



BY ELECTRONIC TRANSMISSION

Submission No. 14-121
November 12, 2014

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 Rule 16.04 –
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, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) hereby notifies the Commission of amendments to Rule 16.04 specified in Exhibit A, which the Exchange is implementing by self-certification. The amendments eliminate the use of directives to pay (“DTPs”) in connection with physical delivery under certain Exchange cross-rate contracts, as described below.

The forint and the koruna are not CLS currencies and therefore physical delivery of Exchange futures contracts based on these currencies cannot be made through CLS Bank. Under the current Rule in place for contracts that include these currencies, clearing members are able to choose to either use DTPs (which are essentially promises today to deliver a particular amount of currency tomorrow), or to deposit the appropriate amount of the relevant currency into the ICE Clear U.S. settlement bank on the day prior to the delivery date for the expiring contract. DTPs were originally used to facilitate delivery of all of the Exchange’s currency pair futures contracts but have been replaced by use of the CLS system for nearly all of the pairs. The primary settlement bank used by ICE Clear U.S. has indicated the intention to cease supporting DTPs. Accordingly, the Exchange has determined to eliminate the use of DTPs for the delivery of these non-CLS currencies, and has amended Rule 16.04 to that end. The amendments will become effective with the March 2015 contract expiration, which has a last trading day of March 16 and a settlement date of March 18, 2015.

The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. Specifically, the amendments comply with Core Principle 3 (Contracts Not Readily Subject to Manipulation) and Appendix C to Part 38 of the Regulations under the Act, by specifying appropriately detailed delivery procedures that describe the responsibilities of deliverers and receivers and any required third parties in carrying out the delivery.

The Exchange is not aware of any substantive opposing views expressed by members or others with respect to the amendments and certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and may be accessed at (<https://www.theice.com/notices/RegulatoryFilings.shtml>).

If you have any questions or need further information, please contact the undersigned at 212-748-4083 or Audrey.hirschfeld@theice.com.

Sincerely,

A handwritten signature in blue ink that reads "Audrey R. Hirschfeld". The signature is written in a cursive style with a large, looped "D" at the end.

Audrey R. Hirschfeld
SVP and General Counsel

cc: Division of Market Oversight

EXHIBIT A

Rule 16.04. Delivery Procedures

* * * * *

(g) *Delivery of Non-CLS Delivered Currency Futures Contracts (Euro-Forint, Euro-Koruna, Dollar-Forint and Dollar-Koruna Currency Futures Contracts)*

(i) Holders of long euro-forint, euro-koruna, dollar-forint and dollar-koruna Currency Futures Contracts shall receive delivery of the base currency and shall pay the quoted currency equivalent.

It is the responsibility of the Clearing Member having a long delivery Position to transfer the correct total amount of quoted currency funds into the account of the Clearing Organization at the delivery bank designated by the Exchange and to provide complete information for the timely transfer of the base currency into the long Clearing Member's account as specified in the procedure below:

(A) In order for a Clearing Member with a long futures Position to accept delivery for himself or for Customers it represents, it shall, no later than noon on the Last Trading Day, present long Clearing Member's Delivery Commitments ("Delivery Commitments") to the Clearing Organization. The Clearing Member shall include the following in each Commitment:

(1) the name of the Exchange specified delivery bank* ;

(2) the Clearing Organization's account number at the delivery bank in which it will deliver the quoted currency funds for each outstanding long Currency Futures Contract; and

(3) the Clearing Member shall include on each Delivery Commitment presented to the Clearing Organization the name of a bank along with the account number at such bank, at which it will receive delivery of the unit of trading for each outstanding long contract.

If such Delivery Commitments are received later than noon but not later than 3:30 p.m. on the Last Trading Day, the Clearing Member may be subject to disciplinary action. A Clearing Member which submits a Delivery Commitment subsequent to 3:30 p.m. on the Last Trading Day or fails to submit a Delivery Commitment shall be deemed to being default and subject to Rule 16.05.

(B) The following is the procedure for holders of long dollar-koruna and dollar-forint Currency Futures Contracts while taking delivery of such contracts:

* A list of Exchange Approved Delivery Banks may be accessed at the following link:
https://www.theice.com/publicdocs/clear_us/FINEX_Delivery_Package_for_CMs.pdf.

