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Office of the  
Secretariat



World Financial Center  
One North End Avenue  
New York, New York 10282

**BY ELECTRONIC TRANSMISSION**

Submission No. 13-1  
January 2, 2012

Ms. Sauntia Warfield  
Office of the Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: Listing of New Cash Settled Currency Futures Contracts -  
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2 and 40.6(a)**

Dear Ms. Warfield:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.2, ICE Futures U.S., Inc. ("Exchange") submits, by written certification, amendments to Rules 26.01-26.04, 6.24, 27.18 and Appendix I of Chapter 27, attached as Exhibit C, which provide for two new Cash Settled Currency Futures Contracts, whose key contract specifications are shown below:

| Contract                   | Symbol | Contract Size   | Minimum Tick Value                     | Settlement |
|----------------------------|--------|-----------------|--|------------|
| Indian Rupee-U.S. Dollar   | KIU    | 2,000,000 rupee | \$0.000001 per rupee = \$2.00/contract | Cash       |
| Brazilian Real-U.S. Dollar | KBX    | 100,000 real    | \$0.00005 per real = \$5.00/contract   | Cash       |

In addition, pursuant to Commission Regulation 40.6(a), the Exchange also submits amendments to Rule 26.01 and the Exchange's Block Trade Procedures (reflected in the Exchange's Block Trade FAQ), as set forth in Exhibit D. Amendments to Rule 26.01 authorize the listing of up to sixty consecutive monthly contracts, from the current maximum of twenty four monthly contracts for cash settled currency futures. The amendments to the Block Trade Procedures establish block trade minimum sizes for the Indian rupee-U.S. dollar and Brazilian real-U.S. dollar contracts.

**Indian Rupee-U.S. Dollar Futures**

The Indian rupee-U.S. Dollar future will have a 2,000,000 rupee contract size. Specifications for the contract are attached hereto as Exhibit A. This equates to approximately \$38,000 notional value at the current exchange rate. The contract will be available for trading on

the ICE Platform Sunday through Friday 8:00PM through 5:00PM<sup>1</sup>, New York Time. The listing cycle may consist of up to sixty consecutive calendar months. The final settlement price is based on the rupee-dollar spot exchange rate published by the Reserve Bank of India on the last trading day of an expiring futures contract. On the Last Trading Day, trading in the expiring contract shall end at 2:00AM New York Time.

Amendments to Exchange Rule 6.24 establish position limits (2,000 contracts) for the last 5 days of trading and position accountability levels (10,000 contracts) for all other months combined which mirror the Exchange's cash settled Russian ruble-U.S. dollar contract. The No Cancellation Ranges, Reasonability Limits, Calendar Spread Limit Order Ranges and IPL provisions are consistent with the terms of the Exchange's other cash settled currency futures contracts. The block trade minimum quantity of 50 lots is consistent with provisions of CME contracts on other emerging currency pairs and with our own Russian ruble-U.S. dollar contract.

### **Brazilian Real-U.S. Dollar Futures**

Brazilian real-U.S. dollar futures will have a 100,000 real contract size. This equates to approximately \$49,000 notional value at the current exchange rate. Specifications for the contract are attached hereto as Exhibit B. The contract will be available for trading on the ICE Platform Sunday through Friday 8:00PM through 5:00PM<sup>2</sup>, New York Time. The listing cycle may consist of up to sixty consecutive calendar months. Final settlement price will be based upon the Commercial exchange rate for Brazilian real per U.S. dollar for cash delivery published by the Central Bank of Brazil. On the Last Trading Day, trading in the expiring contract shall end at 10:15 AM NY time.

Exchange Rule 6.24 provides position limits (24,000 contracts) for the last five days of trading and position accountability levels (40,000 contracts) for all other months combined. The No Cancellation Ranges, Reasonability Limits, Calendar Spread Limit Order Ranges and IPL provisions are consistent with the terms of the Exchange's other cash settled currency futures contracts. The block trade minimum quantity of 50 lots is consistent with provisions of CME contracts on other emerging currency pairs and with our own Russian ruble-U.S. dollar contract.

### **Certifications**

All amendments will become effective with the listing of the Indian rupee-U.S. dollar contract on January 21, 2012. The Brazilian real-U.S. dollar contract will be listed on January 28, 2012.

The Exchange certifies that the amendments related to the listing of these contracts comply with the requirements of the Commodity Exchange 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 Commodity Exchange Act and has determined that the listing of the new contracts complies with the following relevant Core Principles:

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<sup>1</sup> Sunday evening trading opens at 6:00PM, New York Time.

<sup>2</sup> Sunday evening trading opens at 6:00PM, New York Time.

