



October 9, 2015

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:  
Natural Gas Spot Contracts

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), for self-certification pursuant to Commission Rule 40.6, the rule amendments discussed herein. The amendments are to become effective on the 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 has agreed to act as the clearing organization for certain natural gas spot contracts (the “Natural Gas Spot Contracts”) traded on the ICE Endex Gas B.V. (“ICE Endex Continental”) and ICE Endex Gas Spot Ltd. (“ICE Endex UK”) markets and has previously adopted amendments to its Rules and Procedures with respect to the clearing of such contracts.<sup>1</sup> ICE Clear Europe is adopting certain additional amendments to its Rules and Procedures with respect to the clearing of the Natural Gas Spot Contracts to clarify certain delivery procedures and related arrangements, including with respect to the interaction with relevant gas delivery facilities and systems. These amendments reflect input from Clearing Members and other market

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<sup>1</sup> See ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6: Natural Gas Spot Contracts (filed June 1, 2015).

participants with respect to the Natural Gas Spot Contracts. ICE Clear Europe also is adopting certain other conforming and clarifying changes, as discussed herein.

ICE Clear Europe is revising Parts 1, 7 and 22 of its Rules and Parts D, E, J and N of the Delivery Procedures. The text of the amendments is attached hereto..

In the Rules, the revisions to definitions in Parts 1 and 22 correct cross-references to certain definitions in the ICE Endex Continental market rules. In Rule 106(a), a clarification is made that disclosures of information may be made by the Clearing House pursuant to obligations imposed on a Market under relevant gas delivery system rules. In Rule 703, which relates to settlement of physically settled futures contracts, Rule 703(h) is modified to clarify the Clearing House's ability to require cash settlement (as may be provided in the relevant Delivery Procedures) where grounds for declaring an Event of Default or Force Majeure Event have occurred with respect to a Clearing Member, but without actually declaring an Event of Default. This approach reflects practices for gas and other relevant markets.

In Part D of the Delivery Procedures, which relates to delivery of ICE Futures UK Natural Gas Daily Futures Contracts, clarifications have been made to the timing of certain requirements, including the deadline for submission of certain documentation.

In Part E of the Delivery Procedures, definitions relating to different types of ICE Endex UK natural gas spot contracts have been added or clarified. In addition, delivery responsibilities of transferors and transferees, and related delivery procedures, for the different types of ICE Endex UK spot contracts have been further specified. The amendments in particular address modifications the transferor or transferee (as applicable) may make to the amount of gas to be delivered to or offtaken from the relevant system, and provide that the Clearing House is not responsible for such modifications. The amendments also correct an incorrect reference to the Clearing House as making certain trade nominations with respect to gas delivery.

In Part J of the Delivery Procedures, which relates to delivery of ICE Endex Continental gas spot contracts, the amendments provide that ICE Endex Continental will submit trade nominations on behalf of the Clearing House and Clearing Members, as applicable, with respect to gas deliveries. The amendments also clarify the applicable responsibilities of the nominated transferor and transferee with respect to delivery.

In Part N of the Delivery Procedures (relating to US Emissions contracts), relevant terminology has been changed from "Position Day" and "Notice Day" to "Notice Day" and "Delivery Instruction Day" to conform to relevant exchange rules.

### *Compliance with the Act and Commission Regulations*

The rule amendments are potentially relevant to the following core principles: (E) Settlement Procedures and (G) Default Rules and Procedures, and the applicable regulations of the Commission thereunder.

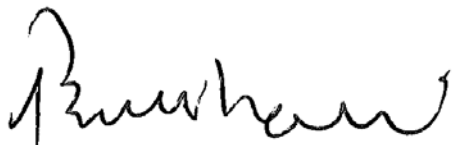
- *Settlement Procedures.* ICE Clear Europe is making additional modifications to its Delivery Procedures used in settling the Natural Gas Spot Contracts, including clarifying the responsibilities of transferors and transferees and certain other matters relating to the interaction with relevant delivery facilities for gas under such contracts. As amended, the Rules and Delivery Procedures establish the rights and obligations of the Clearing House and Clearing Members with respect to physical delivery under the Natural Gas Spot Contracts. In ICE Clear Europe's view, the amended Rules and Delivery Procedures are consistent with the requirements of Core Principle E and Commission Rule 39.14.
- *Default Management.* The Rules and Procedures, as amended, allow for the efficient, fair and safe management of the Clearing House's obligations, including for the Natural Gas Spot Contracts, in the event of a Clearing Member default. In particular, the Rules and Delivery Procedures impose additional requirements on Clearing Members for Natural Gas Spot Contracts to facilitate default management, and address the interaction of the Clearing House with relevant delivery facilities in connection with these contracts, including in a default scenario. In this regard, the amendments further clarify the Clearing House's ability to require cash settlement in certain Clearing Member default scenarios. In ICE Clear Europe's view, the amendments are consistent with the requirements of Core Principle G and Commission Rule 39.16.

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

ICE Clear Europe has received no substantive opposing views in relation to the proposed rule 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 [patrick.davis@theice.com](mailto:patrick.davis@theice.com) or +44 20 7065 7738, Dee Blake, Director of Regulation, at [dee.blake@theice.com](mailto:dee.blake@theice.com) or +44 20 7065 7752 or Paul Swann, President & Managing Director, at [paul.swann@theice.com](mailto:paul.swann@theice.com) or +44 20 7065 7700.

Very truly yours,



Patrick Davis  
Head of Legal and Company Secretary