pay the premium on the business day after the transaction clears. However, in futures-style margining, the buyer of the option is only required to post initial margin and variation margin, with the total premium due at expiry. The Exchange notes that futures-style margining is commonplace at other designated contract markets and foreign boards of trade and is a common convention in the environmental markets.

Currently, Exchange Rule 18.02 requires that an option buyer pay the full premium of the option purchased on business day following purchase of an option. The amendments provided in Exhibit A remove the requirement that an option purchaser pay the full premium of the option contract on the next business day, which allows for such alternative margining of the new option on futures contracts. The amended Rule will continue to require that the option purchaser pay the premium of the option in accordance with Clearing Organization Rules, in this instance, ICE Clear Europe. Energy contracts that will be margined utilizing the alternative futures-style regime will provide for such margining in such contracts' terms and conditions.

The Exchange is not aware of any opposing views and certifies that the amendments to Exchange Rule 18.02, which will become effective on November 15, 2021, or such other date as the Exchange may determine, which shall be no sooner than 10 business days after receipt of this submission by the Commission, comply with the requirements of the Act and the rules and regulations promulgated thereunder. Specifically, the amendments comply with the following Core Principles, as set forth in the Act:

COMPLIANCE WITH RULES
The amendments pertaining to the obligations of option purchasers are codified in Rule 18.02 and will be enforced by the Exchange, in compliance with Core Principle 2 and CFTC Regulation § 38.150.

AVAILABILITY OF GENERAL INFORMATION
The Exchange is publicly posting the amendments to Rule 18.02, in furtherance of Core Principle 7 and CFTC Regulation § 38.401, to ensure that market participants have updated information related to the obligations of option purchasers.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION
The Exchange's futures and option on futures contracts are not readily subject to manipulation as they are based on established and liquid underlying cash markets, in furtherance of Core Principle 3 and CFTC Regulation § 38.200. In addition, trading of the contracts is monitored by the Market Regulation Department.

FINANCIAL INTEGRITY OF CONTRACTS
In compliance with Core Principle 11 and CFTC Regulation § 38.601, the Exchange's futures and option on futures contracts will continue to be cleared by ICE Clear Europe, a registered derivatives clearing organization subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website, which may be accessed at (https://www.theice.com/futures-us/regulation). If you have any questions or need further information, please contact me at 312-836-6745 or at patrick.swartzer@ice.com.

Sincerely,

Patrick Swartzer
Director
Market Regulation

Enc.

EXHIBIT A

[Additions underscored and deletions struck out]

Rule 18.02 Obligations of Option Purchasers

(a) The Purchaser which clears an Option shall pay in full the Premium to the Clearing Organization [~~on the Business Day following the purchase of an Option~~] in accordance with the Clearing Organization Rules regarding the settlement of Commodity Contracts.

(b) The Purchaser of an Option shall, upon exercising such Option in accordance with the Rules and Clearing Organization Rules, enter into a long position (in the case of a Call Option) or a short position (in the case of a Put Option) in the Underlying Futures Contract deliverable in the Option Contract Period, at the Strike Price specified in such Option ,in accordance with the Clearing Organization Rules; provided, however, that any such contract entered into upon exercise shall be entered into for the account of the Person having purchased the Option.

* * *

[REMAINDER OF RULE UNCHANGED]