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Submission No. 17-191  
October 11, 2017

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 NYSE FANG+™ Index Futures Contract**  
**Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2 and 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Commission Regulations 40.2 and 40.6(a), ICE Futures U.S., Inc. (“Exchange” or “IFUS”) submits, by written certification, new Rule Chapter 25 and amendments to Rules 4.25 and 6.25, the Exchange’s Block Trade Procedures, which are codified in the Exchange’s Block Trade FAQ, and the no-cancellation rule (“NCR”) and Reasonability Limit Tables on the Exchange’s website. The amendments, which are attached as Exhibits A and B, provide for the listing of the new NYSE FANG+ Index Futures Contract. A summary of the specifications for the new contract is attached as Exhibit C, and a detailed deliverable supply analysis is attached as Exhibit D.

The NYSE FANG+ Index is an equal-dollar weighted index designed to represent a segment of the technology and consumer discretionary sectors consisting of the most highly-traded and high-growth technology and internet/media stocks. The Index methodology document, which can be found at [https://www.theice.com/publicdocs/NYSE\\_FANGplus\\_Index\\_Methodology.pdf](https://www.theice.com/publicdocs/NYSE_FANGplus_Index_Methodology.pdf), provides that the Index shall consist of at least ten U.S. common stocks and ADRs listed on one or more major exchanges. Currently, the index includes the following ten components: Facebook, Apple, Amazon, Netflix, Google, Ali Baba, Baidu, Nvidia, Twitter and Tesla. The methodology document also provides for a quarterly review of the composition of the Index coinciding with the listing cycle for the futures contract, under which any change to the composition is to be announced after the close of trading on the Wednesday preceding the third Friday of March, June, September and December, and which would only become effective after the close of trading on such third Friday; the third Friday is the last trading day for the NYSE FANG+ Index futures contracts. With the exception of the expiring contract, changes to the composition of the index will apply to contract months already listed at the time of the change.

Contract Name	Contract Size	Minimum Tick (Index Points)	Accountability Level (Single Month)	Position Limit (All Months)	Minimum Block Size
NYSE FANG+ Index future	\$50 x Index	Generally = 0.10 Pts Spread Trades = 0.05 Pts Certain Block Trades = 0.01 Pts	20,000 Contracts	100,000 Contracts	20 Contracts

The contract specifications for the new futures contract are similar to those of the existing Russell equity index futures contracts listed by the Exchange. The contract is cash settled at expiration using a final settlement price derived from the underlying NYSE FANG+ Index; and the listed contract months, trading hours, daily settlement window, last trading day and last trading day hours also match the terms of the existing Russell Index contracts. The multiplier for the new contract is \$50 times the NYSE FANG+ Index; based upon the current Index level of approximately 2095, the notional value of the futures contract would be approximately \$105,000. The minimum block trade quantity for the new futures contract is 20 lots. The NCR levels for the new FANG+ Index Futures Contract is in-line with the levels for the current equity index futures listed by the Exchange and are set forth in the Reasonability Limits and NCRs page on the Exchange's website. A copy of the relevant tables are attached in Exhibit B.

The new contract is subject to position limit and accountability levels. The position accountability level for the new futures contract is 20,000 contracts in any month and the position limit level is 100,000 contracts in all months combined. Options on the FANG+ Index Futures Contract are not being listed at this time. Participants exceeding the accountability level of the new NYSE FANG+ Index Futures Contracts: (i) automatically consent not to increase further and automatically consent to decrease those positions when so ordered by the Exchange acting in its own discretion and (ii) shall provide, in a timely manner, information on the nature of that participant's related cash position, Exchange Futures and Options position, trading strategy and/or hedging strategy and such other relevant information as the Exchange may require. Position accountability levels and limits are based upon the deliverable supply in the cash market. A detailed deliverable supply analysis accompanies this submission as Exhibit D<sup>1</sup>.

### **Certifications**

The amendments will become effective with the listing of the new NYSE FANG+ Index Futures Contract on November 5, 2017. The Exchange is not aware of any substantive opposing views to the new contracts. The Exchange certifies that the 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 NYSE FANG+ Index Futures Contract will be enforced by the Exchange and are set forth in Chapter 25, Rules 4.25 and 6.25, the Exchange's Block Trade Procedures and the no-cancellation range ("NCR") table posted on the Reasonability Limits and NCR page on the Exchange's website. In addition, trading of the contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

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

The new contracts are not readily subject to manipulation as they are based on an underlying broad-based equity index, the components of which are widely traded and very liquid. In addition, trading of the new contracts will be monitored by the Exchange's Market Regulation Department.

