



November 28, 2024

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 Rule 40.6 –
Part KK of Delivery Procedures

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 ICE Clear Europe’s Delivery Procedures (the “Procedures”)¹ to include a new Part KK which will apply to ICE Endex Guarantees of Origin Futures Contracts (the “Contracts”), which will be listed by the ICE Endex exchange. 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 amendments will add to the Procedures a new Part KK, which will apply to ICE Endex Guarantees of Origin Futures Contracts which are to be physically settled through the Clearing House’s account with the relevant registry. Specifically, Part KK will apply to all ICE Endex Guarantees of Origin Futures Contracts for which physical delivery is specified as applicable in the product specifications, which go to physical delivery on their expiry date, and for which the Clearing House has specified that these procedures apply.

Part KK will include defined terms relevant to delivery under the Contracts, such as “Deliverable,” “Registry,” “Registry Account,” and “Registry Account of the Clearing House.” Part KK addresses the procedure for effecting delivery under the Contracts, through transfer of the relevant deliverables from the account of the seller to the account of the Clearing House, and from the account of the Clearing House to the account of the buyer, during the applicable delivery period under the product specifications under exchange rules.

In addition, Part KK will set out relevant details of the delivery process, including as to treatment of nonconforming deliverables and rejection of delivery, quantity, settlement price and timing of cessation of trading in the Contract, in accordance with the product

¹ Capitalized terms used but not defined herein have the meanings specified in the Procedures.



specifications under exchange rules. The procedures will also address arrangement of Exchanges for Exchange for Swaps (EFSs).

The Part KK will also include a liability section which, in addition to the Rules and Procedures generally, address the responsibilities of the Clearing House and relevant parties relating to delivery under the Contracts, as well as certain limitations on liability for the Clearing House and the exchange (including in respect of specified actions or failures by the relevant registry or its operator or any noncompliance by buyers or sellers with the requirements of the registry, as well for any invalidity of a deliverable for purposes of meeting any compliance requirements under applicable law).

Park KK will address the timing and amount of delivery margin to be called from the applicable seller and of the payment of the contract value from the buyer. The amendments also include detailed delivery timetables and descriptions of the operational processes for delivery. These include the procedures relating to the use of the relevant registry and required confirmations of delivery positions. Park KK also sets out required timings for payments and deliveries by the relevant parties during the period commencing on the last trading day of the Contract through the designated delivery day.

Lastly, Park KK will authorize the use of Alternative Delivery Procedures (ADP) in the event of a transfer failure relating to an ICE Endex Guarantees of Origin Contract. The purpose of an ADP in this context is to afford flexibility to the Clearing Members to resolve such failures where delivery is possible but not on the prescribed timetable. The procedures provide for the indemnification of the Clearing House in the context of an ADP. If an ADP Agreement has not been entered into or delivery is not effected under the ADP within a reasonable period, then the Clearing House may refer the matter to ICE Endex for further action, without limiting other remedies of the Clearing House.

Compliance with the Act and CFTC Regulations

The amendments to the Procedures are potentially relevant to the following core principle: (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 KK of the Delivery Procedures to facilitate clearing of the Contracts, which will be listed by ICE Endex and cleared by the Clearing House. The amendments set out delivery specifications for the Contracts, as discussed herein. The Contracts are similar to other environmental asset futures contracts currently cleared by the Clearing House. ICE Clear Europe believes 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 related thereto. As such, ICE believes the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).

- *Settlement Procedures.* As described above, the amendments to the Procedures will be updated to include a new Part KK with respect to ICE Endex Guarantees of Origin Futures Contracts, which will be listed by the ICE Endex exchange. New Part KK will address delivery specifications, the role of the relevant registry, procedures for transferring deliverables and the delivery timetable, payment and delivery margin and relevant delivery notice requirements. Additionally, the procedures will address the rights and obligations of the Clearing House and Clearing Members in the context of delivery under these contracts. As such, Part KK will facilitate the management of the risks of the delivery under the Contracts for the Clearing House. As a result, ICE Clear Europe believes these 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 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 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@ice.com or +44 20 7429 4564.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'G. Milton'.

George Milton

Head of Regulation & Compliance