



July 20, 2016

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6:
Amendments to Delivery Procedures for UK OCM Natural Gas Spot
Contracts and European Emissions Contracts

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Rule 40.6 for self-certification, the amendments to its Delivery Procedures discussed herein. The amendments are to become effective on the business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

Concise Explanation and Analysis

The purpose of the rule amendments is to modify the ICE Clear Europe Delivery Procedures relating to the settlement of certain UK natural gas spot contracts and European emissions contracts. The natural gas spot contracts, specifically the ICE Endex UK OCM Natural Gas Spot Contracts (“UK OCM Natural Gas Spot Contracts”), are traded on the ICE Endex spot market and cleared by ICE Clear Europe. The European emissions futures contracts (“European Emissions Contracts”) are traded on the ICE Futures Europe market and cleared by ICE Clear Europe. ICE Clear Europe does not otherwise propose to amend its clearing rules or procedures in connection with these changes.

ICE Clear Europe submits revisions to Parts A and E of the Delivery Procedures.

In Part A of the Delivery Procedures, which applies to the European Emissions Contracts, the delivery timetable has been amended to remove references to the ICE Registry Account Notification Form, which is no longer required. The amendments specify the requirements on buyers and sellers under the relevant contracts to provide delivery margin (and clarify the timing of those requirements). The amendments also clarify the timing for the buyer to pay the full contract value to the Clearing House, and for the Clearing House to remit the full contract value to the applicable seller. The delivery timetable has also been revised to change the deadlines for submission of certain delivery-related forms to the Clearing House. Certain deadlines for notices and other actions in connection with late or failed deliveries have also been adjusted.

In Part E of the Delivery Procedures, which applies to the UK OCM Natural Gas Spot Contracts, the definition of Delivery Month has been further clarified and a new definition of Invoice Period has been added, which is used to determine the revised timing of various settlement requirements. These changes are consistent with the approach used for other natural gas contracts cleared by ICE Clear Europe. In paragraph 6, several amendments have been made to settlement timetables, including to shorten certain periods for payment and release of relevant security or delivery margin. Under the revised Delivery Procedures, payment for completed deliveries will be made on the second clearing day following the relevant delivery day, and buyer's margin will also be released on such day. Timing for delivery of relevant invoice details has been tied to the new Invoice Period definition. In connection with the revised (and shorter) settlement cycle, the amendments also eliminate the concept of contingent credits made for prior deliveries. Revised paragraph 7 clarifies the treatment of failed deliveries, including the ability of the Clearing House to require additional delivery margin from the buyer and seller, and the timing of ultimate payment in respect of a prior month's failed deliveries. Certain reporting responsibilities and deadlines are also clarified in light of the adoption of the Invoice Period concept.

Compliance with the Act and Commission Regulations

The amendments to the Delivery Procedures are potentially relevant to the following core principles: (D) Risk Management and (E) Settlement Procedures, and the applicable regulations of the Commission thereunder.

- *Risk Management.* ICE Clear Europe believes that the amendments will enhance its ability to manage the risks relating to the European Emissions Contracts and UK OCM Natural Gas Spot Contracts, and in particular will mitigate the risks of physical delivery under such contracts. In particular, the amendments clarify certain aspects of the timing of delivery margin requirements applicable to these contracts, and also clarify the settlement obligations of buyers and sellers more generally (including the timing of such obligations). These changes will support the Clearing House's general risk management framework, consistent with the requirements of Core Principle D and Commission Rule 39.13.
- *Settlement Procedures.* The amended Delivery Procedures are designed to enhance the procedures for settlement of the European Emissions Contracts and UK OCM Natural Gas Spot Contracts. In particular, with respect to the

latter, the amendments will shorten the settlement cycle and facilitate prompt payment for completed deliveries, thereby reducing settlement risk. The amended Delivery Procedures, together with the Rules, thus more clearly establish the obligations of the Clearing House in respect of delivery and permit the clearing house to manage delivery risks with respect to such contracts. ICE Clear Europe believes that the amended Delivery Procedures are therefore consistent with the requirements of Core Principle E and Commission Rule 39.14.

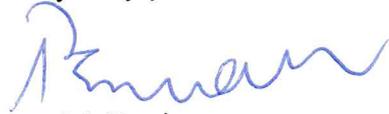
As described herein, the amendments consist of changes to the ICE Clear Europe Delivery Procedures. A copy of such revisions is attached hereto.

ICE Clear Europe hereby certifies that the changes comply with the Act and the Commission's regulations thereunder.

ICE Clear Europe has received no substantive opposing views in relation to the proposed rule amendments.

ICE Clear Europe has posted a notice of pending certification and a copy of this submission on its website concurrent with the filing of this submission. If you or your staff should have any questions or comments or require further information regarding this submission, please do not hesitate to contact the undersigned at patrick.davis@theice.com or +44 20 7065 7738, Dee Blake, Director of Regulation, at dee.blake@theice.com or +44 20 7065 7752 or Paul Swann, President & Managing Director, at paul.swann@theice.com or +44 20 7065 7700.

Very truly yours,



Patrick Davis
Head of Legal and Company Secretary