

  
**ICE FUTURES U.S.**  
55 East 52<sup>nd</sup> Street  
New York, NY 10055

**BY ELECTRONIC TRANSMISSION**

Submission No. 14-85  
September 15, 2014

Mr. Christopher J. Kirkpatrick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: Amendments to Bylaw Section 17.1- -Submission Pursuant to Commission  
Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) submits by written certification amendments to Bylaw Section 17.1, as set forth in Exhibit A, which will become effective on September 30, 2014.

Bylaw Section 17.1 currently provides that changes to the terms and conditions of an Exchange contract can be made applicable to contract months in which there is open interest if the Board determines that the change would not affect the amount of money to be paid or the merchandise to be received under the contract. The Bylaw contains a proviso permitting changes to the Coffee “C”<sup>®</sup> contract to be made commencing with the contract month 24 months away at the time of the amendment. This was done in recognition of the fact that the listing cycle was so long, waiting potentially 5 years to implement a change to contract terms would undermine the change and the utility of the contract. The Bylaw also contains a recently-adopted proviso which permits changes to be made to precious metals contracts in which there are open interest, commencing with the contract month that is the fourth, regular listed delivery month at the time the amendments are announced by the Exchange. The reasoning in that case was that most of the

open interest is held in the first four months and traders with positions further out the curve would have ample time to adjust positions to account for the change in contract terms.

The Exchange believes that a blanket prohibition of the type currently contained in this legacy Bylaw unduly ties its hands and keeps the Exchange from implementing changes that market participants may need or want, or which are otherwise important or necessary to ensure that a contract continues to serve the purpose for which it was designed. There can be times when alterations of a contract's terms technically may affect the value of the contract, but only in a very limited way. In other cases, amendments may be needed to ensure that a contract accurately reflects changes in the underlying market or reference product. Accordingly, the Board unanimously determined to amend the Bylaw to insert a materiality qualifier. Using this standard, an amendment that is deemed to materially alter the amount of money to be paid or the merchandise to be delivered under a contract could only be introduced to contract months with no open interest, but any other alteration could be implemented to months having open interest. The determination of what constitutes a material alteration would be made on a case by case basis taking into account the reasons for and nature of the proposed alteration, the characteristics of the market for the particular contract-- including open interest, deliverable supply and similar factors—as well as views expressed by any relevant product committees. The Exchange believes that adding a materiality standard strikes a fair balance by providing the flexibility to make non-material changes to contract terms while limiting the degree to which factors outside of normal market forces can impact open positions.

The Exchange is not aware of any substantive opposing views that were expressed by members or others with respect to the amendments and certifies that concurrent with this filing a copy of this submission was posted on the Exchange's website at (<https://www.theice.com/notices/RegulatoryFilings.shtml>).

If you have any questions or need further information, please contact me at (212) 748-4083 or at [Audrey.hirschfeld@theice.com](mailto:Audrey.hirschfeld@theice.com).

Sincerely,

A handwritten signature in blue ink that reads "Audrey R. Hirschfeld". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Audrey R. Hirschfeld  
SVP and General Counsel

cc: Division of Market Oversight

## EXHIBIT A

### ARTICLE XVII

#### MISCELLANEOUS

**Section 17.1.** Unless otherwise provided in the Rules, any alteration of the Rules relating to Commodity Contracts may, if the Board of Directors so decides, be binding on Commodity Contracts entered into before as well as after its adoption, provided such alteration does not materially affect the amount of money to be paid or the quality of the merchandise to be received, under such Commodity Contracts, in which case such alteration may only apply with respect to the first delivery or expiration month following the last delivery or expiration month in which there is an open position at the time such alteration becomes effective; provided, however, that with respect to the Coffee “C” futures and options contracts, that any such alteration, that is consistent with the Act and the regulations thereunder, may be implemented to any delivery or expiration month with respect to which the first (1<sup>st</sup>) day delivery notices may be issued is more than twenty-four (24) months away, whether or not such delivery or expiration month has any open interest.

[Remainder of Bylaw Unchanged]