## COMPLIANCE WITH RULES

The terms and conditions of the new contracts are set forth in Chapter 26, Rules 6.24, 27.18 and Appendix I of Chapter 27 and will be enforced by the Exchange. In addition, trading of the new 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 should not be readily subject to manipulation as they are both cash settled. Further, final settlement price for both are based upon transparent rates published by national banks, the Reserve Bank of India and the Central bank of Brazil.

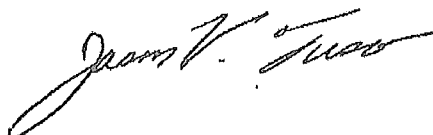
## POSITION LIMITS OR ACCOUNTABILITY

The Exchange has set spot month position limits and all other months combined accountability levels which are consistent with other cash settled currency futures contracts listed by the Exchange.

No substantive opposing views were expressed by members or others with respect to the rules. The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website at (<https://www.theice.com/notices/RegulatoryFilings.shtml>).

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,



Jason V. Fusco  
Assistant General Counsel  
Market Regulation

Enc.

cc: Division of Market Oversight  
New York Regional Office

EXHIBIT A

| <b>ICE Cash-Settled Indian Rupee-U.S. Dollar Future Contract Specification</b> |   |
|--|---|
|  |   |
| <b>Contract Size</b>   | 2,000,000 Indian rupees.  |
| <b>Contract Months</b>   | All twelve calendar months.   |
| <b>Price Quotation</b>   | US. Dollar per rupee, to six decimal places   |
| <b>Tick Size</b>   | \$0.00005 per real, \$5.00 per contract   |
| <b>Trading Hours</b>   | ETS: 8:00 pm to 5:00 pm NY time<br>(6:00 pm open on Sunday nights)  |
| <b>Last Trade Date</b>   | Two business days prior to the last business day of the contract month.   |
| <b>Symbol</b>  | KIU   |
| <b>Final Settlement</b>  | Cash settlement based upon the spot rate quoted by Reserve Bank of India on the 1 <sup>st</sup> day of the expiring future. |

**EXHIBIT B**

| <b>ICE Cash-Settled Brazilian Real-U.S. Dollar Future Contract Specification</b> |   |
|--|---|
|  |   |
| <b>Contract Size</b>   | 100,000 Indian rupees.  |
| <b>Contract Months</b>   | All twelve calendar months.   |
| <b>Price Quotation</b>   | US. Dollar per real, to five decimal places   |
| <b>Tick Size</b>   | \$0.000001 per rupee, \$2.00 per contract   |
| <b>Trading Hours</b>   | ETS: 8:00 pm to 5:00 pm NY time<br>(6:00 pm open on Sunday nights)  |
| <b>Last Trade Date</b>   | Two business days prior to the last business day of the contract month.   |
| <b>Symbol</b>  | KBX   |
| <b>Final Settlement</b>  | Cash settlement based upon the Commercial exchange rate for Brazilian Real per U.S. dollar for cash delivery published by the Central Bank of Brazil. |

## EXHIBIT C

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

### Rule 6.24. Position Limits and Position Accountability for Financial Contracts

\* \* \*

#### (f) Cash Settled Currencies

(i) A Person holding or controlling forty thousand (40,000) or more Exchange Futures Contracts and Futures Equivalent Contracts net long or net short in all of the Brazilian real-US dollar, or twenty thousand (20,000) in all of the Columbian peso-US dollar contract months combined, or ten thousand (10,000) in all of the Russian ruble-US dollar contract months combined, or ten thousand (10,000) in all of the Indian rupee-US dollar contract months combined;

(A) 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

(B) 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 and Options Futures Contracts positions.

(ii) Subject to the exceptions contained in this Chapter, during the last five (5) days of trading in an expiring delivery month, the maximum net long or net short Brazilian real-US dollar position which any one (1) Person may own is twenty-four thousand (24,000) Exchange Futures Contracts in the expiring delivery month.

(iii) Subject to the exceptions contained in this Chapter, during the last five (5) days of trading in an expiring delivery month, the maximum net long or net short Columbian peso-US dollar position which any one (1) Person may own is twelve thousand (12,000) Exchange Futures Contracts in the expiring delivery month.

(iv) Subject to the exceptions contained in this Chapter, during the last five (5) days of trading in an expiring delivery month, the maximum net long or net short Russian ruble-US dollar position which any one (1) Person may own is two thousand (2,000) Exchange Futures Contracts in the expiring delivery month.

(v) Subject to the exceptions contained in this Chapter, during the last five (5) days of trading in an expiring delivery month, the maximum net long or net short Indian rupee-US dollar position which any one (1) Person may own is two thousand (2,000) Exchange Futures Contracts in the expiring delivery month.

