



Submission No. 14-10  
February 6, 2014

Ms. Melissa Jurgens  
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 Cash-Settled FCOJ Futures Contracts  
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2**

Dear Ms. Jurgens:

Pursuant to Commission Regulation 40.2, ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, new Chapter 30 and amendments to Rule 6.21 which provide for a new Cash-Settled FCOJ Futures Contract, as set forth in Exhibit A.

The new contract is a cash-settled mini contract which shares many terms and conditions with the existing physically delivered FCOJ-A Futures contract currently listed by the Exchange. Specifications are attached hereto as Exhibit B. The size of the new contract will be 1,500 pounds, which is approximately one-tenth the size of the physically delivered FCOJ-A Futures Contract. As a corollary, the minimum price fluctuation is one tenth that of the full-sized contract. Other significant contract specifications such as the listing cycle, quotation basis, no-cancellation range (\$0.0100/pound), reasonability limits (\$.0225/pound), interval price limit amount (500 point move) and trading hours (8:00AM to 2:00PM) for the new cash-settled contract match those for the physically delivered contract. The last trading day for the new contract will be the same as the last trading day of the regular monthly option contract on the physically delivered contract. Final settlement prices for the new cash-settled contract will be based upon the daily volume weighted average price for the corresponding contract month of the FCOJ-A futures contract on the last trading day of the expiring cash-settled contract.

Amendments to Rule 6.21 provide that positions in the new contract will be subject to the position limits currently in place for the physically delivered contract and will be aggregated with positions on the same side of the market in FCOJ-A Futures and Options Contracts for purposes of determining compliance with position limits. No netting will be allowed between Cash-Settled FCOJ positions and FCOJ-A positions for position limit purposes. Cash-Settled FCOJ Futures Contracts will be cleared at The Clearing Corporation a registered derivatives clearing organization (“DCO”) under the Act. Exchange Rules already require that any firm seeking to act as a clearing member of any Exchange Contract must be a member firm of the Exchange, thereby assuring the regulatory authority of the Exchange over such firm.

The new chapter and rule will become effective with the listing of the March 2014 and May 2014 delivery months on February 10, 2014. The Exchange is not aware of any substantive opposing views to the new contract. The Exchange certifies that the new chapter and 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 new Cash-Settled FCOJ Contract are set forth in Chapter 30 and Rules 6.21 and 27.18 and Appendix I of Chapter 27 and will be enforced by the Exchange. In addition, trading of the new contract is subject to all relevant Exchange rules which are enforced by the Market Regulation Department

**CONTRACTS NOT READILY SUBJECT TO MANIPULATION**

The new Cash-Settled FCOJ Contract is not readily subject to manipulation as it is based on established and liquid underlying cash and futures markets. In addition, trading of the new contract will be monitored by the Market Regulation Department.

**POSITION LIMITS OR ACCOUNTABILITY**

Positions in the new Cash-Settled FCOJ Contract will be subject to the position limits currently in place for the physically delivered contract and will be aggregated with positions on the same side of the market in FCOJ-A Futures and Options Contracts for purposes of determining compliance with position limits. No netting will be allowed between Cash-Settled FCOJ positions and FCOJ-A positions for position limit purposes.

**FINANCIAL INTEGRITY OF CONTRACTS**

The new Cash-Settled FCOJ Contract will be cleared by The Clearing Corporation, 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 notice of pending certification was posted on the Exchange's website as well as a copy of this submission, which may be accessed 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**

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

**CASH-SETTLED FCOJ FUTURES CONTRACTS**

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# ICE FUTURES U.S.<sup>®</sup>, INC.

## CASH-SETTLED FCOJ FUTURES CONTRACTS

### **Rule 30.00 Scope**

The Exchange shall list for trading hereunder cash-settled Futures Contracts in FCOJ and such other commodities as may be designated by the Exchange from time to time.

