

## SUBMISSION COVER SHEET

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): \_\_\_\_\_

Organization: \_\_\_\_\_

Filing as a:        **DCM**        **SEF**        **DCO**        **SDR**    Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): \_\_\_\_\_ Filing Description:

**SPECIFY FILING TYPE**                      Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

Certification	§ 40.6(a)
Approval	§ 40.5(a)
Notification	§ 40.6(d)
Advance Notice of SIDCO Rule Change	§ 40.10(a)
SIDCO Emergency Rule Change	§ 40.10(h)

Rule Numbers: \_\_\_\_\_

**New Product**                                      Please note only ONE product per Submission.

Certification	§ 40.2(a)
Certification Security Futures	§ 41.23(a)
Certification Swap Class	§ 40.2(d)
Approval	§ 40.3(a)
Approval Security Futures	§ 41.23(b)
Novel Derivative Product Notification	§ 40.12(a)
Swap Submission	§ 39.5

Official Product Name: \_\_\_\_\_

**Product Terms and Conditions (product related Rules and Rule Amendments)**

Certification	§ 40.6(a)
Certification Made Available to Trade Determination	§ 40.6(a)
Certification Security Futures	§ 41.24(a)
Delisting (No Open Interest)	§ 40.6(a)
Approval	§ 40.5(a)
Approval Made Available to Trade Determination	§ 40.5(a)
Approval Security Futures	§ 41.24(b)
Approval Amendments to enumerated agricultural products	§ 40.4(a), § 40.5(a)
“Non-Material Agricultural Rule Change”	§ 40.4(b)(5)
Notification	§ 40.6(d)

Official Name(s) of Product(s) Affected: \_\_\_\_\_

Rule Numbers: \_\_\_\_\_

**ICE NGX CANADA INC.**  
**Rule Amendment Submission**  
**August 1, 2019**

1. The text of the amended provisions to the ICE NGX Canada Inc. ("ICE NGX") Contracting Party Agreement ("CPA") is appended as Attachment A. The CPA is part of ICE NGX's rulebook. Additions to the text are underlined and deletions are struck through.
2. The date of intended implementation for these amendments is August 26, 2019 or such later date as determined by ICE NGX.
3. Attached, please find a certification that: (a) these rule amendments comply with the Commodity Exchange Act (the "Act"), and the Commission's regulations thereunder; and (b) concurrent with this submission, ICE NGX posted on its website: (i) a notice of pending certification of the amendments with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amendments appears below.
5. There were no opposing views expressed regarding these amendments.
6. Confidential treatment is not requested.

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**CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE  
RULE AMENDMENT 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 amendments to the ICE NGX CPA.<sup>1</sup>

ICE NGX is amending the Terms and Conditions of the CPA relating to (i) confidentiality of information as between a Contracting Party and ICE NGX, (ii) requirement for a Contracting Party to provide ICE NGX with Notice of Default, and (iii) to align the cure period for an ICE NGX failure to pay to industry standard. ICE NGX intends to implement on August 29, 2019 (or on such later date as may be designated by ICE NGX).

ICE NGX is amending the way it calculates margin utilization by Contracting Parties. As you will recall, per the terms of the CPA, ICE NGX may call for additional margin from a CP when the amount of initial margin that ICE NGX holds on behalf of the CP reaches 80% of the CP's initial margin requirement, as calculated by ICE NGX's margin model.

The amendments to Section 3.2 [Agreements of the Contracting Party] and Section 3.4 [Agreements of Exchange] in the CPA enhance the protections for confidential information of a Contracting Party that is disclosed to ICE NGX, and for confidential information of ICE NGX that is disclosed to a Contracting Party. The objective of this change is to reduce the need to enter into bi-lateral non-disclosure agreements with individual Contracting Parties.

ICE NGX is adding new Section 3.9.1 [Notice of Event of Default] to the CPA. This change enhances existing provisions by requiring a Contracting Party to provide notice of default to ICE NGX in certain circumstances. The new provision will more explicitly comply with CFTC requirements. We do not anticipate much practical impact

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<sup>1</sup> As a registered FBOT, ICE NGX has submitted contemporaneously with this 40.6 rule amendment self-certification a notification under Commission Rule 48.8(b)(ii)(A) of a material change to its rules (i.e., the CPA).

from this change, as ICE NGX is alerted to potential issues at a Contracting Party through monitoring the financial condition of its Contracting Parties and maintaining open and frequent lines of communication with Contracting Parties.

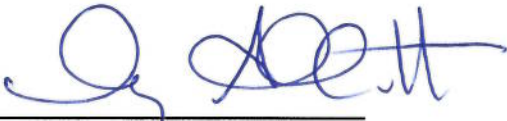
ICE NGX is amending Sections 5.2 [Failure to Pay] and 5.11 [Deposit Agreement] of the CPA to change the cure period for ICE NGX to rectify a Failure to Pay by Exchange, as that term is defined in the CPA. The change aligns with industry standard in the energy derivatives market.

No opposing views were expressed in relation to the amendments. The amendments to the CPA are set out in Attachment A; additions are underlined and deletions are struck through.

