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BY ELECTRONIC TRANSMISSION

Submission No. 20-112
October 1, 2020

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 the Cocoa Futures Contract Rules
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 Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) hereby self-certifies the amendments to Rule 9.11, as set forth in Exhibit A. As described below, the amendments: (i) codify warehouse rent payment obligations for cocoa during the month in which it is delivered against an Exchange futures contract; and (ii) expressly require cocoa that is being delivered against the Exchange’s Futures Contract to be unencumbered. ;

Exchange Rule 9.11 sets forth the delivery and payment obligations for the Cocoa Futures Contract. Cocoa that is delivered against the contract must be stored in an Exchange licensed warehouse.¹ The amendments to Rule 9.11(d) clarify the warehouse rent payment obligations for a lot of cocoa during the month in which delivery is made. Specifically, the amendments codify the longstanding practice in which the Deliverer pays the warehouse operator rent upfront for the full calendar month and, in turn, the Receiver reimburses the Deliverer for rent for each calendar day after the Delivery Date via a credit to the Deliverer on the delivery invoice issued by the Exchange.

New Rule 9.11(f) adds an express warranty of title to the Exchange’s Cocoa Futures Contract. The amendment provides that the “Deliverer warrants to the Receiver that the cocoa delivered under the contract is free of all liens and/or claims of all kinds.” This provision codifies

¹ ICE Futures U.S. Rule 9.02(a) provides that “[t]he delivery of Cocoa on Exchange Futures Contracts shall be made only from warehouses licensed by the Exchange located in the Port of New York District, the Delaware River Port District, the Port of Albany, the Port of Baltimore or the Port of Hampton Roads.”

the long-implied obligation of a Deliverer to deliver unencumbered cocoa to which the Receiver's access is not impaired.

The amendments to Rule 9.11 are consistent with the guidance in Appendix C to Part 38 of the Commissions regulations, which states that contract terms and conditions should "specify appropriately detailed delivery procedures that describe the responsibilities of deliverers, receivers and any required third parties in carrying out the delivery process... These procedures should seek to minimize or eliminate any impediments to making or taking delivery by both deliverers and takers of delivery to help ensure convergence of cash and futures at the expiration of a futures delivery month." After considering the amendments to Rule 9.11(d)) and new Rule 9.11(f), the Exchange's Board of Directors and the Cocoa Committee determined, by unanimous votes, that the amendments codify current practice and do not impact the value of the futures contract or the quality of the merchandise being delivered, and therefore may be implemented to any contract month without delay.

The Exchange is not aware of any opposing views and certifies that the amendments to Rules 9.11, which will become effective on October 19, 2020 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 2 (Compliance with Rules) - The amendments to Rule 9.11 better identify delivery obligations the Exchange's Cocoa Futures Contract. The amendments will not affect the Exchange's ability to assure compliance with its rules and fulfill its market surveillance obligations under the Act.

Core Principle 3 (Contracts not Readily Susceptible to Manipulation) - The Cocoa Futures Contract is not readily susceptible to manipulation as it is based on a highly liquid underlying commodity.

Core Principle 7 (Availability of General Information) - - The amendments codify existing practices and better identify delivery obligations for the Cocoa Futures Contract in the Exchange's Rules. Further, Rule 9.11 of the Exchange Rules is posted along with all other rules on the Exchange's website.

The Exchange further certifies that, concurrent with this filing, a notice of pending certification was posted on the Exchange's website as well as a copy of this submission, which may be accessed 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 shown underscored and deletions are shown bracketed and lined through.)

Rule 9.11. Delivery and Payment of Cocoa

(a) Delivery of Cocoa may be made on any Business Day between the first (1st) and last days of the delivery month, which shall not be a Saturday, Sunday or Exchange Holiday. All such deliveries shall be made by the transfer of EWRs through Clearing Members that have executed eCOPS Participant Agreements in the form specified by the Exchange.

(b) On the Date of Delivery, at 9:00 am, all information contained on the Delivery Worksheet for each Deliverer and Receiver shall be deemed complete, correct and final and may not be changed in any respect by a Deliverer or Receiver. At 9:00 am, on the basis of the information contained in such final Delivery Worksheet, the Exchange, through eCOPS, shall issue a Notice of Transfer causing the Clearing Organization to be identified in eCOPS as the Title Holder of the EWRs corresponding to the Cocoa identified in each such final Delivery Worksheet. The Clearing Organization shall thereafter debit the account designated by the Receiver for delivery purposes and credit the account designated by the Deliverer for such purposes for the full amount of the Exchange Invoice, and issue a Notice of Transfer causing the Receiver to be identified in eCOPS as the Title Holder of the corresponding EWRs.

(c) If the final Delivery Worksheet does not contain one (1) or more Certificates of Grade with respect to a given Lot on the Date of Delivery, then

(i) the Exchange Invoice shall be designated a pro forma Exchange Invoice and the Receiver's account shall be debited and the Deliverer's account credited by the Clearing Organization for the amount specified in the pro forma Exchange Invoice; and

(ii) the Deliverer must have the Certificate of Grade issued to the Receiver no later than the fifth (5th) Business Day following the last permissible delivery day of the delivery month, at which time the Receiver and the Deliverer shall settle directly between them any amounts due and owing based upon the information in the Certificate of Grade.

(d) ~~The Exchange Invoice shall include charges for unexpired storage from the Date of Delivery.~~ Deliverer shall pay the warehouse operator for storage up to and including the last calendar day of the delivery month. Receiver shall be responsible for payment of storage commencing on the calendar day after the Date of Delivery, and the Exchange Invoice shall be calculated so that the Receiver reimburses the Deliverer storage for the period the calendar day after the Date of Delivery through the last calendar day of the delivery month.

(e) Should the Certificate of Grade not be ready for presentation, then the delivery shall take place as outlined above, but the estimated value of the Cocoa tendered must be stated upon the pro forma Exchange Invoice and a deduction of eleven dollars (\$11.00) per ton on the net weights delivered shall be used in calculating the pro forma Exchange Invoice amount. Any Deliverer, who shall present an Exchange Invoice showing a Grade and Growth warranting a deduction greater than the equivalent of eleven dollars (\$11.00) per ton, shall be subject to a complaint under the Disciplinary Rules.

(f) In making the Delivery, the Deliverer warrants to the Receiver that the Cocoa delivered under the contract is free of all liens and/or claims of all kinds.

