



December 23, 2021

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 Procedures 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, amendments to its Delivery Procedures (the “Delivery Procedures” or “Procedures”)¹ discussed herein. The amendments will 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 a new Part HH thereto (“Part HH”) to address new ICE Endex French PEG Natural Gas Futures and ICE Endex French PEG Natural Gas Daily Futures (each a “Contract” and together the “Contracts”), natural gas futures contracts that will be traded on ICE Endex and cleared by ICE Clear Europe, as well as make certain conforming changes elsewhere in the

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

Delivery Procedures. The amended Delivery Procedures will provide the delivery specifications and processes related to delivery under the Contracts.

Delivery under the Contracts will be settled by the transfer of rights to Natural Gas at the PEG (the title transfer point in the Transmission System where the Licensed Shipper will exchange daily quantities of energy with other shippers or with one of the operators of the Transmission System in France) from a Transferor nominated by the Seller to the Clearing House and the from the Clearing House to a Transferee nominated by the Buyer. The amendments provide that the Clearing Members grant authority to ICE Clear Europe to make Trade Nominations on their behalf in connection with deliveries under Contracts. Clearing Members will not be required to send Trade Nominations themselves. Clearing Members also acknowledge that GRTgaz (one of the operators of the Transmission System in France) may take into consideration the Trade Nominations made by the Clearing House, and ignore Trade Nominations sent by Buyers, Sellers, Transferors and Transferees.

The amendments further specify certain details of the delivery process for the Contracts including denominations of relevant quantity, settlement price, relevant time zones, timing of cessation of trading and certain requirements for exchange of futures for physical and swap transactions under exchange rules.

The amendments also address the responsibilities of the Clearing House and relevant parties for delivery under Contracts, as well as certain limitations of liability for the Clearing House. Specifically, the Clearing House will not be responsible for the performance or non-performance of GRTgaz, including of its obligations under the GRTgaz Rules. Additionally, neither the Buyer, Seller nor their Transferees or Transferors will have any claim against the Clearing House for any loss, damage, cost or expense incurred as a result of (i) any actions taken by the Clearing House pursuant to the GRTgaz Rules, or (ii) technical issues, technical measures, authorisations, limitations, prohibitions, or failures imposed on, the condition or operation of, or the performance or non-performance of the Transmission System, GRTgaz and the TRANS@actions Platform ties except as expressly provided in the ICE Endex Rules. Each of the Buyer, Seller and their Transferees or Transferors will be required to accept any consequences arising from Trade Nominations made by the Clearing House pursuant to Part HH.

The amendments provide details related to delivery contact security, which is the delivery margin to be provided by Buyer and Seller, and which take into account the possibility of costs or charges arising from the balancing regime under the GRTgaz Rules. The Clearing House will be permitted to alter the calculation of each of the Buyer's Security and the Seller's Security at any time or make adjustments in respect of a specific Seller or Buyer.

The amendments include delivery timetables with detailed timeframes and descriptions of the delivery processes for delivery under Contracts, and such timetables detail, among other processes, the time for cessation of trading, provision of Buyer's and Seller's Security, submission of delivery intentions, confirmations of intent to deliver or receive, nominations of parties to delivery or receive, delivery confirmations, invoicing, release of delivery margin and sales proceeds following completion of

delivery, and other matters. The amendments also include delivery tables with detailed times and processes relating to failed delivery under Contracts. In respect of invoicing, the amendments detail how amounts included in invoices prepared by the Clearing House will be calculated for confirmed deliveries and failed deliveries of each Contract.

In addition, the amendments detail the reports produced by the Clearing House in respect of each Contract and made available to Buyers and Sellers electronically.

The amendments also update Section 5.1 of the Delivery Procedures to include ICE Endex French PEG Natural Gas Futures Contracts and ICE Endex French PEG Natural Gas Daily Futures Contracts in the list of contracts under which, subject to delivery obligations, sellers and buyers can nominate transferors and transferees.

Compliance with the Act and CFTC Regulations

The amendments to the Delivery Procedures are potentially relevant to the following core principles: (C) Product Eligibility and (E) Settlement Procedures, and the applicable regulations of the Commission thereunder.

- *Product Eligibility.* ICE Clear Europe is adopting a new Part of its Delivery Procedures to facilitate clearing of the Contracts, which will be listed on ICE Endex and cleared by the Clearing House. The amendments set out delivery specifications for the Contracts as set forth herein. ICE Clear Europe believes that the Contracts are similar to other natural gas futures contracts currently cleared by the Clearing House, and therefore that its existing financial resources, risk management, systems and operational arrangements are sufficient to support clearing of the Contracts (and to address physical delivery under the Contracts) and to manage the risks associated with the Contracts. As such, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As discussed above, the amendments establish a new set of procedures applicable to the delivery and settlement of ICE Endex French PEG Natural Gas Futures Contracts and ICE Endex French PEG Natural Gas Daily Futures Contracts. The procedures address, among other matters, delivery specifications for such contracts, the obligations and roles of Clearing Members and the Clearing House, certain limitations of liability for the Clearing House, and certain other documentation and timing matters, consistent with the requirements of the Clearing House. Clearance of the Contracts will otherwise be supported by ICE Clear Europe's existing financial resources, risk management, systems and operational arrangements. The amendments thus appropriately clarify the role and responsibilities of the Clearing House and Clearing Members with respect to physical delivery. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle E and Commission Rule 39.14.

As set forth herein, the amendments consist of the amendments 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 received no substantive opposing views in relation to the proposed 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 George.milton@theice.com or +44 20 7429 4564.

Very truly yours,



George Milton
Head of Regulation & Compliance