



November 04, 2022

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 –  
Delivery Procedures 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, the amendments to its Delivery Procedures to make certain clarifications and updates.<sup>1</sup> 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*

The amendments to Part A, which applies to ICE Endex Deliverable EU Emissions Contracts, reflect that, as provided in ICE Endex’s Circular E22/012,<sup>2</sup> ICE Endex will delist Aviation Emissions Allowance or “EUAA” Futures Contracts following the expiry of the December 2022 contract month and, commencing with the January 2023 contract month, EUAAs will become eligible for delivery under the existing ICE Endex

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Clearing Rules (the “Rules”) or in the Delivery Procedures.

<sup>2</sup> ICE Endex Circular E22/012 is available at the following website:  
<https://www.theice.com/publicdocs/endex/circulars/E22012.pdf>.

Carbon Emissions Allowance or “EUA” daily and monthly Contracts.<sup>3</sup> Conforming changes have been made in Part A, including to remove references to “ICE Endex EUAA Futures Contracts” and to reflect that EUAAs may be delivered under the delivery specifications applicable to the EUA daily and monthly contracts. Certain related drafting amendments have been made in Part A to reflect such updates including the removal of related definitions and other terms (for example, the removal of the definitions of “Allowance Type” and “Aviation Emissions Allowance Contract”) which will no longer be applicable.

The definition for the term “Communication Link” has been included in Part A in place of the cross-reference to the definition assigned in the ICE Endex Rules. The amendments provide that “Communication Link” means the electronic exchange of messages or notifications by which Buyers and Sellers communicate with the Registry, and/or by which the Registry communicates with the European Union Transaction Log which is necessary to facilitate a Transfer Request. This update is intended to improve clarity. The definition of “Emissions Directive” has been amended to include a reference to the most recent relevant EU directive, Directive 2018/410 of the European Parliament and of the European Council of 14 March 2018. The amendments also amend the definition of the term “Transfer Request” to mean a request to affect a transfer of an EUA and/or EUAA submitted by a Seller to the Registry as required by the Registry Regulations, relevant applicable law and otherwise in accordance with the ICE Clear Europe Rules and ICE Endex Rules. Previously, such definition cross-referenced a definition of “Allowance Transfer Request”, which was not defined in the Delivery Procedures.

### Timing for EFP Reporting

The amendments to Parts D (which apply to ICE Futures UK NBP Natural Gas Futures), F (which applies to ICE Endex Dutch TTF Natural Gas Daily Futures), and EE (which applies to ICE Endex Austrian CEGH VTP Nature Gas Futures) are intended to address inconsistencies regarding the timing of reporting of Exchange for Physicals (EFP) and Exchange for Swaps (EFS) transactions related to certain contracts. The amendments to Part D provide in Section 2.6 that for ICE Futures UK NBP Natural Gas Futures, EFPs and EFSs may be posted up to 30 minutes following the cessation of trading. (The change thus eliminates an inconsistency with exchange rules.) Such timing update has also been reflected in the delivery table for the same contracts in Section 5.2. In the delivery timetable for ICE Endex Dutch TTF Natural Gas Daily Futures in Section 6.2 of Part F, the amendments clarify that EFPs and EFS may be posted up to 30 minutes following the cessation of trading (in order to make the timetable consistent with paragraph 3.6 of Part F). The amendments also update the delivery timetable for ICE Endex Austrian CEGH VTP Natural Gas Daily Futures in Section 8 of Part EE such that the time specified in such table reflects the narrative which provides that EFPs and EFSs may be posted up to 30 minutes following the cessation of trading.

### Changes to Naming Conventions

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<sup>3</sup> Accordingly, the amendments to Part A will become operative following expiry of the December 2022 contract month.

To apply consistency to the contract names of certain natural gas futures contracts, the Clearing House has changed the name of “TTF Natural Gas Futures” to “Dutch TTF Natural Gas Futures”, “TTF Natural Gas Daily Futures” to “Dutch TTF Natural Gas Daily Futures”, “UK Natural Gas Futures” to “UK NBP Natural Gas Futures”, “UK Natural Gas Daily Futures” to “UK NBP Natural Gas Daily Futures”, “UK Natural Gas (EUR/MWh) Futures” to “UK NBP Natural Gas (EUR/MWh) Futures”, “PSV Natural Gas Futures” to “Italian PSV Natural Gas”, and “CEGH Austrian VTP Natural Gas Futures” to “Austrian CEGH VTP Natural Gas Futures”. Such changes have been made where relevant in Parts D (which applies to UK Natural Gas futures contracts), F (which applies to ICE Endex Dutch natural gas futures), AA (which applies to Italian natural gas futures), and EE (which applies to Austrian natural gas futures) of the Delivery Procedures. Paragraphs 5, and 13 of the introductory section to the Delivery Procedures have also been updated to reflect the name changes.

#### Delisting of Belgian ZTP Natural Gas Contracts

Part I of the Delivery Procedures (which applied to ICE Endex ZTP Natural Gas Futures Contracts) has been deleted in its entirety as such contracts are no longer listed for trading at ICE Endex. Similarly, Part J has been amended to remove all references to ICE Endex Spot Market ZTP Natural Gas Spot Contracts and ICE Endex Spot Market ZTPL Natural Gas Spot Contracts, which are also no longer listed for trading at ICE Endex. Corresponding changes have been made in paragraph 5 of the introductory section of the Delivery Procedures.

#### Delivery Timetable for Deliverable US Emissions Contracts

The amendments revise the delivery timetable in Part N (which applies to ICE Deliverable US Emissions Contracts) to remove unnecessary provisions in the final row relating to confirmation of delivery on the Delivery Day. The relevant obligations relating to confirmation of delivery are already covered in the preceding rows of the timetable. The remaining language in that row have been removed in order to avoid any incorrect implication that delivery could be made following the relevant Delivery Day. The amendments do not change the terms and conditions of the relevant contract.

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

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

- *Product Eligibility.* As discussed above, the amendments update the delivery specifications to make certain updates and clarifications, including to remove provisions relating to delisted contracts. The terms and conditions of the remaining contracts are not changing in any other material respect, and such contracts will continue to be cleared by ICE Clear Europe in the same manner as they are currently. As a result, ICE Clear Europe believes that the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).

- *Settlement Procedures.* The proposed changes are intended to make a number of updates and clarifications to the Delivery Procedures for physically settled F&O Contracts. The amendments remove from the Delivery Procedures certain contracts that have been delisted by the relevant exchange. The amendments also clarify the deadline for submission of EFPs, EFSs for certain contracts, update relevant naming conventions, and remove duplicative information, among other clarifications and drafting updates. The amendments would not otherwise affect the manner in which such contracts are cleared and settled. The amendments thus appropriately clarify the role and responsibilities of the Clearing House and Clearing Members with respect to physical delivery. 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 ICE Clear Europe 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 [George.milton@theice.com](mailto:George.milton@theice.com) or +44 20 7429 4564.

Very truly yours,



George Milton  
Head of Regulation & Compliance