



BY ELECTRONIC TRANSMISSION

Submission No. 21-156
November 18, 2021

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 Exchange Rule 6.21 (Migration to Single Month and All-Months-Combined Position Accountability for Frozen Concentrate Orange Juice Futures and Options) - Submitted for Approval in Accordance with Commodity Futures Trading Commission Regulation 40.4(a).

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.4(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) submits for approval by the Commission under the procedures set forth in CFTC Regulation 40.5, the amendments to Exchange Rule 6.21 set forth in attached Exhibit A. The amendments implement exchange-set single and all-months-combined position accountability levels for FCOJ-A futures and options contracts as discussed below.

FCOJ-A futures and options contracts currently have a spot month position limit of 300 contracts net long or short and single month and all-months-combined position limits of 3,200 contracts net long or short. The Exchange is not changing the spot month position limit which has been in effect for decades. The amendments to Exchange Rule 6.21 provide for the implementation of exchange-set position accountability levels for single month and all-months-combined of 2,500 contracts net long or short in lieu of position limits. The reduced levels better reflect current market dynamics and open interest in the OJ contract, as shown in the attached chart which depicts open interest from January 2011 to the present (Exhibit B). The reduced levels are also based on the Exchange’s knowledge of and experience with typical positions held by speculative traders in the contract.

The amendments are consistent with CFTC Regulation 150.5(b) and Appendices E and F (a)(2). The position accountability provisions in Rule 6.21 establish a level which may be exceeded, but which requires the market participant, upon instruction from the Exchange, to cease increasing its position, and also obligate the market participant to reduce the position to the accountability level if directed to do so by the Exchange. Furthermore, Exchange rules require market participants to provide information about the nature of their positions and strategies. These provisions are consistent with CFTC Regulation 150.1. We also note that the Exchange’s other agricultural contracts have operated successfully under a position accountability regime for single month and all-months-combined for many years without issue. The amendments to Rule 6.21 will result in a consistent approach for our agricultural complex, which we believe will benefit our market participants.

The Exchange contacted market participants impacted by the amendments described herein and no objections were raised. The Exchange is proposing to make the amendments effective not later than January 1, 2022 and would appreciate expedited approval by the Commission.

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ICE Futures US, Inc., a designated contract market
under the Commodity Exchange Act, as amended.



Certifications

The Exchange certifies that the amendments to Exchange Rule 6.21 complies 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 amendments comply with the following relevant Core Principles:

COMPLIANCE WITH RULES

The position limit and accountability levels for FCOJ-A are set forth in Rule 6.21 and will be enforced by the Exchange. In addition, trading of the relevant contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION

The Exchange's FCOJ-A futures and option on futures contracts are not readily subject to manipulation as they are based on established and liquid underlying cash markets and derivative contracts traded at other designated contract markets, in compliance with CFTC Regulation 38.200. In addition, trading of the contracts will be monitored by the Market Regulation Department.

POSITION LIMITS OR ACCOUNTABILITY

Positions in the Exchange's FCOJ-A futures and option on futures contracts will continue to be subject to position limits and position accountability levels set by the Exchange, in compliance with Core Principle 5 and CFTC Regulation 38.300, which expressly provides that a board trade shall adopt for each contract of the board of trade, as is necessary and appropriate, position limitations or position accountability for speculators and such position limits shall be set at a level not higher than the position limitation established by the Commission. Generally, such position limits are based upon the deliverable supply in the cash market or position limits at other designated contract markets and have been deemed appropriate by the Commission in its rulemaking. All positions held in options on futures markets are aggregated with the relevant futures contracts underlying the option on futures for purposes of position limits and position accountability levels.

AVAILABILITY OF GENERAL INFORMATION

The Exchange will issue a notice and post amended Rule 6.21 to ensure that market participants are aware of the new FCOJ-A position accountability levels.

PROTECTION OF MARKETS AND MARKET PARTICIPANTS

The amendments to the above-referenced Exchange Rule complies with Core Principle 12 and CFTC Regulation 38.650, as the rule is provided in furtherance of the Exchange's promotion of fair and equitable trading and to protect markets and market participants from abusive practices by any market participant and their agents.

FINANCIAL INTEGRITY OF CONTRACTS

The Exchange's FCOJ-A futures and option on futures contracts will continue to 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 is not aware of any substantive opposing views expressed by members or others with respect to the amended Exchange Rule 6.21, and 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.swartzner@theice.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Swartzner', written in a cursive style.

Patrick Swartzner
Director
Market Regulation

Enc.



EXHIBIT A

Rule 6.21. Position Limits and Position Accountability for FCOJ Contracts

~~(a) [Subject to the exceptions contained in this Chapter, the limit on the maximum net long or net short position which any one (1) Person may hold or control in FCOJ Futures Contracts and Futures Equivalent Contracts is:~~

~~(ii) — three thousand two hundred (3,200) in any one (1) month or in all months combined.~~

~~In addition, the maximum net long or net short position that any one (1) Person may hold or control is three hundred (300) Exchange Futures Contracts for any month for which delivery notices have been or may be issued.~~

~~(b) For purposes of this Rule, Cash-Settled FCOJ Futures Contracts shall be: (i) deemed to be one-tenth of an FCOJ Futures Contract; and (ii) aggregated with FCOJ-A Futures and Options contract positions if such positions are on the same side of the market. There shall be no netting between Cash-Settled FCOJ positions and FCOJ-A positions for position limit purposes.]~~

(a) A Person holding or controlling two thousand five hundred (2,500) or more Exchange Futures Contracts and Futures Equivalent Contracts net long or net short in any single FCOJ month or in all FCOJ months combined:

(ii) 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, Exchange Futures and Options Contracts positions, trading strategy and/or hedging strategy. Nothing in this Rule limits the authority of the Exchange to take action under Rules 6.11, 6.12 and 6.13 or to request and collect any information regarding that Person's related cash and Exchange Futures and Options Contracts positions.

(b) Subject to the exceptions contained in this Chapter, the maximum net long or net short position which any one (1) Person may hold or control in the FCOJ Contract is three hundred (300) Exchange Futures Contracts for any month for which delivery notices have or may be issued.



EXHIBIT B

