



November 15, 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 delivery terms relating to the ICE Futures Europe Permian West Texas Light Crude Oil Futures Contracts (the “ICE WTL Futures Contracts”) and the ICE Endex Austrian VTP Natural Gas Daily Futures Contracts (the “ICE Endex VTP Natural Gas Daily Futures”, and collectively, the “Contracts”). The Contracts will be traded on ICE Futures Europe and ICE Endex respectively and cleared by ICE Clear Europe.

Currently, Section 9 and Part CC set out the delivery specifications and procedures for deliveries under the ICE Futures Europe Permian West Texas Intermediate Crude Oil Futures Contracts (“ICE WTI Contracts”). The proposed amendments would extend Section 9 and Part CC to also apply to the ICE WTL Futures Contracts, on substantially

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.

the same basis as the ICE WTI Contracts. In this regard, the amended procedures would address, with respect to the ICE WTL Futures Contracts, among other matters, delivery options, delivery timetables, the nominations process, invoicing, provision of buyer's and seller's security, delivery tolerances, and relevant documentation. Amended Part CC would make clear that the ICE WTI Contracts and ICE WTL Futures Contracts remain separate contracts and would not be fungible, and that the various delivery documentation for each of the contract types would need to clearly reference the type to which they refer.

The amendments would add a new definition of "Permian WT," which is used to refer to both types of contracts where appropriate in the Delivery Procedures. The definition of "Tariffs" in Part CC would be extended to also include Magellan Tariff R.C.T. 1.3.0 or BridgeTex Tariff F.E.R.C. 6.1.0 in respect of the ICE WTL Futures Contracts. Additional conforming amendments would be made throughout Part CC to incorporate the inclusion of the ICE WTL Futures Contracts.

Currently, Part EE sets out the delivery specifications and procedures for deliveries under the ICE Endex CEGH Austrian VTP Natural Gas Futures ("ICE Endex VTP Natural Gas Futures"). The proposed amendments would extend Part EE to also apply to the ICE Endex VTP Natural Gas Daily Futures, on a similar basis. In this regard, the amended procedures would address, with respect to ICE Endex VTP Natural Gas Daily Futures, among other matters, trade nominations, the delivery process, delivery timetables, Clearing House liability, nominations process, invoicing, provision of buyer's and seller's security, delivery failures and relevant documentation. Separate delivery timetables (both for routine and failed deliveries) would be added for the ICE Index VTP Natural Gas Daily Futures, which would address in further detail the timing of the nominations process and the provision of buyer's and seller's security, among other matters. A new documentation summary would also be added for the ICE Endex VTP Natural Gas Daily Futures. The amendments would also add a new definition for "ICE Endex VTP Natural Gas Daily Futures" and amend the defined term, "ICE Endex VTP Natural Gas," to "ICE Endex VTP Natural Gas Futures". Additional conforming amendments would be made throughout Part EE to incorporate the inclusion of the ICE Endex VTP Natural Gas Daily Futures, as well as to make certain typographical and similar corrections.

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 respectively by the ICE Futures Europe and ICE Endex. 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. 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