



55 East 52nd Street
New York, New York 10055

BY ELECTRONIC TRANSMISSION

Submission No. 24-67
April 19, 2024

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

**Re: Amendments to Certain FCOJ Rules
Submission Pursuant to Regulations 40.4 and 40.5**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.4(a), ICE Futures U.S., Inc. (“Exchange”) submits for approval by the Commission under the procedures set forth in CFTC Regulation 40.5, the amendments to Exchange Rules 4.25(c)(vi), 13.08, and 13.16 set forth in attached Exhibit A. The amendments address certain provisions applicable to FCOJ contracts as discussed below.

I. Rule 4.25(c)(vi). Trading Hours

Trading in an expiring FCOJ futures contract month currently ceases two hours before the normal closing time for the market (12pm as opposed to 2pm ET) on Last Trading Day (“LTD”). The Exchange has received feedback from members of the Board of Citrus Advisors (“Product Committee”), which is the Exchange’s FCOJ product committee, that the early close on LTD can cause confusion for market participants needing to trade out of expiring positions on that day who are not aware of the early close.

The early close on LTD has been in place for years and was originally adopted to allow for timely resolution of top-day trade disputes and proper allocation of top-day trades by traders, brokers and clearing members back when the contract traded via open outcry. As such concerns have been eliminated with the transition to electronic trading and straight through processing, the Exchange is amending Rule 4.25(c)(vi) to eliminate the early close on LTD. The Exchange hopes to eliminate any confusion with respect to trading hours by removing the provision.

II. Rule 13.08. Daily Price Limit

Exchange Rule 13.08 establishes a Daily Price Limit (“DPL”) for FCOJ futures contracts. Currently, there is a ten-cent per pound solid DPL for all FCOJ futures contract months that are not in the Notice Period.

FCOJ-A DPL Example:

If the July contract settles at 180.00 and the September contract settles at 175.00, the July contract can trade from a range of 170.00 to 190.00 the following day and the September contract can trade in a range from 165.00 to 185.00 the following day. Note, there will be no trading halt when a limit price is reached, participants simply will not be able to transact at prices outside the DPL.

To accommodate periods of increased volatility, the DPL for FCOJ-A will expand to 20 cents per pound on any trading day following a “Limit Move.” A Limit Move shall be deemed to have occurred when the Daily Settlement Price of the delivery month with the most open interest is 10 cents per pound above or below the Settlement Price for such month on the previous trading day.

FCOJ-A EXPANDED DPL EXAMPLE:

Using the above example, if the July contract has the most open interest and it settles at the price of 190.00 on the day after it settles at 180.00, there would be a Limit Move and the DPL for FCOJ-A would be expanded to 20 cents per pound for all delivery months on the following trade date (trading day after it settled at 190.00).

The foregoing DPL structure was put in place around the time the FCOJ futures contract was first listed for trading on the ICE electronic trading platform and have not been significantly altered since then. While the DPL provisions never triggered in 2020 and 2021, and only triggered four times in 2022, they were triggered thirty-one times over the course of 2023 as the FCOJ market saw an extended period of price volatility and a sustained price increase that took the contract to new record high prices that had not been seen when the current DPL provisions were put in place.

Following this increased volatility and record prices, market participants opined that the current DPL provisions had unduly limited the price discovery function of the FCOJ market, particularly because the absolute price level of the contract increased substantially while the Limit remained fixed, which further resulted in too-frequent changes to the Expanded Limit and back to the regular Limit.

To accommodate potential continued high volatility in the FCOJ market, the Exchange is amending Rule 13.08 to provide for a DPL that expands and contracts as the absolute price level of the FCOJ contract increases and decreases over time. The provisions aim to reduce the number of times the DPL interrupts the price discovery function of the contract while still providing a reasonable and useful limit to how far the futures price is allowed to change in one trading day. The new DPL specifications provide for:

- (1) a variable Initial Price Limit (“IPL”) rather than a static ten-cent per pound limit; that is determined by the absolute price level of the Lead Month; the IPL increases as the absolute price level of the Lead Month increases above pre-set price levels and decreases as the absolute price level of the Lead Month decreases below those pre-set price levels over time. (The table of Lead Month settlement prices and corresponding IPL levels is shown in the Rule amendment noted in Exhibit A); and

- (2) an Expanded DPL on any Business Day after which the Lead Month settlement price is at or through the IPL amount then in effect.

