

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional)

Date: June 12, 2018

**IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.**

**ORGANIZATION**

ICE NGX Canada Inc.

**FILING AS A:**

DCM

SEF

DCO

SDR

ECM/SPDC

**TYPE OF FILING**

• **Rules and Rule Amendments**

Certification under § 40.6 (a) or § 41.24 (a)

“Non-Material Agricultural Rule Change” under § 40.4 (b)(5)

Notification under § 40.6 (d)

Request for Approval under § 40.4 (a) or § 40.5 (a)

Advance Notice of SIDCO Rule Change under § 40.10 (a)

• **Products**

Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)

Swap Class Certification under § 40.2 (d)

Request for Approval under § 40.3 (a)

Novel Derivative Product Notification under § 40.12 (a)

**RULE NUMBERS**

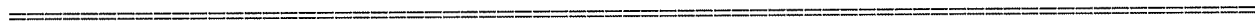
40.6(a)

**DESCRIPTION**

Attached is a rule amendment submission pursuant to Commission Rule 40.6(a).

**ICE NGX Canada Inc.**  
**Rule Amendment Submission #2018-01**  
**June 12, 2018**

1. The text of the rule changes to the ICE NGX Canada Inc. (“NGX DCO”) Contracting Party Agreement (“CPA”), NGX DCO’s Rulebook, is attached. Additions are underlined and deletions are stricken through. These rule changes have been approved by NGX DCO. Capitalized terms, unless otherwise defined herein shall possess the meaning(s) ascribed in the CPA.
2. The proposed effective date is ten business days after receipt by the Commodity Futures Trading Commission (“CFTC” or “Commission”) of this submission.
3. Attached, please find a certification that: (1) these rules comply with the Commodity Exchange Act and the Commission’s regulations thereunder; and (2) concurrent with this submission, NGX DCO posted on its website: (i) a notice of pending certification of the rule submissions with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amended rules appear below.
5. There were no opposing views expressed regarding these amended rules.



CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND  
EFFECT OF THE CERTIFIED RULE AND ITS COMPLIANCE WITH APPLICABLE  
PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION’S  
REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.6(a)(7)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of the amended rules.

Under the CPA, each contracting party grants NGX DCO a first priority security interest in certain of its cash collateral, among other things (the “Assets”). The CPA also contains language that indicates such Assets would not constitute collateral if NGX DCO is unable to register a first priority security interest against the contracting party in the Assets. This sentence does not add clarity and may introduce some unintended ambiguity to Section 3.3. We are removing this potential ambiguity by deleting such language from the CPA.

## ATTACHMENT A—RULE AMENDMENTS

Additions are underscored, deletions are stricken.

### 3.3 Eligible Collateral Support and Collateral

b. Grant of Security – As security for the payment and performance of its Obligations, the Contracting Party does hereby assign, pledge and grant to Exchange a first-ranking security interest in and lien on all estate, right, title and interest of the Contracting Party in and to:

- (i) any and all cash (including, without limitation, any cash delivered as Eligible Collateral Support), monies and interest bearing instruments contemplated by Section 3.3(j) delivered to, deposited with, or held by or on behalf of Exchange (with the exception of Retained Settlement Amounts);
- (ii) any rights to payment or performance owing from Exchange including, without limitation:
  - (I) any Previous Month Accounts Net Payable for such Contracting Party;
  - (II) any Current Month Accounts Net Payable owed by Exchange to the Contracting Party;
  - (III) any Financially Settled Futures Settlement Net Payable, MTM Settlement Net Payable or Daily Financially Settled Futures Settlement Net Payable for such Contracting Party; and
  - (IV) any Variation Margin for such Contracting Party; and
- (iii) all proceeds (as such term is defined in the *Personal Property Security Act* (Alberta) of any of the foregoing,  
  
(collectively, and together with any letter of credit constituting Eligible Collateral Support, the “Collateral”).

~~For greater clarity, if Exchange is unable for any reason to register its security interest in the Collateral as first in priority to any other security interest registered against the Contracting Party in such Collateral, then the foregoing shall not constitute Collateral.~~

Upon any of the Collateral being returned or paid to the Contracting Party, the said Collateral shall be released from the Liens granted to Exchange by the Contracting Party hereunder. Any Lien granted as contemplated above attaches upon execution and delivery of this Agreement or, in the case of Collateral delivered to, deposited with, or held by or on behalf of Exchange, upon the delivery, deposit or holding of such Collateral to, with, by or on behalf of Exchange, or in the case of rights to payment or performance

in favour of the Contracting Party under any Transaction, at the time such Transaction is entered into.

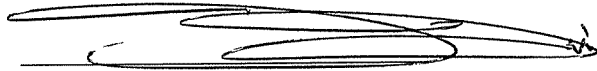
Exchange may file or record this Agreement or any financing statement, security notice or similar instrument in any public office as may be necessary to establish, perfect or maintain the interests of Exchange as a secured party. The Contracting Party hereby waives any requirement of the applicable personal property security legislation or similar legislation to provide a verification statement to the Contracting Party upon registration of any such Agreement, financing statement, security notice or similar instrument. Upon the full, final and indefeasible satisfaction of all Obligations, and termination of this Agreement, the Lien shall cease and determine, all rights and interests in the Collateral granted hereunder and hereby will revert to and revest in the Contracting Party without further act or formality whatsoever, whereupon Exchange shall, at the request and cost of the Contracting Party, execute such releases or discharges of the Lien or of such filings or recordations, prepared by or on behalf of the Contracting Party and acceptable to Exchange, without recourse to or warranty by Exchange. Exchange shall not have any duty or obligation in respect of any Collateral except the obligation to keep the same with the same degree of care as it keeps its own property of a similar type, and in particular shall not be responsible for or by reason of any loss arising from any failure of Exchange's Principal Banker (whether as a result of bankruptcy, insolvency or otherwise) with which any amount paid by or on behalf of the Contracting Party as Collateral will have been deposited or placed for safekeeping. No Obligation shall be considered to have been discharged by reason of the existence of the Lien or the rights herein provided unless (and then only to the extent that) Exchange has finally and indefeasibly collected and applied to such Obligation any amount held as or obtained in respect of Collateral or the net proceeds (after satisfying any costs of realization) of realization of any Collateral or has drawn down upon any letter of credit and applied the same to such Obligation or has applied any amount owing by Exchange to the satisfaction thereof and so advised the Contracting Party in writing. The Contracting Party hereby represents and warrants that all Collateral provided to Exchange from time to time is and will be free and clear from any Liens ranking in priority to or equally with the rights of Exchange to such Collateral and that the Lien herein provided to Exchange is and will be a valid first ranking Lien on the Collateral. Exchange and the Contracting Party agree that all Eligible Collateral Support and all Collateral shall constitute "financial collateral" as that term is used in section 11.1 of the CCAA; section 66.34 of the BIA; section 22.1 of the WRA and any successor or like Canadian statutory provisions.

\* \* \* \* \*

CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE  
ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6,  
17 C.F.R. §40.6

I hereby certify that:

- (1) the amended Rules above comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, ICE NGX Canada Inc. posted on its website:
  - (a) a notice of pending certification of the above Rules with the Commission; and
  - (b) a copy of this submission.



By: Stephen Lappin  
Title: President and COO  
Date: June 12, 2018