#### **POSITION LIMITS OR ACCOUNTABILITY**

Positions in the new NYSE FANG+ Index Futures Contract will be subject to the single month accountability levels and all-months combined position limits set by the Exchange. Such

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<sup>1</sup> In accordance with CFTC Regulation 40.8, the Exchange has filed a request for confidential treatment of Exhibit D.

accountability levels and position limits are based upon the deliverable supply in the cash market. A detailed deliverable supply analysis is attached hereto as Exhibit D.

**FINANCIAL INTEGRITY OF CONTRACTS**

The new contracts will be cleared by ICE Clear U.S., 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#rule-filings>).

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is written in a cursive style with a large, sweeping initial "J".

Jason V. Fusco  
Assistant General Counsel  
Market Regulation

Enc.  
cc: Division of Market Oversight

**EXHIBIT A**

[Additions are underlined and deletions have been struck through]

**ICE Futures U.S.<sup>®</sup>, Inc.**

**NYSE INDEX FUTURES**

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# ICE Futures U.S.<sup>®</sup>, Inc.

## CHAPTER 25

### NYSE INDEX FUTURES

#### **25.1 Scope of Chapter**

This chapter is limited in application to trading of NYSE Index Futures Contracts. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the general Rules of the Exchange.

Each NYSE Index referenced in this chapter is subject to change by ICE Data Indices, LLC (“ICE Data”) as set forth in the Methodology document for the relevant NYSE index as that document is amended, updated and replaced from time-to-time.

The terms and conditions of the Futures Contracts specified in this Chapter are deemed to include any relevant governmental, regulatory or court decree or order as recognized by the Exchange in a Notice to Members.

#### **25.2 Trading Specifications**

In the absence of any other provisions in the respective Sub-Chapter for a particular NYSE Index Futures Contract, trading in the NYSE Index Futures Contracts shall be conducted in March, June, September and December delivery months. The number of months open for trading at a given time shall be determined by the Exchange.

#### **25.3 Termination of Trading**

In the absence of any other provisions in the respective Sub-Chapter for a particular NYSE Index Futures Contract, the last day of trading for each NYSE Index Futures Contract shall be the third Friday of the contract month or, if the relevant underlying NYSE Index is not scheduled to be published for that day, on the first (1st) preceding day for which such Index is scheduled to be published.

#### **25.4 Cash Settlement Procedures**

##### **(a) Settlement**

NYSE Index Futures Contracts open at the termination of trading shall be cash settled as set forth in paragraph (b) of this Rule using the Final Settlement Value as provided in the Sub-Chapter for the respective NYSE Index Futures Contract.

##### **(b) Final Settlement Payment**

Payment in final settlement of an NYSE Index Futures Contract will be made in accordance with the Clearing Organization Rules on the Business Day following the termination of trading by Clearing Members with open positions at the time of termination of trading of the NYSE Index Futures Contract. The amount of the final settlement payment to be made or received will be calculated based on the final settlement value as a normal variation payment.

## **Subchapter 25A - NYSE Index Futures Contracts**

<b>Rule</b>	<b>Subject</b>
25.A.01	NYSE FANG+ Index Futures

## **25.A.01 NYSE FANG+ Index Futures**

### **Trading Schedule**

The hours of trading in NYSE FANG+ Index Futures Contracts shall be determined by the Exchange. On the last day of trading in an expiring future, the closing time for such future shall be 9:30 a.m. New York time.

### **Trading Unit**

The unit of trading shall be \$50.00 times the NYSE FANG+ Index (price return version).

### **Final Settlement Value**

The final settlement value for purposes of the contract's cash settlement shall be the NYSE FANG+ Index as calculated by ICE Data rounded to the nearest 1/10<sup>th</sup> of an index point. This value shall be based on a special opening quotation. The Special Opening Quotation shall be a special quotation of the Index based on the opening prices of the component stocks in the index, determined on the third Friday of the contract month. If the Index is not scheduled to be published on the third Friday of the contract month, the Special Opening Quotation shall be determined on the first earlier day for which the Index is scheduled to be published. If the primary market for a component stock in the index does not open on the day scheduled for determination of the Special Opening Quotation, then the price of that stock shall be determined, for the purposes of calculating the Special Opening Quotation, based on the opening price of that stock on the next day its primary market is open for trading. If a component stock in the index does not trade on the day scheduled for determination of the Special Opening Quotation while the primary market for that stock is open for trading, the price of that stock shall be determined, for the purposes of calculating the Special Opening Quotation, based on the last sale price of that stock.

