



January 31, 2018

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 –
Clearing Rule Amendments

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 Clearing Rules (the “Rules”)¹ and related circular discussed herein. The amendments are to become effective on the first business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

Concise Explanation and Analysis

ICE Futures Europe has announced that certain F&O Contracts currently listed on that exchange and cleared at ICE Clear Europe will be removed from trading and that equivalent contracts will commence trading on the ICE Futures U.S., Inc. (“ICE Futures US”) exchange.² Clearing of the transitioning contracts will remain at ICE Clear Europe. The purpose of the proposed amendments is to accommodate this transition under the Clearing House Rules.

¹ Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Clearing Rules.

² ICE Futures Europe Circular 18/002 (Jan. 10, 2018); ICE Futures Europe Circular 18/009 (Jan. 23, 2018).

Specifically, ICE Clear Europe is adopting a new Part 23 of the Rules, which will apply to the announced transition as well as any future similar transitions. Part 23 will apply where the Clearing House identifies by Circular one or more F&O Contracts for which trading is to be transitioned from one Market to another (“Transitioning Contracts”) as of a designated time (the “Transition Time”). Rule 2302 adds related definitions, including the concepts of “Exiting Market” (from which the contracts are being moved) and “Receiving Market” (to which the contracts are being moved). (In connection with the announced transition between ICE Futures Europe and ICE Futures US, ICE Futures Europe would be the Exiting Market and ICE Futures US would be the Receiving Market.)

New Rule 2303 provides that as of the relevant Transition Time, trading of the Transitioning Contract will transfer from the Exiting Market to the Receiving Market. New Rule 2304(a) provides that the Transitioning Contracts will be automatically redesignated such that they become Contracts under the Market Rules of the Receiving Market and are no longer Contracts under the Market Rules of the Exiting Market. Under the Rule, the redesignated Contracts remain in full force and effect as between the relevant Clearing Member and the Clearing House.

New Rule 2304(b) further addresses the situation where the Receiving Market is a U.S. designated contract market and the Exiting Market is not. In that case, in order to comply with relevant segregation requirements under Section 4d of the Act, Transitioning Contracts registered in the Non-DCM/Swap Customer Account of an FCM/BD Clearing Member will be automatically transferred to the DCM Customer Account of such FCM/BD Clearing Member; and FCM/BD Customer Collateral in respect of such open Transitioning Contracts will be held in the Clearing House DCM Segregated Account as FCM/BD U.S. Futures Customer Collateral under the Rules.

In connection with the announced transition between ICE Futures Europe and ICE Futures US, ICE Clear Europe will issue a Circular indicating the specific contracts that are to be Transitioning Contracts and the Transition Time for purposes of Part 23 of the Rules. ICE Clear Europe has attached hereto the list of Transitioning Contracts. The Transition Time is expected to be on or about February 18, 2018.

Compliance with the Act and CFTC Regulations

The rule amendments are potentially relevant to the following core principles: (C) Participant and Product Eligibility, (E) Settlement Procedures, (F) Treatment of Funds and (R) Legal Risk Considerations, and the applicable regulations of the Commission thereunder.

- *Product Eligibility.* The amendments are intended to facilitate the transition of certain F&O Contracts from one Market to another while minimizing the impact on Clearing Members and their customers. The amendments establish a process for the transition at the Clearing House level. All of the Transitioning Contracts will continue to be eligible for clearing at ICE Clear Europe. The terms and conditions of the Transitioning Contracts themselves are not changing in any material respect, and such contracts will continue to be cleared by ICE Clear Europe in substantially the same manner as before the

transition (other than with respect to the class of customer account, as discussed below). As a result, ICE Clear Europe believes that the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).

- *Settlement Procedures.* As noted above, the Transitioning Contracts will remain cleared by ICE Clear Europe, and the terms and conditions for the contracts will not change in any material respect. As a result, the existing ICE Clear Europe settlement procedures will continue to apply (subject to customer positions in the Transitioning Contracts being moved to the appropriate class of customer account, as discussed above). The amendments are thus consistent with the requirements of Core Principle E and CFTC Rule 39.14.
- *Treatment of Funds.* As set forth above, the Transitioning Contracts will become traded on ICE Futures US, a designated contract market rather than a foreign board of trade, and as such will become subject to the segregation requirements under Section 4d of the Act and the rules thereunder. Accordingly, the amendments provide that customer positions in Transitioning Contracts will, following the transition, be held in the DCM Customer Account and the associated margin will be held in the Clearing House DCM Segregated Account as FCM/BD U.S. Futures Customer Collateral. As a result, the amendments are consistent with the requirements of Core Principle F and Commission Rule 39.15.
- *Legal Risk Considerations.* As noted above, the terms and conditions of the Transitioning Contracts are not being changed in any material respect, and the contracts remain in full force and effect as between the Clearing House and the relevant Clearing Members. The rule amendments further take into account the change in segregation requirements under the Act resulting from the fact that ICE Futures US is a designated contract market, and provide for the transfer of positions and margin into the appropriate category of segregate customer account. As such, the amendments will facilitate the operation of the Clearing House pursuant to a well-founded, transparent and enforceable legal framework, and are consistent with the requirements of Core Principle R and Commission Rule 39.27.

As set forth herein, the amendments consist of changes to the Rules, a copy of which is attached hereto, together with the list of Transitioning Contracts for purposes of the Rules.

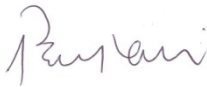
ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission's regulations thereunder.

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 or Dee Blake, Director of Regulation, at dee.blake@theice.com or +44 20 7065 7752.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Patrick Davis'.

Patrick Davis
Head of Legal and Company Secretary