


ICE FUTURES U.S.
55 East 52nd Street
New York, NY 10055

BY ELECTRONIC TRANSMISSION

Submission No. 16-126
September 30, 2016

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

**Re: Amendments to Rules 29.00 and 29.13 –Sugar 16 Contract Terms--
Submission Pursuant to Commission Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) submits by written certification amendments to Rules 29.00 and 29.13 (set forth in Exhibit A) which will become effective on October 18, 2016, commencing with the January 2018 futures contract.

The Exchange has adopted amendments, upon the recommendation of the Domestic Sugar Committee, to Sugar No. 16 Rules 29.00 and 29.13 to create new Starch provisions in the delivery terms of the futures contract. The amendments establish the testing procedure to be used to determine the Starch level in a delivery; set a par Starch level; and provide for an escalating penalty for delivery of starch at defined levels above that par level. The amendments do not set any maximum level of Starch permitted in a delivery, and therefore do not impact the deliverable supply of the contract. The new Starch terms are consistent with common commercial market contract terms addressing Starch, and are intended to bring the No. 16 contract in line with these commercial market terms. The sole opposing view expressed concern that Starch levels could create operational issues and costs to refine which could impact refineries differently depending on their processes and ability to handle loads with high Starch levels.

The Exchange has determined that the new provisions would not have a material effect on the quality of the merchandise to be delivered or the value of the contract given the *de minimis* dollar amount of the maximum penalty (\$0.0014 per pound, vs. a current futures price of approximately \$0.2700 per pound). Therefore, rather than delay implementation to contract months in which there is no open interest, the Exchange has determined to make the amendments effective commencing with the January 2018 futures contract, to allow time for market

participants to become familiar with the new provisions and to take any steps necessary to prepare for them.

The Exchange certifies that the amendments comply with the Commodity Exchange Act, as amended and the regulations thereunder. There were no substantive opposing views to the amendments except as noted above. The Exchange 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 212-748-4083 or at audrey.hirschfeld@theice.com.

Sincerely,

A handwritten signature in blue ink that reads "Audrey R. Hirschfeld". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Audrey R. Hirschfeld
SVP and General Counsel

Enc.
cc: Division of Market Oversight
New York Regional Office

Exhibit A

(In the text below, additions are underscored.)

Rule 29.00. Contract Terms—Forms

(a) No contract for the future delivery of Sugar No. 16 shall be recognized, acknowledged or enforced by the Exchange, or any Committee or officer thereof, unless both parties thereto shall be Members, provided, however, that Members shall offer their contracts for clearance to the Clearing Organization which shall become by substitution a party thereto in place of a Member, and thereupon such Clearing Organization shall become subject to the obligations thereof and entitled to all the rights and privileges of a Member in holding, fulfilling or disposing thereof.

(b) The grades deliverable under Sugar No. 16 shall be raw centrifugal cane sugar based on 96 degrees average polarization outturn, Standard Quality Range as stated below or otherwise as provided in Rules 29.12 and 29.13:

Moisture **Standard Quality Range**
Factor of Safety
(High number indicates low quality) Not exceeding 0.30

Ash

Ash Content Maximum and minimum standard ash content is derived by multiplying (percent of raw sugar) percent non-sucrose solids by the factor listed below which corresponds to the final polarization of the cargo:

	MAXIMUM	MINIMUM
Up to and including 98.0° .....	.25	.17
Over 98.0° up to and including 98.2° .....	.26	.18
Over 98.2° up to and including 98.4° .....	.27	.19
Over 98.4° up to and including 98.6° .....	.28	.20
Over 98.6° up to and including 98.8° .....	.29	.21
Over 98.8° up to but not including 99.0° .....	.30	.22

Grain Size

Percent through 28 mesh Tyler (30 mesh U.S.) sieve.
(High number indicates low quality) Between 45 and 22

Color-Affined Raw

I.C.U.M.S.A. Color Units Method 4 (1978), Modified*
(High number indicates low quality) Between 800 and 1300

Color-Whole Raw

I.C.U.M.S.A. Color Units
Method 4 (1978) Modified* Between 3000 and 5000

Dextran Not exceeding 250 M.A.U.

Starch Content..... Not exceeding 249 ppm

* See Sugar No. 16 Resolution No. 1.
* See Sugar No. 16 Resolution No. 1.

(Balance of the Rule unchanged)

Rule 29.13. Variations for Standard Quality

The percentage discount or premium per pound for variances from the specifications set forth in Rule 29.00(b) shall be determined pursuant to the following table, it being understood that discounts and premiums for variances from standard quality shall be applied separately for each specification and that fractions shall be in proportion:

Specification

Moisture

Factor of safety For each .01 in excess of .30 deduct 0.18 percent of basis price.

Ash

Ash content (Percent of raw sugar) For each .01 percent of ash content in excess of derived maximum standard ash content deduct 0.015 percent of basis price; for each .01 percent of ash content below derived minimum standard ash content, add 0.00625 percent of basis price.

Grain Size

Percent through 28 mesh Tyler (30 mesh U.S.) sieve For each 1 percent above 45 percent deduct 0.12 percent of basis price. For each 1 percent below 22 percent add 0.05 percent of basis price.

Color—Affined Raw

I.C.U.M.S.A. Color units Method 4 (1978) Modified For each 10 units above 1300 up to and including 1500, deduct 0.018 percent of basis price. For each 10 units above 1500 up to and including 1800, deduct an additional 0.027 percent of basis price. For each 10 units above 1800 up to and including 2100, deduct an additional 0.054 percent of basis price. For each 10 units above 2100 and up to and including 2400, deduct an additional 0.081 percent of basis price. For each 10 units above 2400, deduct an additional 0.108 percent of basis price.
For each 10 units below 800 add 0.0162% percent of basis price.

Color—Whole Raw

I.C.U.M.S.A. Color Units Method 4 (1978) Modified* For each 25 units above 5000 up to and including 6000, deduct 0.0015 percent of basis price. For each 25 units above 6000 up to and including 7000, deduct an additional 0.003 percent of basis price. For each 25 units above 7000 up to and including 8000, deduct an additional 0.006 percent of basis price. For each 25 units above 8000 and up to and including 9000, deduct an additional 0.009 percent of basis price. For each 25 units above 9000, deduct an additional 0.012 percent of basis price.
For each 25 units below 3000, add 0.0018 percent of basis price.

Dextran**

For each 1 unit above 250 up to and including 350 deduct 0.014 percent of basis price.
For each 1 unit above 350 up to and including 450 deduct an additional 0.018 percent of basis price.
For each 1 unit above 450 up to and including 550 deduct an additional 0.022 percent of basis price.
For each 1 unit above 550 deduct an additional 0.026 percent of basis price.

* See Sugar No. 16 Resolution No. 1.

** See Sugar No. 16 Resolution No.2.

Starch Content

SPRI Rapid Starch Method

(I.C.U.M.S.A. method GS1-17)

For Starch Content of from 250 to 300 ppm, a deduction of 0.02 cents per pound.

For Starch Content of from 301 to 400 ppm, a deduction of 0.06 cents per pound.

For Starch Content of from 401 to 500 ppm, a deduction of 0.11 cents per pound.

For Starch Content of more than 500 ppm, a deduction of 0.14 cents per pound.

Deliverer and Receiver may waive any or all of the above adjustments by mutual agreement.