### **Price Increments**

The minimum price fluctuation for the NYSE FANG+ Index Futures shall be 0.10 Index Points for outright trades, and 0.05 Index Points for spread trades. The dollar value of the minimum price fluctuation shall be five dollars (\$5.00) for outright trades and two and one-half dollars (\$2.50) for spread trades. Contracts shall not be made on any other price basis with the exception of certain Block Trades as may be specified by the Exchange, in which case the minimum price fluctuation shall be 0.01 Index Points, which is \$0.50 per contract.

### **Trading Halts on Underlying Securities Exchanges**

On any Business Day when a general trading halt occurs on the New York Stock Exchange, Inc. ("NYSE") pursuant to NYSE Rule 80B, or any other relevant national securities exchange, trading in the NYSE FANG+ Futures shall be halted. Once trading in the primary securities markets resumes after an NYSE Rule 80B trading halt or similar rule on another relevant national securities exchange, trading in the NYSE FANG+ Index Futures Contracts shall resume.

## Exhibit B

### Rule 4.25. Trading Hours

(a) The ETS trading hours shall be as specified by the Exchange from time to time. All times specified in this Rule for Energy Contracts shall refer to the prevailing time in New York City on the relevant day and shall be referred to as Eastern Prevailing Time or “EPT”.

(b) The time period during which daily Settlement Prices shall be determined is:

\* \* \*

(ix) for NYSE Index and Russell Stock Index Futures and Options Contracts, 4:14 PM – 4:15 PM, except that on the last Business Day of each month it shall be 3:59 to 4:00 PM;

\* \* \*

(c) On the Last Trading Day for each Exchange Futures Contract, the Trading Session will end:

\* \* \*

(ix) for NYSE Index and Russell Complex Futures, at 9:30 AM;

(Remainder of the Rule unchanged.)

### Rule 6.25. Position Limits for Index Contracts

\* \* \*

#### **(i) NYSE FANG+ Index Futures**

(i) Subject to the exceptions contained in this Chapter, no Person shall own or control positions in excess of 100,000 Futures Contracts and Futures Equivalent Contracts net long or net short in all contract months combined. Additionally, a person holding or controlling 20,000 Exchange Futures Contracts and Futures-Equivalent Contracts net long or net short in any single contract month, including the spot month, (i) automatically consents not to increase further and automatically consents to decrease those positions when so ordered by the Exchange acting in its own discretion and (ii) shall provide, in a timely manner, information on the nature of that Person’s related cash position, Exchange Futures and Options position, trading strategy and/or hedging strategy and such other relevant information as the Exchange may require.



## ICE FUTURES U.S. BLOCK TRADE – FAQs

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### 2. What are the eligible contracts and the minimum threshold quantities for a block trade?

The minimum quantity requirements for block trades of eligible Energy futures and options contracts can be found under the “Energy Forms” tab at [the link below](#):

#### **Energy Futures and Options Block Minimum Sizes**

<https://www.theice.com/futures-us/regulation>

Table 1 below lists the eligible agricultural and index futures and options contracts and the minimum quantity requirements for block trades. Table 2 below list the eligible financial contracts and the minimum quantity requirements for block trades and Table 3 lists the eligible metals futures and options contracts and the minimum quantity requirements for block trades.

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**TABLE 2 – Financial Contracts**

Product	Contract Type	Minimum Quantity
NYSE FANG+ Index	Futures	20 lots



## **ICE FUTURES U.S., INC. REASONABILITY LIMITS AND NO CANCELLATION RANGES - AS OF OCTOBER 2017**

The ICE Futures U.S. Error Policy includes Reasonability Limit (“RL”), No Cancellation Range (“NCR”) and Calendar Spread Stop Limit Order (“CSLOR”) levels for futures and options contracts. The levels shown below are subject to change without prior notification.

