

  
**ICE FUTURES U.S.**  
World Financial Center  
One North End Avenue  
New York, New York 10282

**BY ELECTRONIC TRANSMISSION**

Submission No. 13-21  
March 4, 2013

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: Guidelines Related to Establishing Settlement Prices**  
**Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“Exchange”) hereby self certifies the Guidelines described below and attached as Exhibit A, with respect to determining the “lead month” for purposes of establishing settlement prices under Rule 4.08. The Guidelines will become effective on March 19, 2013.

Trading Rule 4.08 sets forth the daily settlement procedures for all Exchange Futures Contracts except for Cash-Settled U.S. Agricultural Futures Contracts (which are separately addressed in the Chapter 14 Rules specifying the terms and conditions of those contracts). Under Rule 4.08, the Settlement Price for the Lead Month is calculated as the weighted average of all prices for outright Trades executed in the Lead Month during the settlement period for the respective contract. All other months are settled either using weighted average volume or spread differentials based on the price of the Lead Month.<sup>1</sup>

The Lead Month for a futures contract will generally be the delivery or expiration month with the highest open interest *and* highest volume. This will typically, but not always, be the front month

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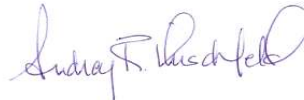
<sup>1</sup> If the procedures specified in the Rule would result in a settlement price which the Exchange believes would not fairly represent market value of a month relative to any other month, or would be contrary to information known to the Exchange, Rule 4.08 also authorizes settlement of a contract to be made on the basis of other information which the Exchange deems reliable.

contract. In the event that the Lead Month has already rolled to the next listed month by the date that is the last trading day for the expiring option—that is—the option underlying the front month, the settlement price for the front month will not be determined on the basis of Lead Month spread differentials, but rather, will be determined on the basis of outright trades executed in the front month during the settlement period.

The Exchange certifies that the Guidelines for Futures Settlement Prices comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. Specifically, the amendments are made in furtherance of Core Principle 7 (Availability of General Information). The Exchange is not aware of any substantive opposing views expressed with respect to the Guidelines and 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/notices/Notices.shtml?regulatoryFilings>).

If you have any questions or need further information, please contact me at 212-748-4083 or at [audrey.hirschfeld@theice.com](mailto:audrey.hirschfeld@theice.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Audrey R. Hirschfeld".

Audrey R. Hirschfeld  
SVP and General Counsel

Enc.  
cc: Division of Market Oversight  
New York Regional Office

## EXHIBIT A

### Guidelines For Futures Settlement Prices

This document is intended to provide information on current IFUS policies related to the determination of Settlement Prices with regards to the methodology for assigning and rolling the Lead Month (as such term is used in Rule 4.08). These policies are only general guidelines and are subject to change without prior notice. The full text of Rule 4.08 can be found on the web in Chapter 4 (Trading Rules) at:

[https://www.theice.com/publicdocs/rulebooks/futures\\_us/4\\_Trading.pdf](https://www.theice.com/publicdocs/rulebooks/futures_us/4_Trading.pdf)

#### Identification of the Lead Month

The Settlement Price for the Lead Month is calculated as the weighted average of all prices for outright Trades executed in the Lead Month during the settlement period for the respective contract.

The Lead Month for a futures contract will generally be the delivery or expiration month with the highest open interest and highest volume. This will typically be the front month contract. Once a contract month has been established as the Lead Month, it will remain the Lead Month until both open interest and volume in a subsequent delivery or expiration month are higher. On the day that this occurs, the Lead Month will roll to the delivery or expiration month with the higher open interest and volume.

The Settlement Price for all delivery or expiration months other than the Lead Month will be either the weighted average or the prevailing differential depending on the nature of the trading volume in such delivery or expiration month during the close.

#### Option Last Trading Day

If the Lead Month for futures settlement price purposes has already rolled off of the front month on the last trading day of an option, the settlement price of the front month futures contract will be calculated as the weighted average of all prices for outright Trades executed in the front month contract during the settlement period, rather than the prevailing differential from the Lead Month.

#### Discretion to Settle on the Basis of Other Information

It should also be noted that if the Exchange concludes that the Settlement Price determined in accordance with subparagraphs (b)(i) through (iii) of Rule 4.08 does not fairly represent the market value of the relevant delivery or expiration month relative to the Settlement Price of any other delivery or expiration month(s), or is inconsistent with market information known to the Exchange, Rule 4.08 provides that the Settlement Price of such delivery or expiration month may be established at a level consistent with such other Settlement Price(s) or market information, including the settlement prices for similar contracts trading on other markets, trading activity in the spot, OTC and swap markets, forward prices, pricing data obtained from OTC and swap market participants, and any other pricing data from sources deemed reliable by the Exchange