**Rule 26.00. Unit of Trading**

The unit of trading for the different Cash Settled Currency Futures Contracts are as follows:

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| <i>Currency Pair</i>                                  | <i>Unit of Trading</i>  |
|---|-------------------------|
| 1. Colombian peso-US dollar (Colombia-dollar).....    | 100,000,000 pesos       |
| 2. Russian ruble-US dollar (ruble-dollar).....        | 2,500,000 rubles        |
| <u>3. Indian rupee-US dollar (rupee-dollar) .....</u> | <u>2,000,000 rupees</u> |
| <u>4. Brazil real-US dollar (real-dollar) .....</u>   | <u>100,000 real</u>     |

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**Rule 26.02. Quotation Basis**

The quotation basis for Cash Settled Currency Futures Contracts are as follows:

(a) *Colombia-dollar*: Bids and offers for Colombia-dollar currency futures shall be quoted in terms of US dollars per 10,000,000 Colombian peso significant to two (2) decimals. The minimum price fluctuation shall be .10 US dollars per 10,000,000 Colombian peso, which is equivalent to one US dollar (\$1.00) per futures contract. The US dollar is the quoted currency. The Colombian peso is the base currency.

(b) *Ruble-dollar*: Bids and offers for ruble-dollar currency futures contracts shall be quoted in terms of US dollars per Russian ruble to six (6) decimal places. The minimum price fluctuation shall be .000010 US dollars per Russian ruble, which is equivalent to twenty five US dollars (\$25.00) per futures contract. The US dollar shall be the quoted currency. The Russian ruble shall be the base currency.

(c) *Rupee-dollar*: Bids and offers for rupee-dollar currency futures contracts shall be quoted in terms of US dollars per Indian rupee to six (6) decimal places. The minimum price fluctuation shall be .000001 US dollars per Indian rupee, which is equivalent to two US dollars (\$2.00) per futures contract. The US dollar shall be the quoted currency. The Indian rupee shall be the base currency.

(d) *Real-dollar*: Bids and offers for real-dollar currency futures shall be quoted in terms of US dollars per Brazil real to five (5) decimal places. The minimum price fluctuation shall be .00005 US dollars per real, which is equivalent to five US dollars (\$5.00) per futures contract. The US dollar is the quoted currency. The Brazil real is the base currency.

**Rule 26.03. Last Trading Day**

The Last Trading Day for Cash Settled Currency Futures Contracts are as follows:

(a) *Colombia-dollar*: the Wednesday immediately prior to the second Thursday of the contract month. If the Last Trading Day is a bank holiday in New York, New York then the Last Trading Day for the current month shall be the preceding Business Day. On the Last Trading Day, trading in the expiring contract shall end at 5:00PM New York Time.

(b) *Ruble-dollar*: the fifteenth (15<sup>th</sup>) calendar day of the contract month. If that day is not a business day for the Moscow interbank foreign exchange market, the Last Trading Day shall be the next business day for the Moscow interbank foreign exchange market. On the Last Trading Day, trading in the expiring contract shall end at 11:00 am Moscow time.

(c) Rupee-dollar: the second business day prior to the last business day of the month. On the Last Trading Day, trading in the expiring contract shall end at 2:00 am New York Time.

(d) Real-dollar: the last business day of the calendar month preceding the contract month, on which the Central Bank of Brazil is scheduled to publish its final end-of-month PTAX rate. On the Last Trading Day, trading in the expiring contract shall end at 10:15 am NY time.

#### **Rule 26.04. Settlement Procedures**

*(a) Colombia-dollar:*

(i) All Columbia-dollar futures contracts remaining open after the close of trading on the Last Trading Day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The Final Settlement Price shall be calculated on the business day after the Last Trading Day, based on the Last Trading Day at the reciprocal of the Colombian official exchange rate: "Rate of Exchange Representative of Market" – TRM (also known as the Colombian Peso Index) as published by Superintendencia Financiera de Colombia, a division of the Central Bank of Colombia on the Last Trading Day of the contract month or as specified by the Exchange. The reciprocal of the Colombian official exchange rate shall be rounded to eight (8) decimal places and converted to the clearing format of U.S. dollars per 10,000,000 Colombian pesos.

(ii) In the event that the TRM of Colombia pesos per U.S. dollar is not calculated by the Superintendencia Bancaria and/or published by the Central Bank of Colombia on the Last Trading Day, the Exchange shall determine a Final Settlement Price based on its own survey of financial institutions inside of Colombia that are active participants in the Colombian peso per US dollar spot market.