The new DPL structure will function similar to the existing DPL structure. There will be no trading halt when a limit price is reached, participants simply will not be able to transact at prices outside the DPL. However, the Exchange is further amending the Rule to provide that the DPL no longer apply to the contract months starting on the Business Day prior to the First Notice Day, which is one day earlier than the current Rule applies.

Lastly, the Exchange is amending the Rule to remove the DPL from an expiring futures contract starting on the Business Day prior to the first notice day of that contract to ensure that any market participant seeking to exit a position prior to the start of the Notice Period for the contract is not prevented from doing so by the contract being locked at the DPL on that day.

III. Ancillary Amendments to RL, NCR, CSLOR, and IPL levels

In connection with the amendments to Rule 13.08, the Exchange is also revising the Reasonability Limit (“RL”), the No-Cancellation Range (“NCR”), the Calendar Spread Stop Limit Order (“CSLOR”), and the Interval Price Limit (“IPL”) for the FCOJ contract as noted in Exhibit A.

IV. Rule 13.16. Delivery of Invoice and Documents

To provide clarity on Weight Adjustment calculations after physical loadout of FCOJ contracts, the Exchange is amending Rule 13.16 by replacing the undefined term “current month” with “Lead Month” as that term is defined in the Daily Price Limit Rule (Rule 13.08), which defines the Lead Month as the contract month with the highest open interest.

Each of the foregoing amendments was reviewed by the Product Committee. The Product Committee vote to recommend adoption of these proposed amendments to Rules 4.25(c)(vi), 13.08, and 13.16 was unanimous, and the Product Committee vote to recommend implementation of the proposed amendments with an effective date as early as is possible following filing with the Commission was also unanimous.

Certifications

The Exchange certifies that the amendments to Exchange Rules 4.25(c)(vi), 13.08, and 13.16 comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act and has determined that the amendments comply with the following relevant Core Principles:

COMPLIANCE WITH RULES: Trading on FCOJ contracts is subject to all relevant Exchange rules, which are enforced by the Market Regulation Department.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION: The Exchange’s FCOJ contracts are not readily subject to manipulation as they are based on established and liquid underlying cash markets and derivative contracts traded at other

designated contract markets, in compliance with CFTC Regulation 38.200. In addition, trading of the contracts will be monitored by the Market Regulation Department.

AVAILABILITY OF GENERAL INFORMATION: The Exchange will issue a notice and post the amended FCOJ Rules to ensure that market participants are aware of the amendments.

PROTECTION OF MARKETS AND MARKET PARTICIPANTS: The amendments to the above-referenced Exchange Rules comply with Core Principle 12 and CFTC Regulation 38.650, as the rules are provided in furtherance of the Exchange's promotion of fair and equitable trading and to protect markets and market participants from abusive practices by any market participant and their agents.

FINANCIAL INTEGRITY OF CONTRACTS: The Exchange's FCOJ contracts will continue to be cleared by ICE Clear U.S., a registered derivatives clearing organization subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

The Exchange is not aware of any substantive opposing views expressed by members or others with respect to the amended Exchange Rules, and certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and may be accessed at <https://www.ice.com/futures-us/regulation>.

If you have any questions or need further information, please contact me at (312) 836-6748 or frances.mendieta@ice.com.

Sincerely,



Frances M. Mendieta
Director, Enforcement Counsel
Market Regulation

cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

(In the text of the amendment below, additions are underscored and deletions are bracketed and lined through.)