**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 provisions of the Contracting Party Agreement 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 these rules with the Commission; and (b) a copy of this submission.



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By: Greg Abbott  
Title: President & COO  
Date: August 1, 2019

## ATTACHMENT A

### APPENDIX

[Note: Insertions are underlined, deletions are struck through.]

#### CHANGES RELATING TO CONFIDENTIALITY

### 3.2 Agreements of the Contracting Party

#### h. Confidentiality –

- (i) ~~The Contracting Party agrees to use the ICE NGX Trading System and/or ICE NGX Clearing System and keep strictly confidential any training manuals or any operating, financial or other and all non-public information, in respect of received from Exchange, the ICE NGX Trading System or the, ICE NGX Clearing System only for the purposes contemplated by this Agreement, to keep confidential any such from time to time, including business, financial and strategic information in respect of the provisions thereof, Exchange and any of its affiliates.~~
- (ii) The Contracting Party agrees to keep strictly confidential any training manuals and technical and operating information in respect of Exchange and any of its affiliates, the ICE NGX Trading System and the ICE NGX Clearing System, and that such information will remain the sole and exclusive property of Exchange, and that the Contracting Party will.
- ~~(iii) The Contracting Party agrees to use any material or information referred to in paragraph (i) or (ii) only for the purposes contemplated by this Agreement, and to not copy or reproduce such information by any means whatsoever or provide or otherwise make available the whole or any portion of such information to any person in any form except to its officers, directors, employees, agents and to its consultants for the purposes contemplated by this Agreement.~~
- ~~(iv) The Contracting Party may use any information in respect of the market created through the Contracting Party's access to the ICE NGX Trading System and ICE NGX Clearing System for its business purposes but to the extent that the information was not furnished by or does not relate solely to the Contracting Party, it may not publish or otherwise disclose such information publicly.~~
- ~~(iii)(v) Nothing in this Section 3.2(eh) shall restrict the Contracting Party or a Contracting Party Affiliate from compliance with any law, regulation or governmental authority applicable to such Contracting Party or a Contracting Party Affiliate requiring disclosure, or require that any such information which is in the public domain or acquired from a third party who is not under any obligation of confidentiality or secrecy to Exchange or independently developed by such Contracting Party, be kept confidential and secret by any Contracting Party.~~

### ...3.4 Agreements of Exchange

#### a. Confidentiality

- (i) Exchange hereby agrees to use its commercially reasonable efforts to keep confidential any and all non-public information received from the Contracting Party from time to time, including pursuant to the Application, including business, financial and strategic information in respect of the Contracting Party and any of its affiliates.

- (ii) Exchange agrees to use commercially reasonable efforts to keep confidential and information in respect of any Transaction entered into by the Contracting Party, and any and all information about the trading patterns, prices (including market price reference) and accounts that is not ICE NGX Data Products.
- (i)(iii) Nothing in this section 3.4.a paragraph shall prevent Exchange from disclosing any information as may be required or allowed pursuant to the terms of this Agreement, to ICE or to any other service provider of Exchange in connection with the performance of any Transaction, or as may be required to be disclosed by either Exchange or ICE by law or any regulatory authority, or as may be disclosed in the course of securing, or pursuant to, any order, consent or approval signifying, any Regulatory Approval, or require that any such information which is in the public domain or acquired from a third party who is not under any obligation of confidentiality or secrecy to the Contracting Party be kept confidential and secret by Exchange.

[Note: Subsequent subparagraphs will be renumbered to reflect the changes above.]

## CHANGES RELATING TO CONTRACTING PARTY NOTICE OF DEFAULT

### 3.9.1 Notice of Event of Default

The Contracting Party is required to, and agrees to and acknowledges the requirement to, notify Exchange promptly upon

- a. the occurrence of an Event of Default listed in paragraph 3.9.c., in respect of the Contracting Party or any Credit Support Provider or any Specified Entity;
- b. becoming aware of an intention for a merger without assumption as described in paragraph 3.9.d., in respect of the Contracting Party or any Credit Support Provider.

## CHANGES RELATING TO ICE NGX CURE PERIOD

### **5.2 Failure to Pay**

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- b. By Exchange – In the event of a Failure to Pay by Exchange that is (i) not rectified by Exchange within one (1) three (3) Business Days from receipt of a notice of the Failure to Pay by Exchange and (ii) not satisfied by payment from the Escrow Agent in respect of a Direction to Pay pursuant to, and as defined in, the Deposit Agreement, Exchange will pay to the Seller...

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### **5.11 Deposit Agreement**

- a. Failure to Pay by Exchange – In the event of a Failure to Pay by Exchange which is not rectified by Exchange within one (1) three (3) Business Days from receipt of a notice of the Failure to Pay by Exchange, Exchange shall immediately file with the Escrow Agent a Direction to Pay pursuant to, and as defined in, the Deposit Agreement and shall notify Contracting Party Payee(s) (as defined in the Deposit Agreement) of such Direction to Pay having been filed.

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