



FOIA CONFIDENTIAL TREATMENT REQUESTED

October 6, 2023

VIA CFTC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St., N.W.
Washington, D.C. 20581

Re: Amendment to ICE NGX Canada Inc. Rules - Submission Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and CFTC Regulation § 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, (“Act”) and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), ICE NGX Canada Inc. (“ICE NGX”) is submitting this self-certification of amendments to the ICE NGX Risk Management Framework (“RMF”). The RMF is a “rule” as that term is defined under Commission Regulation 40.1(i). ICE NGX intends to implement these amendments on November 1, 2023 or on such later date as ICE NGX may designate.

1. Overview

ICE NGX is making this submission to implement certain changes (the “Amendments”) to the ICE NGX RMF, designed to enhance descriptions relating to:

- financial resources evaluation procedures;
- ICE NGX’s accrual variation margin methodology; and
- management of risks relating to accepting letters of credit as collateral.

ICE NGX has requested confidential treatment over the Amendments.

2. Details of Rule Changes

As part of continuous review and enhancement of the RMF, ICE NGX is seeking to enhance the descriptions of the following procedures.

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- Procedures relating to monthly calculation of financial resources - The Amendments reflect ICE NGX's current practices relating to the monthly calculation of financial resources requirements, and the related responsibilities and interaction of different staff teams.
- Procedures describing ICE NGX's accrual accounting methodology for variation margin - The Amendments enhance the documentation of the variation accrual methodology, including to explicitly state that the near real-time calculation of mark-to-market and posting of variation amounts to collateral accounts is fully automated.
- Managing risk related to Collateral Letters of Credit ("LCs") - The Amendments enhance the identification and description of ICE NGX's approach to managing the risks related to accepting LCs as collateral. Specifically, the amendments address the credit, market, liquidity and legal risks associated with accepting LCs, and the controls and mitigations implemented by ICE NGX to manage these risks.

3. Compliance with Core Principles

ICE NGX reviewed the Amendments and determined that they comply with the rules and regulations of the Commission. In this regard, ICE NGX reviewed the derivatives clearing organization ("DCO") core principles (each a "Core Principle") and determined that the Amendments are potentially relevant to the following Core Principles and applicable regulations of the Commission thereunder.

Compliance (Core Principle A): The Amendments are consistent with Core Principle A - Compliance and Commission Regulation § 39.10, as the Amendments clarify, enhance and update ICE NGX's policies and procedures for complying with Commission regulations and internal policies.

Financial Resources (Core Principle B): The Amendments are consistent with Core Principle B - Financial Resources and Commission Regulation § 39.11(d)(1), as the Amendments relating to monthly calculation of financial resources specify the frequency and staff responsible for the monthly evaluation of the equity component of ICE NGX's financial resources.

Risk Management (Core Principle D): The Amendments are consistent with Core Principle D - Risk Management and the following Commission Regulations:

- § 39.13(b), as the Amendments relating to managing Collateral LC risks more thoroughly identify and document the risks to which ICE NGX is exposed and the ways in which ICE NGX monitors and manages those risks; and
- § 39.13(b) and (e), as the Amendments describing ICE NGX's accrual accounting methodology more clearly describe and document, in ICE NGX's Risk Management Framework, its systems-based processes relating to the near real-time marking to market

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of each clearing participant's open positions and the posting of such mark-to-market to the clearing participant's collateral account.

4. Certifications

ICE NGX certifies that the proposed Amendments discussed in this submission comply with the Commodity Exchange Act, including the Core Principles and the Regulations of the Commission thereunder. ICE NGX is not aware of opposing views expressed regarding these amendments. ICE NGX further certifies that, concurrent with this filing, a copy of this submission was posted to ICE NGX's website.

If you have any questions or require further information, please do not hesitate to contact me at 403-974-1740 or martin.mcgregor@ice.com, or Greg Abbott, ICE NGX President & COO at 403-974-1701 or.

Yours truly,

A handwritten signature in black ink, appearing to read 'M. McGregor', is written above a horizontal line.

Martin McGregor
General Counsel & CCO
ICE NGX Canada Inc.