


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

BY ELECTRONIC TRANSMISSION

Submission No. 12-34
June 21, 2012

Mr. David Stawick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Amendments to Rule 21.02(e) – Summary Fining Authority
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)**

Dear Mr. Stawick:

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”) submits amendments to Disciplinary Rule 21.02(e), attached hereto as Exhibit A.

Disciplinary Rule 21.02(e) currently authorizes the Vice President of Market Regulation to issue summary fines of up to \$10,000 for certain minor infractions such as recordkeeping violations, failure to report sales on the close and failure to report block trades within the time frame prescribed by the Exchange. The Exchange has amended the Rule (1) remove violations of Exchange Rule 4.25(b),(failure to report sales on the close) from the list of infractions for which summary fines may be issued; and (2) add violations of Rules 27.09(a), (b) and (c), which add certain violations relating to the identification and registration requirements for use of the electronic trading system (“ETS”), to the list of infractions for which summary fines may be issued. Exchange Rule 4.25(b) is being deleted from the rules as obsolete because the daily settlement price for Options Contracts is now determined exclusively from prices trading on the ETS. As such, reporting of sales on the close by open outcry is not necessary.

Rule 27.09 imposes identification and registration requirements for authorized traders using the ETS and is considered to be akin to other recordkeeping violations. Specifically, paragraph (a) requires that each Registered Operator authorized to trade on the ETS have a unique identification. Paragraph (b) requires each order the Registered Operator submits to the ETS to contain such unique identification; it prohibits the Registered Operator from allowing others to use his unique identification; and prohibits the Registered Operator from the using the unique identification of another to enter orders onto the ETS. Paragraph (c) requires all Exchange Clearing Members and Direct

Access Users to register and file such information regarding Registered Operators as directed by the Exchange. In accordance with Paragraph (c), the Exchange requires Clearing Members and Users with Direct Access to register in the Authorized Trader Management System all Exchange Members, employees of Exchange Members, employees of firms with Direct Access, individuals or employees of firms who are participants in the Exchange's market maker and trade incentive programs, and any other Registered Operators as determined by the Exchange.

No opposing views were expressed by members or others with respect to the amendments, which will become effective July 9, 2012. The Exchange certifies that the rule amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. Specifically, the amendments to Rule 27.09(e) comply with Core Principles 2 (Compliance with Rules) and 13 (Disciplinary Procedures). The amendments allow the Exchange to comply with its obligations to apply appropriate sanctions to participants that violate Exchange rules through the imposition of minor summary penalties.

The Exchange further 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/RegulatoryFilings.shtml>). If you have any questions or need further information, please contact me at 212-748-4021 or at jason.fusco@theice.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is written in a cursive style with a large, looping initial "J".

Assistant General Counsel
Market Regulation

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

EXHIBIT A

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

Rule 21.02. Compliance Staff — Powers and Duties

* * *

(e) Notwithstanding the provisions of paragraph (d) of this Rule, the Vice President or his designee may issue a warning letter or impose a summary fine of no more than ten thousand dollars (\$10,000) in any case in which it is concluded that there may have been a violation of:

(i) any trading card or order ticket record keeping rule;

~~[(ii) Rule 4.25(b) provided, however, that the Floor Committee has not already taken any action;]~~

(ii~~[i]~~) Rule 4.31(c); ~~[ø]~~

(iii~~[v]~~) Rule 27.05(a)(i); or

(iv) paragraph (a), (b) or (c) of Rule 27.09

The authority to impose such a summary fine does not limit the Vice President's authority to refer the matter to the BCC instead of imposing a summary fine. A summary fine imposed in accordance with this paragraph shall become final and effective and payment shall become due and owing to the Exchange fifteen (15) calendar days after the Member receives the fine.