

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Application of
ICE NGX Canada, Inc.
For Registration as a Derivatives Clearing Organization

AMENDED ORDER OF REGISTRATION

On March 20, 2013, the Commodity Futures Trading Commission (the “Commission”) issued an order (“DCO Order”) pursuant to Section 5b of the Commodity Exchange Act (the “Act”), 7 U.S.C. § 7a-1, amending Natural Gas Exchange, Inc.’s (“NGX”) initial 2008 order of registration as a derivatives clearing organization (“DCO”), and permitting it to clear contracts based on energy products. NGX was subsequently acquired by Intercontinental Exchange, Inc. and re-named ICE NGX Canada, Inc. (“ICE NGX”). On August 17, 2023, ICE NGX requested that the Commission amend its DCO Order to permit it to clear contracts based on environmental products, which for the purpose of this order means contracts for the delivery of environmental credits, offsets, and similar instruments.

WHEREAS ICE NGX represents that it will remain compliant with all core principles applicable to a DCO under Section 5b of the Act (“Core Principles”) and the Commission’s regulations thereunder if the requested amendment is approved;

WHEREAS ICE NGX has demonstrated that its clearing operations can, in compliance with the Act and the Commission’s regulations applicable to a DCO, be used to clear contracts based on energy products or environmental products;

WHEREAS ICE NGX has demonstrated to the Commission’s satisfaction that its accrual methodology provides the same protection to the DCO as would daily variation margin payments and collections because it: 1) requires a significant amount of margin in excess of that required

by Commission regulation to be maintained at all times; 2) includes margin calls as needed to fully collateralize accrued variation margin losses; 3) structures collateral requirements and calls to help ensure collateral is available to ICE NGX in advance of ICE NGX's collateral needs; 4) provides the same level of risk protection to the DCO as daily payments and collections; and 5) will not increase risks to the DCO, its clearing members, or the marketplace;

WHEREAS Commission staff have reviewed the request, along with supporting information, and find that the requested amendment is consistent with the requirements of the Act and applicable regulations thereunder;

In light of the foregoing, **IT IS ORDERED**, pursuant to Section 5b of the Act, 7 U.S.C. § 7a-1, that ICE NGX's request is approved and its DCO Order is amended, subject to the terms and conditions specified herein:

(1) Cleared Products. ICE NGX is hereby permitted to clear, in its capacity as a registered DCO, foreign futures, options on foreign futures, and swaps based on energy products or environmental products.

(2) Compliance with the Act and Commission Regulations. ICE NGX shall comply, and shall demonstrate compliance as requested by the Commission, with applicable provisions of the Act, including the Core Principles, and Commission regulations, as may be amended or adopted from time to time. ICE NGX shall fulfill each of the representations it has made relating to compliance with the Core Principles and Commission regulations.

(3) New Regulations. Should the Commission promulgate a regulation addressing or otherwise affecting any aspect of this order, then such regulation will apply and supersede the applicable terms in this order.

(4) Daily Settlement Procedures. Pursuant to Regulation 39.14(b), ICE NGX may use an accrual methodology to calculate settlement of variation adjustments to collateral, rather than a daily payment and collection model. ICE NGX may calculate daily variation and post daily such gains or losses in its risk management system to the account of each ICE NGX clearing member. ICE NGX shall maintain appropriate compliance systems to monitor the settlement of variation adjustments to collateral and its accrual methodology.

(5) Self-Regulatory Function. ICE NGX shall ensure the performance of all self-regulatory functions required of it as a registered DCO under the Act and Commission regulations, including, without limitation: (a) monitoring and enforcing clearing member compliance with NGX admission and continuing eligibility standards, such as capital requirements; (b) conducting examinations of the risk management procedures of each clearing member on a periodic basis; and (c) enforcing clearing member compliance with the terms of all ICE NGX rules and procedures not specifically referenced in clauses (a) and (b) of this section.

(6) Changes in Applicable Law. ICE NGX shall immediately inform the Commission of any change in Canadian law or the law of any province thereof that materially impacts ICE NGX's operation as a central counterparty, including, without limitation: (a) any law related to insolvency that materially impacts ICE NGX or its clearing members, and (b) any material change in ICE NGX's registration or licensure status with any securities or commodities regulatory authority in any province of Canada.

(7) Agent for Service of Process. ICE NGX shall maintain a valid, effective, and binding agreement appointing an agent in the United States for purposes of communications, including acceptance, on behalf of ICE NGX, of any summons, complaints, orders, subpoenas, requests for information, notice, or any other written document or correspondence issued by or

on behalf of the Commission, the United States Department of Justice, or any clearing member clearing proprietary or customer positions at or through ICE NGX, and ICE NGX shall promptly inform the Commission of any change in such agent or such agreement.

(8) Reservation of Rights. This order is based upon the representations made and supporting material provided to the Commission by ICE NGX. In the event of any changes to or omissions in the material facts or circumstances pursuant to which this order is issued, or for any reason in its own discretion, the Commission may condition, modify, suspend, terminate, or otherwise restrict the terms of this order, as appropriate and as permitted by law, on its own motion.

Issued in Washington, D.C., this 15th day of February, 2024.

By the Commission

A handwritten signature in black ink, appearing to read "Robert N. Sidman". The signature is written in a cursive style with a horizontal line underneath the name.

Robert N. Sidman
Deputy Secretary of the Commission