



Submission No. 20-76  
September 3, 2020

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

**Re: New Fuel Oil Crack - Marine Fuel 0.5% FOB USGC Barges (Platts) vs Brent Crude 1st Line Future and Related Amendments**  
**Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2**

Dear Mr. Kirkpatrick:

Pursuant to Commission Regulations 40.2, ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, new Rule 19.B.15, and amendments to Resolutions 1 and 2 of Chapter 19. The new rules and amendments provide for one new futures contract, which will be listed on or about September 21, 2020, or such other date as the Exchange shall determine which shall be no sooner than the second business day following the business day on which this submission is received by the Commission.

**Oil Americas Futures Contract**

a. Fuel Oil Crack - Marine Fuel 0.5% FOB USGC Barges (Platts) vs Brent Crude 1st Line Future

The Exchange is listing one monthly cash settled future based on the Platts daily assessment price of the US Gulf Coast Marine Fuel 0.5% barges and the ICE settlement price for Brent 1<sup>st</sup> Line Future traded on ICE Futures Europe. Generally, each futures contract will reflect the market premium (or, discount) between low sulfur marine fuels containing a maximum sulfur limit of 0.5% located in the US Gulf Coast (“USGC”) and the price of crude oil, reflecting the refining margin associated with transforming crude oil into low sulfur marine fuel. The contract size is 1,000 barrels, consistent with other Oil Americas contracts listed on the Exchange. The contract will cease trading on the last trading day of the contract month and will settle to the difference between the average of the “\$/barrel” quotations appearing in the “Platts US Marketscan” under the heading “Marine Fuel” for “0.5% FOB US Gulf Coast barge” and the average of the settlement prices as made public by ICE for the front month Brent Future for each business day in the determination period.

The contract size, minimum price fluctuation, Interval Price Limits (IPLs) and IPL recalculation times, No-Cancellation Ranges (NCRs), spot month position limits and single and all month accountability levels are provided in relevant documents attached as Exhibit A. All relevant terms of the contract are similar to other Oil Americas contracts listed by the Exchange. The listing cycle and other relevant specifications are provided in the contract specifications in Exhibit A. The position limits and accountability levels have been set at 1,000 contracts and are consistent with similar Oil Americas futures contracts currently listed by the Exchange that reference USGC 0.5% Marine Fuel.

## **Certifications**

The new rule and rule amendments will become effective with the listing of the new futures contract. The Exchange is not aware of any substantive opposing views to the new futures contract. The Exchange certifies that the new contract rule and rule amendments comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has determined that the listing of the contract complies with the following relevant Core Principles:

### **COMPLIANCE WITH RULES**

The terms and conditions of the new futures contract are set forth in new Rules 19.B.15, and amendments to Resolutions 1 and 2 of Chapter 19, and will be enforced by the Exchange. In addition, trading of the contract is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

### **CONTRACTS NOT READILY SUBJECT TO MANIPULATION**

The new futures contract is not readily subject to manipulation as it is based on established and liquid underlying cash markets. In addition, trading of the new contract will be monitored by the Market Regulation Department.

### **POSITION LIMITS OR ACCOUNTABILITY**

Positions in the new futures contract will be subject to position limits and accountability levels set by the Exchange. As described above, such position limits are based upon existing levels set for substantially similar products referencing the same delivery location.

### **FINANCIAL INTEGRITY OF CONTRACTS**

The new futures contract will be cleared by ICE Clear Europe, a registered derivatives clearing organization subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

The Exchange further 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/futures-us/regulation>).

If you have any questions or need further information, please contact me at 312-836-6745 or at [patrick.swartz@theice.com](mailto:patrick.swartz@theice.com).

Sincerely,



Patrick Swartz  
Director  
Market Regulation

Enc.

cc: Division of Market Oversight  
New York Regional Office

**EXHIBIT A**

<b>Rule</b>	<b>Contract Name</b>	<b>Commodity Code</b>	<b>Contract Size</b>	<b>Unit of Trading</b>	<b>Minimum Tick <sup>[1]</sup></b>	<b>IPL Amount</b>	<b>IPL Recalc Time (Seconds)</b>	<b>IPL Hold Period (Seconds)</b>	<b>NCR</b>
19.B.15	Fuel Oil Crack - Marine Fuel 0.5% FOB USGC Barges (Platts) vs Brent Crude 1st Line Future	FOQ	1,000	bbl	0.001	\$6.25	3	5	\$0.2500

[1] The minimum fluctuation for the above futures and options contracts may differ depending on trade type.

## Resolution No. 1 - Minimum Price Fluctuation Table

The following minimum price fluctuations shall be applicable to Oil Contracts.

Rule Number	Product	Minimum Price Fluctuations	
		Screen	Blocks and other trades outside the central limit order book
<u>19.B.15</u>	<u>Fuel Oil Crack - Marine Fuel 0.5% FOB USGC Barges (Platts) vs Brent Crude 1st Line Future</u>	<u>0.001</u>	<u>0.001</u>

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### Resolution No. 2 – Position Limit/Accountability Table

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Spot Month Limit	Single Month Accountability Level	All Month Accountability Level	Aggregate 1 (Positive Correlation)	Aggregate 2 (Negative Correlation)	Exchange Reportable Level
<u>19.B.15</u>	<u>Fuel Oil Crack - Marine Fuel 0.5% FOB USGC Barges (Platts) vs Brent Crude 1st Line Future</u>	<u>FOQ</u>	<u>1,000</u>	<u>Barrels</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>FOQ</u>		<u>25</u>

**SUBCHAPTER 19B - CRACKS – CRUDE OIL AND REFINED PRODUCTS**

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19.B.15 Fuel Oil Crack - Marine Fuel 0.5% FOB USGC Barges (Platts) vs Brent Crude 1st Line Future

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**19.B.15 Fuel Oil Crack - Marine Fuel 0.5% FOB USGC Barges (Platts) vs Brent Crude 1st Line Future**

**Description:** A monthly cash settled future based on the Platts daily assessment price for 0.5% FOB US Gulf Coast Barges Marine Fuel and the ICE settlement price for Brent 1st Line Future

**Contract Symbol:** FOQ

**Contract Size:** 1,000 barrels

**Unit of Trading:** Any multiple of 1,000 barrels

**Currency:** US Dollars and cents

**Trading Price Quotation:** One cent (\$0.01) per barrel

**Settlement Price Quotation:** One tenth of one cent (\$0.001) per barrel

**Minimum Price Fluctuation:** One tenth of one cent (\$0.001) per barrel

**Last Trading Day:** Last Trading Day of the contract month

**Final Settlement Price:** In respect of final settlement, the Floating Price will be a price in USD and cents per barrel based on the difference between the average of the "\$/barrel" quotations appearing in the "Platts US Marketscan" under the heading "Marine Fuel" for "0.5% FOB US Gulf Coast barge" and the average of the settlement prices as made public by ICE for the front month Brent Future for each business day (as specified below) in the determination period.

**Roll Adjust Provision:** In order to use the correct Floating Price quotations, the nearby month quotation for ICE Brent Futures specified in the Floating Price terms above will be used except for the expiration date of the commodity's underlying delivery month's futures contract. On such date, the applicable pricing quotation will be rolled to the following month's futures contract.

**Contract Series:** Up to 60 consecutive months, or as otherwise determined by the Exchange

**Final Payment Dates:** Two Clearing House Business Days following the Last Trading Day

**Business Days:** Publication days for Platts US Marketscan and ICE

**MIC Code:** IFED

**Clearing Venue:** ICEU

**[REMAINDER OF RULEBOOK UNCHANGED]**