



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

BY ELECTRONIC TRANSMISSION

Submission No. 12-84
December 5, 2012

Ms. Sauntia Warfield
Assistant Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**Re: Rule 4.07 Advisory (Block Trading)
Submission Pursuant to Commission Regulation 40.6(a) Self-Certification**

Dear Ms. Warfield:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “CEA”) and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) hereby submits by self-certification the Exchange Notice (“Notice”) attached as Exhibit A, which clarifies certain aspects of the Exchange’s block trading rule.

Rule 4.07 codifies the circumstances under which block trades in IFUS contracts may be executed and submitted to the Exchange. The rule specifies that such trades must be “privately negotiated transactions” which meet the size, reporting and other requirements specified in the Rule. The purpose of the Notice is to clarify the “privately negotiated” standard in the context of electronic trade matching systems. Specifically, the use of a system or facility that allows for the electronic matching, or electronic acceptance, of anonymous bids and offers to facilitate the execution of block trades does not meet the privately negotiated standard of the Exchange’s Rule. The Notice also makes clear that the use of communication technologies to bilaterally request block trade quotes from multiple parties and to conduct privately negotiated block trades does meet the standard of Rule 4.07. In addition, parties may use technologies supported by third parties which allow for the electronic posting of indicative block trade quotes that are displayed to multiple parties, however, block trades executed between parties on the basis of such electronically displayed indicative markets may be transacted only through direct bilateral communications involving a broker (where applicable) and the parties to the trade.

The Notice will become effective for trade date December 20, 2012.

The Exchange certifies that the Notice interpreting Rule 4.07 complies with the requirements of the CEA and the rules and regulations promulgated thereunder. In particular, Core Principle 9 provides that the rules of a contract market may authorize, for bona fide business purposes, transactions that are executed away from the central marketplace of the contract market. The Notice provides market participants with guidance on the “privately negotiated” element of the Exchange Rule permitting block trades in its contracts. There were no substantive opposing views to the Notice.

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 the undersigned at (212) 748-4083 (audrey.hirschfeld@theice.com).

Sincerely,

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

Audrey R. Hirschfeld
Senior Vice President and General Counsel

cc: Division of Market Oversight
New York Regional Office

EXHIBIT A



EXCHANGE NOTICE

December 5, 2012
Summary of content:

Guidance on Private Negotiation Requirement of Block Trade Rule 4.07

Referenced Information:

[Block Trade FAQ](#)

For more information please contact:

[Agricultural & Financial Products](#)
Kerry Demitriou
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212-748-4014
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[Energy Products](#)
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Guidance on Private Negotiation Requirement Applicable to Block Trades under Rule 4.07

Market Regulation is issuing this Exchange Notice, effective December 20, 2012, to provide guidance on the use of electronic systems in connection with block trading. ICE Futures U.S. ("IFUS") Rule 4.07 permits the execution of **privately negotiated trades** which meet the requirements set out in the Rule regarding eligible parties, pricing, and reporting. It is inconsistent with Rule 4.07 and therefore not permitted to facilitate the execution of block trades in Exchange-traded products on a system or facility accessible to multiple parties that allows for the electronic matching of or the electronic acceptance of anonymous bids and offers; block trades transacted in such manner do not satisfy the privately negotiated standard. Parties may use communication technologies to bilaterally request block quotes from one or more participants and to conduct privately negotiated block trades. Parties may also utilize technologies supported by third parties which allow for the electronic posting of indicative block markets displayed to multiple market participants. However, block trades executed between parties on the basis of such electronically displayed indicative markets may be transacted only through direct bilateral communications involving the broker, where applicable, and the parties to the trade.

Additional Guidance

For additional information on block trading, please see [IFUS Rule 4.07, Block Trading](#) and/or the [IFUS Block Trade FAQ](#).

Feedback and Questions

Questions about block trades should be addressed to one of the contacts listed in this Notice.