By 10:00 a.m. local time in the country of the base currency on the Delivery Day specified in paragraph (b) above, the Clearing Member shall deposit the quoted currency in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advices from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on this day.

The amount of the quoted currency deposit shall equal the value of all the long outstanding Currency Futures Contracts based on the Settlement Price on the Last Trading Day. Deposit of the quoted currency shall be made as an international bank wire transfer of immediately available funds.

(C) The following is the procedure for holders of long euro-koruna and euro-forint Currency Futures Contracts while undertaking delivery of such contracts.

~~[By 9:00 am New York Time on the base currency business day immediately preceding the Delivery Day, the long Clearing Member shall cause its bank to submit to the delivery bank a directive to pay by SWIFT message, telex, or other format acceptable to the delivery bank for the payment of the quoted currency sufficient to pay for the delivery of the outstanding base currency of the Currency Futures Contract or, in the alternative, by 10:00 Greenwich Mean Time on the Business Day immediately preceding the Delivery Day, deposit the amount of the quoted currency into the account of the Clearing Organization at the delivery bank. The directive to pay shall include the following:~~

- ~~(1) Clearing Member's name;~~
- ~~(2) the name and address of the bank which will transfer the quoted currency into the account of the Clearing Organization;~~
- ~~(3) the name, number and location of the Clearing Organization account to which the quoted currency will be transferred;~~
- ~~(4) the amount of quoted currency to be transferred into the Clearing Organization's account; and~~
- ~~(5) the Delivery Day which is specified in paragraph (b) above.~~

~~If a Clearing Member submits a quoted currency directive to pay, then by 10:00 am quoted currency local time on the Delivery Day specified in paragraph (b) above, the Clearing Member shall deposit the quoted currency in an amount sufficient to cover the number of Currency Futures Contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advices from the remitting bank or from its correspondent must be received by the delivery bank no later than 10:00 am quoted currency local time, whichever is applicable.~~

~~If a Clearing Member does not submit a quoted currency directive to pay, t] The Clearing Member shall deposit into the account of the Clearing Organization at the delivery bank designated by the Exchange an amount of the quoted currency that is sufficient to pay for the delivery of the base currency on all outstanding euro-forint and euro-koruna Currency Futures Contracts and that is for value on the Business Day immediately preceding Delivery Day. All payment advices from the remitting bank or its correspondent must be received by the delivery bank no later than 12:00 pm quoted currency time on the base currency business day immediately preceding Delivery Day.~~

The amount of [~~the directive to pay or the amount of~~] the quoted currency deposit shall equal the value of all of the outstanding long euro-forint and euro-koruna Currency Futures Contracts based on the Settlement Price on the Last Trading Day.

Deposit of the quoted currency shall be made as an international bank wire transfer of immediately available funds.

(D) For all euro-forint, euro-koruna, dollar-forint and dollar koruna Currency Futures Contracts, it is the responsibility of the owner of the long Position and the Clearing Member carrying such Position to be familiar, and in conformance, with all the regulations pertaining to the holding of non-resident bank accounts in the country of the bank in which delivery of the base currency will be accepted for each outstanding long Currency Futures Contract.

(ii) Holders of short euro-forint, euro-koruna, dollar-forint and dollar koruna Currency Futures Contracts shall make delivery of the base currency and shall receive payment in the appropriate quoted currency.

The short Clearing Member is responsible for assuring the timely delivery of the base currency into the appropriate Clearing Organization account at the Exchange approved delivery bank and to provide complete information for the timely transfer of appropriate quoted currency into the short Clearing Member's account as specified by the procedure below:

(A) A Clearing Member with a short futures Position in order to make delivery for itself or for a Customer it represents shall, no later than noon on the Last Trading Day, present to the Clearing Organization short Clearing Member's Delivery Commitments. The Clearing Member shall include in each Delivery Commitment:

(1) the name of the Exchange specified delivery bank *;

(2) the Clearing Organization's account number at the delivery bank in which it will deliver the base currency for each outstanding short Currency Futures Contract; and

(3) the name and address of the Exchange approved quoted currency transfer bank **) to which the appropriate quoted currency payment should be sent along with the name of the account and the account number to which the quoted currency payment should be credited.

