



Submission No. 22-180
October 26, 2022

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: New Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Future and Related Amendments (1 of 2)
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “CEA”), and Commission Regulations 40.2, ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, new Rules 19.C.141 and 19.C.142, and amendments to Resolutions 1 and 2 of Chapter 19. The new rules and amendments provide for two new futures contracts, which will be listed on or about November 14, 2022, 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 Contracts

a. Midland WTI American Gulf Coast Diff to CMA Trade Month and Trade Month Balmo Futures

The Exchange is listing one monthly cash settled futures contract, the Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Future (“CM1”), which is based on the average of the daily difference in front month and second and third months’ prices of the physically-delivered Midland WTI American Gulf Coast Future published by ICE Futures Europe. The contract generally represents the price differential between trade months and calendar month averages of the Midland WTI American Gulf Coast Future. The contract supplements the existing suite of Oil Americas and crude oil contracts currently listed by the Exchange. The contract will cease trading on the third business day prior to the 25th calendar day of the month preceding the delivery month. If the 25th calendar day of the month is a non-business day, trading shall cease at the end of the designated settlement period on the third business day prior to the last business day preceding the 25th calendar day. The contract will cash settle to a price in US dollars and cents per barrel based on the calendar month average (CMA) of the difference between the front month Midland WTI American Gulf Coast Future and the second month Midland WTI American Gulf Coast Future and the difference between the second and third months of the Midland WTI American Gulf Coast Future during the trade month.

The Exchange is also listing one balance of the month (“balmo”) cash settled futures contract, the Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Balmo Future (“CM2”), which is based on the average of the daily difference in front month and second months’ and second and third months’ prices of the physically-delivered Midland WTI American Gulf Coast Future published by

ICE Futures Europe. The contract generally represents the price differential between contract months of the Midland WTI American Gulf Coast Future during the dates occurring during the determination period, generally from the trade date to the end of the trade month. The contract supplements the existing suite of Oil Americas and crude oil contracts currently listed by the Exchange. The contract will cease trading on the third business day prior to the 25th calendar day of the month preceding the delivery month. If the 25th calendar day of the month is a non-business day, trading shall cease at the end of the designated settlement period on the third business day prior to the last business day preceding the 25th calendar day. The contract will cash settle to a price in US dollars and cents per barrel based on the calendar month average (CMA) of the difference between the front month Midland WTI American Gulf Coast Future and the second month Midland WTI American Gulf Coast Future and the difference between the second and third months of the Midland WTI American Gulf Coast Future for each day during the determination period.

The contract sizes, minimum price fluctuations, 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 contracts are similar to other Oil Americas contracts listed by the Exchange. The listing cycles and other relevant specifications are provided in the contract specifications in Exhibit A. The new futures contracts are block eligible. The minimum block trade sizes have been set consistent with existing Oil Americas futures contracts. New Exchange Rules 19.C.141 and 19.C.142 list the crude oil futures contracts. The Exchange has set spot month position limits and single and all month accountability levels consistent with the spot month position limits for other contracts referencing the Midland WTI American Gulf Coast Future. Additionally, it is the Exchange's good faith belief that the contracts do not meet the definition of *referenced contract* as prescribed in CFTC §150.1.¹

Certifications

The rules and amendments establishing the new futures contracts' terms and conditions are to become effective on the second business day following the business day on which this submission is received by the Commission. The Exchange is not aware of any substantive opposing views to the new futures 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 contracts complies with the following relevant Core Principles:

COMPLIANCE WITH RULES

The terms and conditions of the new futures contracts are set forth in new Rules 19.C.141 and 19.C.142, and amendments to Resolutions 1 and 2 of Chapter 19, and will be enforced by the Exchange. 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 futures contracts are not readily subject to manipulation as they are based on established and liquid underlying cash markets. In addition, trading of the new contracts will be monitored by the Market Regulation Department.

POSITION LIMITS OR ACCOUNTABILITY

Positions in the new futures contracts 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 at the Exchange.

FINANCIAL INTEGRITY OF CONTRACTS

¹ 17 C.F.R. § 150.1 (October 15, 2020) (providing for *referenced contract* definition).

The new futures contracts 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 is not aware of any opposing views expressed by members or others regarding the listing of the new futures contracts and the adoption of related amendments. The Exchange further certifies that concurrent with this filing a copy of this submission was posted on the Exchange's website, 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 the undersigned at patrick.swartz@theice.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pat", is positioned above the printed name and title.