Rule 4.25(c)(vi). Trading Hours

(c) On the Last Trading Day for each Exchange Futures Contract, the Trading Session will end:

(i) for Sugar No. 16 Futures, at 12:45 PM;

(ii) for Cotton No. 2 Futures at 2:20 PM;

(iii) for Coffee “C” Futures at 12:25 PM;

(iv) for Cocoa Futures at 11:50 AM;

(v) for Sugar No. 11 Futures at 12:55 PM;

~~[(vi) for FCOJ Futures, at noon;]~~

~~[(vii)](vi) for Canola Futures, at 2:20 PM;~~

~~[(viii)](vii) for the USDX Futures and Currency Futures, at 10:16 AM;~~

~~[(ix)](viii) for NYSE Index Futures, at 9:30 AM~~

~~[(x)](ix) for Oil Futures Contracts and Energy Futures Contracts, unless otherwise specified in Rules setting forth the terms and conditions for such contract, at the same time as the regular Trading Session;~~

~~[(xi)](x) for Gold Daily Futures Contracts and Silver Daily Futures Contracts, noon London time;~~

~~[(xii)](xi) for MSCI Index Daily Futures Contracts 4:15 PM; and~~

~~[(xiii)](xii) for all other Exchange Futures Contracts, unless otherwise specified in Rules setting forth the terms and conditions for such contract, at the same time as the regular Trading Session.~~

Rule 13.08. Price Limits

(a) For purposes of this Rule the Lead Month is the futures month carrying the most open interest.
~~[following terms shall have the following meanings:~~

~~[(i) *The Lead Month.* The futures delivery month carrying the most open interest;~~

~~[(ii) *Limit Move* shall be deemed to have occurred on any trading day when the Daily Settlement Price of the Lead Month is ten cents (10¢) per pound above or below the Settlement Price for such month on the previous trading day.]~~

(b) Limits

~~[(i) *10¢ Move*~~

~~(A) The price limit for any month shall be ten cents (10¢) per pound above and below the Settlement Price for such month on the previous trading day.~~

(ii) ~~20¢ Move~~

~~(A) On the trading day following a Limit Move, the price limit for any month shall be twenty cents (20¢) per pound above and below the Settlement Price for such month on the day of the Limit Move.~~

~~Once the daily trading limit has expanded to twenty cents (20¢) per pound under this Rule, the limit shall remain at twenty cents (20¢) per pound until the Lead Month settles at a price which is less than twenty cents (20¢) per pound above or below the prior day Settlement Price of such contract, in which case the daily trading limit will revert to the ten cent (10¢) limit on the next trading day.]~~

(b) Subject to subparagraph (c) of this Rule concerning the expansion of the price limit, there shall be no trading in a futures delivery month at a price more than the Initial Limit Amount above or below the previous day's Settlement Price. The Initial Limit Amount in effect for all such futures delivery months on any Business Day shall be determined based upon the prior day's Settlement Price of the Lead Month as follows:

<u>Lead Month Settlement Price Level</u>	<u>Initial Limit Amount</u>
<u>Less than 200 cents per pound solid</u>	<u>10 cents per pound solid</u>
<u>200 cents up to less than 300 cents per pound solid</u>	<u>15 cents per pound solid</u>
<u>300 cents per pound solid and higher</u>	<u>20 cents per pound solid</u>

(c) The daily price limit shall be subject to an expansion by an additional 10 cents per pound solid above the Initial Limit Amount on the Business Day following any day on which the Lead Month closes at a level that is at or in excess of the Initial Limit Amount then in effect.

~~(e)d~~ Notwithstanding the above, there shall be no price limits on the current futures month on or after the first Business Day prior to the First Notice Day, or on FCOJ Options at all.

Rule 13.16. Delivery of Invoice and Documents

(a) For purposes of this Rule, storage charges are all those charges set forth in the Licensed Facility's tariff published pursuant to FCOJ Resolution No. 1(V).

(b) All FCOJ deliveries shall be made by the transfer of EWRs, which have been issued a Certificate of Registration, through Clearing Members that have executed eCOPS Participant Agreements in the form specified by the Exchange.

