



April 13, 2021

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 –
Delivery Procedures 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, amendments to its Delivery Procedures (the “Delivery Procedures” or “Procedures”)¹ discussed herein. The amendments will 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 Clear Europe is amending Part A of its Delivery Procedures in connection with the contemplated transition of the trading of Deliverable EU Emissions Contracts from ICE Futures Europe to ICE Endex Markets B.V (“ICE Endex”). The transition is expected to occur in June 2021. The Deliverable EU Emissions Contracts being transitioned will be the EUA Futures and Options, EUA Daily Futures and EUAA Futures. Following the transition, the contracts will continue to be cleared by ICE Clear Europe.

¹ Capitalized terms used but not defined herein have the meanings specified in the Delivery Procedures or, if not defined therein, the ICE Clear Europe Clearing Rules.

ICE Clear Europe is also removing from Part A provisions relating to CER Contracts and Auction Contracts, which are no longer traded on ICE Futures Europe.

Changes are being made throughout Part A to reference ICE Endex as the relevant exchange in lieu of ICE Futures Europe, including to refer to the relevant contracts as “ICE Endex Deliverable EU Emissions Contracts.” In connection with the removal of the CER Contracts, the Clearing House is proposing to remove the definitions of Auction, Auctioneer Seller, Certified Emission Reduction or CER, CER Contract, CER Delivery Amount, CER Transfer Request, Kyoto Protocol, Linking Directive and UNFCCC Independent Transaction Log and related concepts. The defined term “Account” would be renamed “Registry Account” (with references to CERs removed), with conforming changes made throughout Part A.

In addition, throughout Part A, references to the Crystal system are being updated to references to ECS and/or MFT, reflecting current Clearing House systems.

The defined term “Carbon Emissions Allowance” or “EUA” is being amended to remove reference to the start date of the validity period for the ICE Futures EUA Phase 4 Daily Futures Contract because the referenced date (January 1, 2021) has already passed, and would instead reference validity during the relevant period.

In paragraphs 2.2 and 8, a clarification would be made that the time of the determination of the EDSP for purposes of calculating the payment owed for delivery under certain contracts would be the end of the trading period on the Contract Date (as opposed to the last trading day of the contract month) to be consistent with relevant exchange rules.

Certain amendments are being made to the routine delivery timetable for emissions contracts in paragraph 5, including the following: the note that some events may occur up to 24 hours earlier is being removed; various clarifications are being made to the description of certain steps; the description of consequences of transfer requests made by the Seller before the deadline for submission is being deleted; the requirement that with respect to ICE Endex EUA, and EUAA Futures Contracts, the Clearing House, upon receipt of allowances from the applicable sellers, would randomly select the order in which it will make outbound Transfer Requests to applicable buyers is being deleted as inapplicable to those contracts; and the timetable now provides that account sales will be available via MFT.

Consistent with the removal of provisions referencing auction contracts, the ICE EUA and EUAA Auction Contracts timetable for routine and for late and failed delivery is being removed. The delivery documentation summary is also being deleted as it references an outdated monthly confirmation form that is not used.

Compliance with the Act and CFTC Regulations

The amendments to the Delivery Procedures are potentially relevant to the following core principles: (C) Participant and Product Eligibility and (E) Settlement Procedures, and the applicable regulations of the Commission thereunder.

- *Product Eligibility.* The amendments incorporate into the Delivery Procedures the amendments necessary to facilitate the transition of trading of the

Deliverable EU Emissions Contracts from ICE Futures Europe to ICE Endex. Such contracts will continue to be cleared in the same manner as they are currently cleared, supported by ICE Clear Europe's existing financial resources, risk management, systems and operational arrangements. The amendments would remove other provisions related to contracts that are not currently traded and make certain other clarifications. 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 discussed above, the amendments are designed to facilitate the transition of trading of the Deliverable EU Emissions Contracts from ICE Futures Europe to ICE Endex. Such contracts will continue to be cleared by the Clearing House in the same manner as they are currently, and will be supported by ICE Clear Europe's existing financial resources, risk management, systems and operational arrangements. Delivery under the contracts will be made in substantially the same manner as it is currently, with certain clarifying amendments set out in the Delivery Procedures. In particular, certain amendments are being made to the routine delivery timetable for emissions contracts to more accurately reflect the delivery process. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle E and Commission Rule 39.14.

As set forth herein, the amendments consist of the amendments to the Delivery Procedures, a copy of which is attached hereto.

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

ICE Clear Europe received no substantive opposing views in relation to the proposed 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 giulia.honorati@ice.com or +44 20 7429 7127.

Very truly yours,



Giulia Honorati
Manager, Compliance and Regulatory