### **Rule 30.01 Contract Size**

Each cash-settled FCOJ Futures Contract shall be valued as the contract quantity of 1,500 pounds multiplied by the Settlement Price.

### **Rule 30.02 Contract Months**

Trading shall be conducted in the months of January, March, May, July, September and November or as otherwise specified by the Board. The number of months open for trading at any time shall be determined by the Exchange.

### **Rule 30.03 Price Basis**

All bids and offers shall be quoted and in multiples of five one-hundredths of one cent per pound. There shall be no price limits on cash-settled FCOJ futures contracts.

### **Rule 30.04 Last Trading Day**

The Last Trading Day for any cash-settled FCOJ Futures contract month shall be the business day that is the last trading day of the regular monthly option on the corresponding physical delivery FCOJ-A futures contract. No trades in any cash-settled FCOJ Futures Contracts shall be made after the close of trading on the Last Trading Day for that contract month.

### **Rule 30.05 Settlement Price**

The Exchange shall publish a Settlement Price on each Business Day which shall be set at the value of the corresponding month of the FCOJ-A futures contract on such day, or as otherwise determined by the Exchange.

### **Rule 30.06 Final Settlement Price**

The Exchange shall publish a Final Settlement Price based on the volume weighted average of the prices for the corresponding contract month of the FCOJ-A futures contract which trade between the start and end of trading on the Last Trading Day (“LTD”) of the expiring cash-settled FCOJ Futures Contract. The Final Settlement price shall be calculated in accordance with Rule 4.08, using prices between the start and end of trading on the LTD, or as otherwise specified by the Exchange. In the event that the relevant FCOJ-A Futures Contract settles at limit up or limit down on the Last Trading Day of an expiring cash-settled FCOJ Futures Contract, the Final Settlement Price shall be calculated by the Exchange based upon prices in the regular option contract on the FCOJ-A Futures Contract. Final settlement under each cash-settled FCOJ Futures Contract shall be made on the Last Trading Day and shall be made in the same manner and in accordance with the same procedures that payment of variation Margin is made to the Clearing Organization

**Rule 6.21. Position Limits 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 under in FCOJ Futures Contracts and Futures Equivalent Contracts is:

(i) three thousand two hundred (3,200) in any one month; and (ii) three thousand two hundred (3,200) in all months combined.

\* \* \*

(c) 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.

**EXHIBIT B**

<b>ICE Cash-Settled FCOJ Future Contract Specification</b>	
<b>Contract Size</b>	1,500 pounds solids
<b>Contract Months</b>	January, March, May, July, September and November
<b>Price Quotation</b>	Cents per pound, to two decimal places
<b>Tick Size</b>	.05 cents per pound, equal to \$0.75 per contract
<b>Trading Hours</b>	ETS: 8:00 am to 2:00 pm
<b>Last Trade Date</b>	The last trading day of the regular option on the related physical delivery FCOJ futures contract.
<b>Symbol</b>	OJM
<b>Final Settlement</b>	ICE Cash-Settled FCOJ Futures Contracts are cash settled at expiration based upon the daily volume weighted average price of the corresponding trading month of the ICE physical delivery FCOJ futures contract on the Last Trade Date for the ICE Cash-Settled contract.
<b>Position Limit</b>	Spot Month: n/a Any Month/All Months: Cash-Settled FCOJ futures positions are subject to the relevant position limits of the Physical Delivery FCOJ futures contract, on an aggregated basis without netting and with Cash-Settled positions measured on a contract-size adjusted basis.
<b>Daily Price Limit</b>	None
<b>Block Enabled</b>	No.
<b>EFP and EFS Enabled</b>	No.
<b>NCR, RL and CSLOR</b>	NCR: 1.00 cent/lb. RL: 2.25 cents/lb. CSLOR: 1.00 cent/lb
<b>IPL Levels</b>	500 points, 15 second recal and 30 second hold (same as physical delivery contract).
<b>Ex &amp; Clrg Fee</b>	Waived for first three months of trading.