(c) On the day prior to the Date of Delivery at 1:00 p.m., all information, including current storage fees, contained on the Delivery Worksheet for each Deliverer and Receiver shall be deemed complete, correct and final and may not be changed in any respect by a Deliverer or Receiver.

(d) On the Date of Delivery at 9:00 a.m., on the basis of the information contained in such final Delivery Worksheet, the Exchange, through eCOPS, shall issue a Notice of Transfer causing the Clearing Organization to be identified in eCOPS as the Title Holder of the EWRs corresponding to the FCOJ identified in each final Delivery Worksheet. The Clearing Organization shall thereafter debit the account designated by the Receiver for delivery purposes and credit the account designated by the Deliverer for such purposes for the full amount of the Exchange Invoice, and issue a Notice of Transfer causing the Receiver to be identified in eCOPS as the Title Holder of the corresponding EWRs.

(e) The weight of a contract of FCOJ as weighed by the tank facility operator immediately after delivery into the Receiver's truck, tanker or other conveyance shall be binding upon all parties. Weight adjustments shall be made basis the closing futures price in the ~~[then current month]~~ Lead Month as defined in Rule 13.08 on the Business Day before the FCOJ is loaded out to the Receiver.

(f)(i) The Exchange Invoice shall include if applicable, an adjustment charge for storage for each day beyond the Date of Delivery (not in excess of thirty (30) days) which has been prepaid by the Deliverer.

(ii) Such adjustments shall be based upon the published rates of the licensed facility in effect on the first (1st) Business Day of the delivery month.

(g) The Receiver shall not be charged for containers on any delivery.

ICE FUTURES U.S., INC. REASONABILITY LIMITS AND NO CANCELLATION RANGES - AS OF [MARCH] MAY 2024

The ICE Futures U.S. Error Policy includes Reasonability Limit (“RL”), No Cancellation Range (“NCR”) and Calendar Spread Stop Limit Order (“CSLOR”) levels for futures and options contracts. The levels shown below are subject to change without prior notification.

* * *

AG AND METAL FUTURES	RL	NCR	CSLOR
Cocoa (CC)	\$50.00 per ton	\$25.00 per ton	\$10.00 per ton
Coffee “C” (KC)	\$.0375 per lb.	\$.0080 per lb.	\$.0040 per lb.
Cotton No. 2 (CT)	\$.0200 per lb.	\$.0075 per lb.	\$.0030 per lb.
FCOJ (OJ)	\$ [.0225] .0500 per lb.	\$ [-.0100] .0250 per lb.	\$ [-.0075] .0200 per lb.
Sugar No. 11 (SB)	\$.0050 per lb.	\$.0020 per lb.	\$.0010 per lb.
Sugar No. 16 (SF)	\$.0300 per lb.	\$.0050 per lb.	\$.0050 per lb.
Canola (RS)	\$18.00 per tonne	\$6.00 per tonne	\$600 per tonne
Daily Gold (AUD)	\$8.00 per oz.	\$4.00 per oz.	\$2.00 per oz.
Daily Silver (HIO)	\$0.300 per oz.	\$0.200 per oz.	\$0.100 per oz.

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[REMAINDER OF DOCUMENT UNCHANGED]

INTERVAL PRICE LIMIT FUNCTIONALITY

With IPL levels as of [March] May 2024

* * *

Current IPL Recalculation Times, Amounts and Hold Period for all IFUS products are shown below:

* * *

Agricultural and Metal contracts:

FUTURES CONTRACT	IPL Amount (in points)	Recalc Time (in secs)	Hold Period (in secs)

Sugar No. 11 (SB)	60	15	30
Cotton No. 2 (CT) and Coffee "C" (KC)	400	15	30
Cocoa (CC)	100	15	30
FCOJ (OJ)	500 750	15	30
Sugar No. 16 (SF)	750	15	30
Canola (RS)	2400	10	30
Daily Gold (AUD)	1000	15	30
Daily Silver (HIO)	400	15	30

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[REMAINDER OF DOCUMENT UNCHANGED]