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BY ELECTRONIC TRANSMISSION

Submission No. 21-51
June 29, 2021

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: Amendment to ICE Futures U.S. Rules 12.02 (Daily Price Limits - Canola) Submission Pursuant to Section 5c(C)(1) of the Act and Regulation 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and Commodity Futures Trading Commission ("Commission") Regulation 40.6(a), ICE Futures U.S., Inc. ("IFUS" or "Exchange") hereby self-certifies the amendments to Exchange Rules 12.02, set forth in Exhibit A. As described below, the amendments provide a new Daily Price Limit ("DPL") structure for the Exchange's Canola Futures Contract.

The Exchange's Canola Futures Contract is currently subject to a static DPL structure. Specifically, IFUS Rule 12.02 provides that canola cannot exceed the settlement price from the prior Business Day by an amount higher or lower than $30 CAD per metric tonne ("MT"), which can expand to $45 CAD/MT and then $60 CAD/MT if a sufficient number of contract months settle at the limit. In addition, the DPL currently applies to expiring futures contract months until the Last Trading Day - which means the DPL is in effect for most of the delivery period for the contract and can potentially impede convergence with the cash market.

Rule 12.02 is being amended to: (1) institute a new DPL structure that is calculated and reset semi-annually as a percentage of the prevailing futures market price; and (2) provide that the DPL will no longer apply to an expiring contract starting on the last trading day prior to the first notice day of the contract. The amendment replaces the current, static DPL, with:

(1) a Regular DPL that resets twice each calendar year, with an effective reset date on the first trading day of May and November. The DPL will be set at a level calculated as 7% of the average settlement price of the front July or January futures contract over the previous 45 trading days prior to the effective reset date, rounded to the nearest $5.00 per tonne increment; and

(2) a single Expanded DPL equal to 150% of the Regular DPL (rounded up to the nearest $5.00 per tonne increment) that goes into effect on the business day after any day on which at least two expiry months (or the nearby July future when it is the first listed contract month) settle at the Regular DPL and remains in effect until the business day after no expiry month settles at the Expanded DPL.

The new DPL structure is designed to better reflect market prices and limit the potential for market disruption at any point in time, as the current Regular and Expanded price limit levels (i.e. the $30, $45 and $60 levels) do not change when the price of canola increases or decreases substantially. In the current structure, the DPL remains the same whether the price of canola futures is trading at $300 CAD/MT or $1,000 CAD/MT. As a result, the DPL may be too restrictive at one price extreme, or not restrictive enough at the other. For example, if canola futures are trading at $300 CAD/MT, the current Regular DPL represents 10% of the price. However, if canola futures are trading at $1,000 CAD/MT, the current Regular DPL only represents 3% of the price. The new, variable DPL structure also simplifies the price limit regime by establishing appropriate base and expanded limits, thereby eliminating the need for a three-tiered structure.

The Exchange believes that the new DPL structure better balances the competing interests of allowing open price discovery while preventing market disruptions. In the new DPL structure, if canola futures trade at an average price of $300 CAD/MT during the 45-day period, the Regular DPL will be $20. If canola futures are trading at an average of $1,000 CAD/MT, the Regular DPL will be $70. The Exchange believes this structure will help ensure that the DPL remains at a level which avoids or limits market disruptions without unduly interfering with the price discovery function of the canola futures market. The new DPL structure also significantly reduces the likelihood that the Exchange would need to take emergency action to increase the DPL in times of extreme volatility. The Exchange decided to use July contract as a benchmark for the DPL because it is the last expiry of the canola crop year and historically has been the most volatile. The DPL reset is benchmarked to the January contract because it is the most actively traded expiry during the six-month window after the DPL calculation period for the July contract.

Furthermore, the Exchange believes that ending the DPL prior to the start of the Notice Period for an expiring contract is appropriate to ensure that a holder of a long or short position going into the Notice Period of the expiring contract is able to trade out of such position without the risk that the contract gets locked at the limit price, forcing the trader to either carry the position in the Notice Period (and be subject to receiving a Notice if the position is a long one) or exit the position via a spread. Removing the DPL prior to the notice period also allows for a more gradual progression towards convergence should there be significant difference between cash and futures prices.

The IFUS Canola Committee voted unanimously to recommend the adoption of the new DPL structure with immediate implementation. As such, the Exchange will make the amendments effective on July 15, 2021. When instituted, the Regular and Expanded DPL levels will be $50 and $75 CAD/MT[1], respectively, and the DPL will not be in effect for the July 2021 expiration month.