If such Delivery Commitment is received later than noon on the Last Trading Day, but not later than 3:30 p.m. on the same day, the Clearing Member may be subject to disciplinary action. A Clearing Member which submits a Delivery Commitment subsequent to 3:30 p.m. on the Last Trading Day or fails to submit a Delivery Commitment shall be deemed to be in default and subject to Rule 16.05.

(B) The following is the procedure for holders of short euro-koruna, euro-forint, dollar-koruna and dollar-forint Currency Futures Contracts while taking delivery of such contracts:

* A list of Exchange Approved Delivery Banks may be accessed at the following link:
https://www.theice.com/publicdocs/clear_us/FINEX_Delivery_Package_for_CMs.pdf

** A list of Exchange Approved Currency Transfer Banks may be accessed at the following link:
https://www.theice.com/publicdocs/clear_us/FINEX_Delivery_Package_for_CMs.pdf

~~[By 9:00 a.m. New York Time on the base currency business day immediately preceding Delivery Day, the Clearing Member shall cause its bank to send to the delivery bank specified by the Exchange a directive to pay by SWIFT message, tested telex or other format acceptable to the delivery bank or, in the alternative, by 10:00 am base currency local time, deposit the amount of the base currency into the account of the Clearing Organization at the delivery bank. The directive to pay shall include the following:~~

- ~~(1) Clearing Member's name,~~
- ~~(2) the name and address of the bank which will transfer the base currency into the account of the Clearing Organization;~~
- ~~(3) the name, number and location of the Clearing Organization account to which the base currency will be transferred;~~
- ~~(4) the amount of the base currency to be delivered into the Clearing Organization's account, and~~
- ~~(5) the Delivery Day which is specified in paragraph (b) above.~~

~~If a Clearing Member submits a base currency directive to pay, then by 10:00 a.m. local time on the Delivery Day specified in paragraph (b) above, the Clearing Member shall deposit the base currency in an amount sufficient to cover the number of contracts for which delivery is being made into the account of the Clearing Organization at the delivery bank. All payment advices from the remitting bank or its correspondent must be received by the delivery bank no later than 10:00 a.m. local time on this day.~~

~~If a Clearing Member does not submit a base currency directive to pay, t]~~ The Clearing Member shall deposit into the account of the Clearing Organization at the delivery bank designated by the Exchange, an amount of the base currency that is sufficient to cover the number of contracts for which delivery is being made and that is for value on the Business Day immediately preceding Delivery Day. All payment advices from the remitting bank or its correspondent must be received by the delivery bank no later than 12:00 p.m. base currency local time on the Business Day immediately preceding Delivery Day.

The amount of the ~~[directive to pay or the amount of the]~~ base currency deposit shall equal the unit of trading for each outstanding short Currency Futures Contract. Deposit of the base currency shall be made in the form of an international bank wire transfer of immediately available funds.

(C) For all Currency Futures Contracts, it is the responsibility of the owner of the short Position and the Clearing Member carrying such Position to be familiar, and in conformance, with all the regulations pertaining to the holding of non-resident bank accounts in the country of the bank in which payment of the appropriate quoted currency will be accepted for each outstanding short Currency Futures Contract.

(iii) Notwithstanding any provision of this Rule to the contrary, the Long Clearing Member and the Short Clearing Member may enter into a mutually acceptable written agreement to physically deliver or financially settle the delivery obligation under conditions other than those stipulated in the Rules. A delivery so made shall be considered complete upon written notification of such agreement by the Long Clearing Member and the Short Clearing Member to the Clearing Organization. The making of any such agreement shall relieve the Clearing Organization of any further obligations with respect to any Exchange Contract

involved, and the Long Clearing Member and the Short Clearing Member shall indemnify the Exchange and the Clearing Organization against any liability, cost or expense either may incur for any reason as a result of the execution, delivery or performance of any such contract or such agreement, or any breach thereof or default thereunder.

(h) *Costs of Delivery*

The seller (short) shall bear the costs of transferring the base currency into the delivery bank specified by the Exchange and the costs of transferring the quoted currency out of the delivery bank. The buyer (long) shall bear the costs of transferring the base currency out of the delivery bank specified by the Exchange and the costs of transferring the quoted currency into the delivery bank. Such costs may include, but are not limited to, wire transfer charges, CLS charges, [~~directives to pay charges,~~] SWIFT message charges, interest charges and transaction fees.