(iii) All Columbia-dollar futures contracts remaining open after the close of business on the Last Trading Day shall be liquidated by cash settlement on the business day following the business day on which the Final Settlement Price as defined above for each such contract is made available to the Clearing Corporation.

*(b) Ruble-dollar:*

(i) All ruble-dollar futures contracts remaining open after the close of trading on the Last Trading Day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The Final Settlement Price shall be the reciprocal of the CME-EMTA Russian Ruble per US dollar Reference Rate, as calculated by and published on the CME website, significant to six (6) decimal places.

(ii) In the event that the CME-EMTA Russian Ruble per US dollar Reference Rate is not calculated or published on the Last Trading Day, the Exchange shall determine a Final Settlement Price based upon the best available data.

(iii) All ruble-dollar futures contracts remaining open after the close of business on the Last Trading Day shall be liquidated by cash settlement on the business day following the business day on which the Final Settlement Price as defined above for each such contract is made available to the Clearing Corporation.

*(c) Rupee-dollar:*

(i) All rupee-dollar futures contracts remaining open after the close of trading on the Last Trading Day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The Final Settlement Price shall be the reciprocal of the "INR RBIB (INR01)", which is the "Indian rupee per U.S. dollar" spot exchange rate published by the Reserve Bank of India (RBI) at approximately 12:30 pm Mumbai time on the Last Trading Day.



(ii) In the event that the INR RBIB (INRI01) exchange rate is not calculated or published on the Last Trading Day, the Exchange shall determine a Final Settlement Price based upon the best available data.

(iii) All rupee-dollar futures contracts remaining open after the close of business on the Last Trading Day shall be liquidated by cash settlement on the business day following the business day on which the Final Settlement Price as defined above for each such contract is made available to the Clearing Corporation.

(d) Real-dollar:

(i) All real-dollar futures contracts remaining open after the close of trading on the Last Trading Day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The Final Settlement Price shall be the reciprocal of the Commercial exchange rate for Brazilian Real per US dollar for cash delivery, according to the provisions of Resolution no. 1690/'90 of the National Monetary Council, defined as the average offered rate calculated by the Central Bank of Brazil on the last business day of the month for the Central Bank of Brazil immediately preceding the contract month, according to its criteria, broadcast by SISBACEN, transaction PTAX, option 5-L (closing quotation), to five (5) decimal places ("Central Bank of Brazil BRL PTAX" rate), and verified on the last business day of the month for the Central Bank of Brazil.

(ii) In the event that the Commercial exchange rate for Brazilian Real per US dollar for cash delivery is not calculated or published on the Last Trading Day by the Central Bank of Brazil, the Exchange shall determine a Final Settlement Price based on the best available data.

**Rule 27.18. Trading Hours**

(a) The ETS trading hours shall be as specified by the Exchange from time to time.

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

\* \* \*

(vii) for Financial Futures and Options Contracts, 2:59 PM – 3:00 PM, other than the Brazilian Real/US Dollar contract for which the period shall be 3:59-4:00 pm Sao Paolo, Brazil time;

**APPENDIX I  
ERROR TRADE POLICY**

\* \* \*

**4. No Cancellation Range<sup>3</sup>**

| <b>Currency Pair Contracts</b>      | <b>No Cancellation Range</b> |
|-------------------------------------|------------------------------|
| <u>Indian Rupee-US dollar (KIU)</u> | <u>600 ticks/600 points</u>  |
| <u>Brazil real-US dollar (KBX)</u>  | <u>60 ticks/300 points</u>   |

[REMAINDER OF POLICY UNCHANGED]

<sup>3</sup> No Cancellation Ranges are subject to change

EXHIBIT D

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

**Rule 26.01. Months Traded**

(a) Trading in each Cash Settled Currency Futures Contract shall be conducted in at least twelve (12) consecutive delivery months. Up to [~~twelve (12)~~] forty-eight (48) additional consecutive delivery months may be listed at the discretion of the President.

[REMAINDER OF RULE UNCHANGED]

ICE FUTURES U.S.  
BLOCK TRADE – FAQs

\* \* \*

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

\* \* \*

| <u>Currency Futures Pair</u>        | <u>Contract Symbol</u> | <u>Minimum Quantity Requirement</u> |
|-------------------------------------|------------------------|-------------------------------------|
| <u>Indian Rupee-US dollar (KIU)</u> | <u>KIU</u>             | <u>50 Lots</u>                      |
| <u>Brazil real-US dollar (KBX)</u>  | <u>KBX</u>             | <u>50 Lots</u>                      |

[REMAINDER OF RULE UNCHANGED]