The Exchange certifies that amendments to Rules 12.02 comply with the requirements of the Act and the rules and regulations promulgated thereunder. Specifically, the amendments comply with the following core principles:

Core Principle 4 (Prevention of Market Disruptions)
The Exchange believes that the amendments to Rules 12.02 are consistent with Core Principle 4 and Commission Regulation 38.255. As stated above, the new canola DPL structure is designed to

[1] The average price for canola from the period of February 10, 2021 through April 15, 2021 was $723.40.

be more reflective and representative of market prices at any point in time. The Exchange believes this process and the regular and expanded percentages will be set at levels which avoid market disruptions without unduly interfering with the price discovery function of the canola futures market.

Core Principle 3 (Contracts not Readily Subject to Manipulation)
The Exchange also believes that the amendments further the goal of Core Principle 3. The new DPL structure will remove pricing restrictions during the notice period. The will ensure that the holders of long or short position going into the Notice Period of the expiring contract are able to trade out of such positions without the risk that the contract gets locked at the limit price, forcing the traders to either carry the positions in the Notice Period (and be subject to receiving a Notice if the position is a long one) or exit the positions via a spread. In turn, this helps ensure good delivery, price convergence and proper functioning of the physically settled contract.

Core Principle 1 (Compliance with Rules)
The Exchange will continue to establish, monitor, and enforce compliance with all rules and procedures, including amended Rules 12.02.

Core Principle 7 (Availability of information)
This submission and the amended Rule will be posted on the Exchange's Website.

The Exchange is not aware of any other opposing views with regard to the amendments to Rule 12.02 and further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website at https://www.theice.com/futures-us/regulation#rule-filings

If you have any questions or need further information, please contact me at 212-748-4021 or at jason.fusco@theice.com.

Sincerely,

Jason V. Fusco
Assistant General Counsel
Market Regulation

Enc.

EXHIBIT A

(in the text of the amendments below, additions are underscored and deletions are bracketed and lined through.)

12.02 Trading Specifications

a. Trading Unit

Prices shall be quoted per metric tonne of canola

b. Price Increments

The minimum price fluctuation shall be ten cents ($0.10) per metric tonne.

c. Daily Price Limits

Trading in canola futures contracts is prohibited during any Business Day at prices which exceed the settlement price of the previous Business Day by an amount higher or lower than the Regular or Expanded Daily Limit Amount.

(1) Regular Daily Price Limits

****Daily Price Limit through October 29, 2021****
The Regular Daily Price Limit, calculated in accordance with paragraph (c)(1)(i)(a) of this Rule, shall be $50 dollars per metric tonne and shall be in effect from July 15, 2021 through October29, 2021. Thereafter, the Daily Price Limit shall be calculated in accordance with paragraph (c)(1)(i) as provided below (beginning with the second reset on November 1, 2021).

(i) [~~Trading in canola futures contracts is prohibited during any Business Day at prices which exceed the settlement price of the previous Business Day by an amount higher or lower than Thirty dollars ($30.00) per metric tonne.~~] Regular Daily Price Limit shall be reset every six months and determined as follows:

(a) The first reset of the calendar year shall be effective with the start of trading on the first trading day in May, and the new Regular Daily Price Limit shall be calculated as 7% of the average of the daily settlement price of the nearest July contract over the 45 consecutive trading day period ending on the business day prior to April 16th, rounded to the nearest $5.00 per metric tonne.

(b) The second reset of the calendar year shall be effective with the start of trading on the first trading day in November, and the new Regular Daily Price Limit shall be calculated as 7% of the average of the daily settlement price of the nearest January contract over the 45 consecutive trading day period ending on the business day prior to October 16th, rounded to the nearest $5.00 per metric tonne.

(ii) Provided that [~~in the case of trading in a contract that is eligible for delivery in that month,~~] there shall be no daily limit on price movement in an expiring futures contract month commencing on the Exchange Business Day prior to the First Notice Day of that expiring futures contract month [~~on the Last Trading Day~~].

(iii) Provided further, that under certain market conditions, system-priced legs of spread or Trade at Settlement ("TAS") trades may be priced outside the aforementioned Daily Limits.

(2) Expanded Daily Price Limits

(i) If the settlement price of any two (2) of the front five contract months subject to a daily price limit in the canola futures contract, or the nearby July futures contract when it is the first listed contract subject to a daily price limit, is at the Regular Daily Limits, the limits shall be expanded on the following day to [~~Forty-Five dollars ($45.00)~~] an amount equal to 150% of the Regular Price Limit rounded up to the nearest $5.00 per metric tonne.

~~(ii)~~ If, while the daily limits are expanded [~~to Forty-Five dollars ($45.00) per metric tonne, the settlement price of any two (2) contract months in the canola futures contract is at the expanded daily limit, the daily limits shall be further expanded on the following day to Sixty dollars ($60.00) per metric tonne.~~

(iii) ~~If the daily limits are expanded to either Forty-Five dollars ($45.00) or Sixty dollars ($60.00)~~] and no contract month settles at the expanded daily limit that day, the daily limits shall move to the [~~next-lowest~~] Regular Daily Limit level the following day.