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### **ICE Futures U.S. Agricultural, Metal, Index and Currency Contracts NCR, RL and CSLOR Levels**

<b>INDEX FUTURES (in Index Points)</b>	<b>RL</b>	<b>NCR</b>	<b>CSLOR</b>
NYSE FANG+TM Index (FNG)	<u>7.50</u>	<u>3.00</u>	<u>2.00</u>

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**[REMAINDER OF DOCUMENT UNCHANGED]**



# INTERVAL PRICE LIMIT FUNCTIONALITY

## With IPL levels as of October 2017

IPL functionality acts as a temporary circuit breaker feature on the electronic platform, to diminish the likelihood and extent of short-term price spikes or aberrant market moves. While it is designed to be in force throughout each trading day, it is expected that the protections will be actively triggered only in the case of extreme price moves over very short periods of time. The IPL regime uses three customizable parameters for each futures product:

1. **IPL Recalculation Time:** A pre-set length of time during which the price of a contract month may not move up or down more than the IPL Amount (defined below) from the contract price at the start of the period. This starting price is referred to as the “anchor price”. The IPL Recalculation Time continuously resets for the length of time applicable to the particular futures contract.
2. **IPL Amount:** The maximum number of points that a contract month is permitted to move up or down during each IPL Recalculation Time for the contract. The anchor price plus/minus the IPL amount effectively creates an IPL range for the contract for the IPL Recalculation Time.
3. **IPL Hold Period:** When the platform determines that the next trade in the contract month will be at a price that is outside the active IPL range, the platform triggers a Hold Period, during which the price of the contract is not permitted to trade outside the IPL range that was in place at the start of the IPL Hold Period. The length of the Hold Period is pre-set. When a Hold Period is triggered, the platform will issue an alert notifying users that a Hold Period has begun and specifying the time the Hold Period will end.

IPL parameters can be changed over time based on market conditions; more information on IPL functionality can be found at:

[https://www.theice.com/publicdocs/technology/IPL\\_Circuit\\_Breaker.pdf](https://www.theice.com/publicdocs/technology/IPL_Circuit_Breaker.pdf).

Current IPL Recalculation Times, Amounts and Hold Period for all IFUS products are detailed below:

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**Agricultural, Metal and Financial Index contracts:**

FUTURES CONTRACT	IPL Amount (in points)	Recalc Time (in secs)	Hold Period (in secs)
NYSE FANG+™ Index	<u>2000</u>	<u>5</u>	<u>5</u>

**[REMAINDER OF DOCUMENT UNCHANGED]**

## Exhibit C

<b>NYSE FANG+ Index Future</b>	
<b>Contract Size</b>	\$50 times the NYSE FANG+ Index
<b>Contract Months</b>	4 contracts in the March, June, September and December cycle
<b>Price Quotation</b>	Index points, to two decimal places
<b>Tick Size</b>	.10 Index points, equal to \$5.00 per contract; calendar spread trades may be executed at .05 index point increments. (Block Trades can be done at .01 Index points)
<b>Trading Hours</b>	8:00 pm to 6:00 pm (6:00 pm open on Sunday evening) Preopen starts 30 minutes prior to the start of trading.
<b>Last Trading Day</b>	Third Friday of the expiration month. Trading in the expiring contract ceases at 9:30 am NY time on Last Trading Day.
<b>Symbol</b>	FNG
<b>Daily Settlement Window</b>	16:14 to 16:15 NY time
<b>Final Settlement</b>	Cash settlement to a special calculation of the NYSE FANG+ Index (Price Return version) based on the opening prices of the component stocks on the Last Trading Day for the contract.
<b>Position Accountability and Limit Levels</b>	Position Accountability Level - 20,000 lots in any month. Position Limit - 100,000 lots in all months combined.
<b>Daily Price Limit</b>	None.
<b>Block Enabled</b>	Yes, 20 lot Block Minimum Quantity
<b>EFP and EFS Enabled</b>	Yes.
<b>IPL Levels</b>	IPL Amount: tbd Index Points Recalc Time and Hold Period: 5 seconds
<b>NCR and RL Levels</b>	NCR tbd; RL tbd; CSLOR tbd Index Points
<b>Ex &amp; Clrg Fee</b>	Screen Trades: \$1.20 per side Block and EFRP Trades: \$1.75 per side
<b>Clearing Venue</b>	ICE Clear U.S.

**Exhibit D**

**[REDACTED]**