



September 1, 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 – ICE
German natural gas futures contracts traded on the ICE Endex market
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”)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

In connection with the merger of the market areas of the German gas transmission system operators with GASPOOL and NCG, ICE Clear Europe is amending its Delivery Procedures relating to German natural gas futures contracts traded on ICE Endex, in order to be consistent with related changes made by the exchange and to give effect to the German market merger. As has been announced by ICE Endex,² the existing German GASPOOL Natural Gas Futures Contract will cease to be listed with the September 2021 contract month, and the existing German NCG Natural Gas Futures Contract will continue to trade on ICE Endex and will be renamed the German THE Natural Gas Futures

¹ Capitalized terms used but not defined herein have the meanings specified in the Delivery Procedures.

² See ICE Endex Circulars [E21/026](#), [E20/039](#) and [E21/014](#), available at <https://www.theice.com/endex/circulars>.

Contract. Accordingly, ICE Clear Europe is deleting the content of Part G of the Delivery Procedures (relating to the ICE Endex GASPOOL Natural Gas Futures Contracts) and replace it with “[NOT USED]”. The amendments would also remove the reference to ICE Endex GASPOOL Natural Gas Futures Contracts in section 5.1. ICE Clear Europe is also proposing to amend Part H of its Delivery Procedures to reflect the change of the contract name to ICE Endex German THE Natural Gas Futures instead of ICE Endex NCG Natural Gas Futures Contracts and make certain other amendments related to the merger of market areas as discussed herein. All references to ICE Endex NCG Natural Gas Futures Contracts in the Delivery Procedures would be replaced with references to ICE Endex German THE Natural Gas Futures Contracts and references to NCG Rules would be replaced with references to THE Rules.

In connection with the above, multiple additional conforming amendments would be made throughout Part H to reference relevant THE terms, documents and systems reflecting the combined German gas market operation. Specifically, references to the term “NCG” would be deleted and replaced with the term “THE”, which would be defined specifically to be Trading Hub Europe GmbH domiciled in Ratingen and Berlin, the operator of the market area cooperation between all gas network owners in Germany known as “THE” or any successor thereto.

References to the term, “NCG’s Communication Facilities” would be replaced with references to “THE’s Communication Facilities”. This term would reference THE’s electronic facility, which includes any electronic facility which enables the submission of a Trade Nomination to THE through the portal, any web-based communication channel including the related functionality and connected systems provided by THE, “Communications Systems” within the meaning of the THE Rules, and to access information concerning the submitted Trade Nominations, and any successor system thereto.

The term, “THE Balancing Group Contract”, which means the THE’s Balancing Group Contract Terms and Conditions, would be added.

The term, “THE Rules”, would replace the term “NetConnect Germany (NCG) Rules”, and would mean the Electricity and Gas Supply Act, the Gas Network Access rules and THE Balancing Group Contract, and any manuals, procedures, practices and directions of THE supporting its operation.

A new Section 3.2 would be added to state explicitly that the Transmission System, THE and THE’s Communication Facilities constitute “Delivery Facilities” for the purposes of Rule 101 of the Rules. The limitations on liability would also be expanded and clarified to provide that neither the Buyer nor the Seller nor their Transferees or Transferors would have any claim against the Clearing House for losses resulting from (a) actions taken by the Clearing House pursuant to the THE Rules or (b) technical issues, the condition or operation of or the performance of the Transmission System, THE or THE’s Communication Facilities except as otherwise expressly provided in the ICE Endex Rules (expanding upon more limited references in the current procedure to the Transmission System or NCG).

The Delivery Timetable for routine deliveries set out in section 5 would be updated such that the submission of delivery intentions for the ICE Endex German THE Natural Gas

Futures and the nomination of the Transferor/Transferee must be made by 11:30 CET instead of 13:00 CET.

A note would also be added stating that the delivery timetables for routine and failed deliveries could be altered without notice at the discretion of the Clearing House, consistent with other existing provisions of Parts G and H, and clarifying that such modifications could be made in the event of technical issues or other conditions relating to THE, among other reasons.

Compliance with the Act and CFTC Regulations

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

- *Product Eligibility.* The amendments to the Delivery Procedures are intended to facilitate the clearing of the existing German NCG Natural Gas Futures Contract, that will continue to trade on ICE Endex and that will be renamed the German THE Natural Gas Futures Contract. As currently provided for the German NCG Natural Gas Futures Contract, the amendments set out the delivery specifications with respect to the German THE Natural Gas Futures Contract. ICE Clear Europe believes that its existing financial resources, risk management, systems and operational arrangements are sufficient to support clearing of such products (and to address physical delivery under such contracts) and to manage the risks associated with such contracts. In ICE Clear Europe's view, the amendments are thus consistent with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As discussed above, the amendments establish delivery procedures with respect to the German THE Natural Gas Futures Contract. The amendments clearly set out the role, responsibilities, rights and liabilities of the Clearing House, Clearing Members and transferors and transferees in the physical delivery process for the German THE Natural Gas Futures Contract, including delivery timetables, invoicing, delivery documentation summaries and provisions relating to the liability of the Clearing House. 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 (0)20 7429 7127.

Sincerely,

A handwritten signature in cursive script that reads "Giulia Honorati".

Giulia Honorati
Regulatory and Compliance Manager
ICE Clear Europe Limited