



December 15, 2017

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

Re: Self-Certification Pursuant to Commission Rule 40.6 – Clearing Procedure Changes

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe”), 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 Clearing Procedures (the “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

The purpose of the proposed amendments is to modify certain provisions of the Procedures applicable to the exercise of option contracts in order to align the Procedures with recent changes to ICE Futures Europe (the “Exchange” or “IFEU”) rules for certain energy option contracts (the “Affected Contracts”).²

The amendments to the Procedures principally address the following matters:

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

² These contracts include ICE Futures West Texas Intermediate Light Sweet Crude Oil Options Contract; ICE Futures West Texas Intermediate Light Sweet Crude Oil (CAD Denominated) Options Contract; ICE Futures West Texas Intermediate Light Sweet Crude Oil Weekly Options Contract; ICE Futures New York Harbour Heating Oil Options Contract; and ICE Futures New York Harbour Unleaded Gasoline Blendstock (RBOB) Options Contract.

Exercise of At-The-Money Options

The Procedures are being revised to contemplate automatic exercise of call options that are at-the-money on the expiration date, where the relevant Exchange contract specifications so provide.

Exercise Instructions on the Expiration Date

The Procedures are also being revised to contemplate that some options cannot be electively (as opposed to automatically) exercised or abandoned on the expiration date, where the relevant Exchange contract specifications so provide.

Both sets of changes are intended to be consistent with the revised contract specifications for the Affected Contracts, which will feature automatic exercise of at-the-money call options and limitations on elective exercise on the expiration date.

The amendments to the Procedures also contain various other updates and clarifications to option exercise procedures. The specified changes being made to the Procedures are as follows:

In paragraph 5.1, a definition of ‘At The Money’ has been added.

Several provisions have been updated to change terminology from “manual exercise” to “elective exercise” and clarify that elective exercise instructions or other notices may be submitted electronically in accordance with relevant technical specifications in effect (including via API) as well as manually via the ICE systems. These include paragraphs 5.2(b)(i), 5.3(a), 5.3(b), 5.4(a), 5.4(b) and 5.5(c).

Paragraph 5.2(c) has been revised to provide that the default settings to be applied for purpose of automatic exercise will be specified in the contract terms of the Exchange.

In paragraph 5.3(b), a clarification has been made that that this section refers to early exercise only.

In paragraph 5.5(b), amendments have been made to reflect that Exchange contract terms may state that automatic exercise will apply to at-the-money options, as discussed above.

In paragraph 5.5(d), an unnecessary statement concerning consequences of failure to contact the clearing house regarding exercise difficulties has been removed.

In paragraph 5.6, text has been added to include the determination of whether options are at and out of the money. Examples in paragraph 5.6(b) have been removed as unnecessary and outdated in light of the current changes.

Paragraph 5.7(a) has been amended to provide that the Exchange contract terms for a particular option will determine whether elective exercise and/or abandon notifications can be submitted on the relevant expiry date, as discussed above.

In paragraph 5.7(b), minor changes have been made to improve and correct wording and report names.

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.* As set forth above, the amendments revise the terms of exercise procedures in order to be consistent with changes made to the contract specifications for the Affected Contracts, as determined by the exchange. These changes will facilitate ICE Clear Europe's ability to continue clearing of such contracts. As a result, ICE Clear Europe believes that the amendments comply with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As set forth above, the amendments revise the exercise procedures to permit automatic exercise of at-the-money options and limitations on elective exercise instructions on expiry day, where provided in the exchange contract specifications. The amendments will not otherwise change the procedures for settlement of options into the underlying future, and in ICE Clear Europe's view the amended Procedures remain consistent with the requirements of Core Principle E and CFTC Rule 39.14.

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

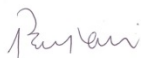
ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission's regulations thereunder.

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 patrick.davis@theice.com or +44 20 7065 7738 or Dee Blake, Director of Regulation, at dee.blake@theice.com or +44 20 7065 7752.

Very truly yours,



Patrick Davis
Head of Legal and Company Secretary