Patrick Swartz
Director
Market Regulation

Enc.

cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Minimum Tick ^[1]	IPL Amount	IPL Recalc Time (Seconds)	IPL Hold Period (Seconds)	NCR
19.C.141	Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Future	CM1	1,000	barrels	0.001	6.25	3	5	0.25
19.C.142	Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Balmo Future	CM2	1,000	barrels	0.001	6.25	3	5	0.25

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

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.C.141</u>	<u>Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Future</u>	<u>0.01</u>	<u>0.01</u>
<u>19.C.142</u>	<u>Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Balmo Future</u>	<u>0.01</u>	<u>0.01</u>

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	CFTC Referenced Contract
<u>19.C.141</u>	<u>Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Future</u>	<u>CM1</u>	<u>1,000</u>	<u>barrels</u>	<u>5,900</u>	<u>5,900</u>	<u>5,900</u>	<u>CM1</u>		<u>25</u>	<u>N</u>
<u>19.C.142</u>	<u>Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Balmo Future</u>	<u>CM2</u>	<u>1,000</u>	<u>barrels</u>	<u>5,900</u>	<u>5,900</u>	<u>5,900</u>	<u>CM1</u>		<u>1</u>	<u>N</u>

SUBCHAPTER 19C -

DIFFERENTIAL FUTURES CONTRACTS – CRUDE OIL AND REFINED PRODUCTS

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19.C.141 Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Future

19.C.142 Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Balmo
Future

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19.C.141 Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Future

Description: A cash settled future based on the difference between the Calendar Month Average (CMA) of the Midland WTI AGC and the prompt month Midland WTI AGC Future and the second and third month Midland WTI AGC Future

Contract Symbol: CM1

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: Trading in the current delivery month shall cease at the end of the designated settlement period on the third Business Day prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of the month is a Non-Business Day, trading shall cease at the end of the designated settlement period on the third Business Day prior to the last Business Day preceding the twenty-fifth calendar day

Daily Settlement Price: The weighted average price of trades during a two-minute settlement period from 19:28:00, London time.

Final Settlement Price: The Final Settlement shall be the average of the Daily CMA Diff values for the nominal ICE Trade Month, where the Daily CMA Diff is defined as

$$\text{Daily CMA Diff} = ((A * B) + (C * D)) / E$$

Where:

A = The difference between the daily settlement of the front month and second month of the Midland WTI American Gulf Coast Future

B = The number of business days in the nominal month from the first calendar day of the month to the expiration date of the front expiry of the Midland WTI American Gulf Coast Future

C = The difference between the daily settlement of the front month and the third month of the Midland WTI American Gulf Coast Future

D = The number of business days in the nominal month from the day following the expiration date of the front expiry of the Midland WTI American Gulf Coast Future

E = The total number of business days in the nominal month (i.e. the sum of B and D)

Contract Series: Up to 3 consecutive months, or as otherwise determined by the Exchange

Final Payment Dates: Two Clearing House Business Days following the Last Trading Day in the determination period.

Business Days: Publication days for ICE

MIC Code: IFED

Clearing Venue: ICEU

19.C.142 Crude Oil Diff - Midland WTI American Gulf Coast Diff to CMA ICE Trade Month Balmo Future

Description: A balance of the month cash settled future based on the difference between the Calendar Month Average (CMA) of the Midland WTI AGC and the prompt month Midland WTI AGC Future and the second and third month Midland WTI AGC Future.

Contract Symbol: CM2

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: Trading in the current delivery month shall cease at the end of the designated settlement period on the third Business Day prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of the month is a Non-Business Day, trading shall cease at the end of the designated settlement period on the third Business Day prior to the last Business Day preceding the twenty-fifth calendar day

Daily Settlement Price: The weighted average price of trades during a two-minute settlement period from 19:28:00, London time.

Final Settlement Price: The Final Settlement shall be the average of the balance of the month Daily CMA Diff values for the nominal ICE Trade Month, where the Daily CMA Diff is defined as

$$\text{Daily CMA Diff} = ((A * B) + (C * D)) / E$$

Where:

A = The difference between the daily settlement of the front month and second month of the Midland WTI American Gulf Coast Future

B = The number of business days in the nominal month from the first calendar day of the month to the expiration date of the front expiry of the Midland WTI American Gulf Coast Future

C = The difference between the daily settlement of the front month and the third month of the Midland WTI American Gulf Coast Future

D = The number of business days in the nominal month from the day following the expiration date of the front expiry of the Midland WTI American Gulf Coast Future

E = The total number of balance of the month business days in the nominal month (i.e. the sum of B and D)

Contract Series: Up to 2 consecutive months, or as otherwise determined by the Exchange

Final Payment Dates: Two Clearing House Business Days following the Last Trading Day in the determination period.

Business Days: Publication days for ICE

MIC Code: IFED

Clearing Venue: ICEU

[REMAINDER OF RULEBOOK UNCHANGED]