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BY ELECTRONIC TRANSMISSION

Submission No. 15-48
February 10, 2015

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: New Resolution No. 4 of Chapter 29 (Sugar No. 16) - Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6

Dear Mr. Kirkpatrick:

Pursuant to Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) submits new Resolution No. 4 of Chapter 16, which is set forth in Exhibit A. Consistent with the deliverer’s obligation to pay any duties resulting from the importation of sugar delivered against the Sugar No. 16 Futures Contract, the new Resolution requires the deliverer to be the importer of record for any foreign sugar delivered which, at the time of delivery, is subject to anti-dumping or countervailing duties.

The Exchange’s Sugar No. 16 Futures Contract terms permit the delivery of foreign sugar, with any duties owed to be paid by the deliverer. In practice when foreign sugar is delivered against the contract, the receiver is typically declared to be the importer of record and therefore is responsible for payment of any duty to the government and the receiver is then reimbursed for this payment via a credit on the invoice issued to it by the deliverer.

The U.S. Commerce Department recently raised the possibility of implementing both anti-dumping and countervailing duties on imports of Mexican sugar into the U.S. While no anti-dumping or countervailing duty amount is currently in effect, market participants were concerned that they could impair the current industry practice described above. U.S. law prohibits the importer of record from seeking reimbursement or payment of anti-dumping or countervailing duties. An importer of record is required to affirmatively declare to the Customs Service that it has neither sought nor received reimbursement, and failure to provide a declaration triggers a required payment of two times the duty amount.

The Exchange is adopting new Resolution No. 4 to address the conflict between U.S. law and industry practice in Sugar No. 16 deliveries. The Resolution provides that in the event a deliverer chose to make delivery of sugar subject to a U.S. countervailing and/or anti-dumping duty (or an agreement that has the effect of suspending such a duty) at the time of delivery, the deliverer is obligated to be the importer of record. As the importer of record, the deliverer will be the party required to pay the countervailing and/or anti-dumping duty amount on the sugar, and there would be no need for any reimbursement/credit on the delivery invoice.

The new resolution was unanimously approved by the Exchange's Domestic Sugar Committee and its Board of Directors. The Domestic Sugar Committee noted that the new resolution would preserve the deliverability of any sugar subject to such a duty; that the practice of the receiver becoming the importer of record is simply a custom of the trade and not a legal or Rule requirement, and therefore requiring the deliverer to be the importer of record in such instances was in-line with current contract rules. It was also noted that amending the Rules to explicitly so provide does not impose any additional burden or cost to the deliverer seeking to make delivery of sugar covered by such a duty. Rather, it provides clarity on how such deliveries are to be effected in a manner that is consistent with existing contract terms and U.S. law.

The Exchange certifies that the new Resolution, which will become effective on February 26, 2015, complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. In particular, new Resolution No. 4 of Chapter 29 complies with Core Principle 2 (Compliance with Rules) and Core Principle 3 (Contracts Not Readily Subject to Manipulation). The new Resolution clarifies and preserves the longstanding obligation under the contract's rules, which requires the deliverer to pay any import duties associated with the delivery of foreign sugar. The Exchange is not aware of any opposing views to Resolution No. 4 and further 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 212-748-4021 or at jason.fusco@theice.com.

Sincerely,



Jason V. Fusco
Assistant General Counsel
Market Regulation

Enc.

cc: Division of Market Oversight

EXHIBIT A

(In the text of the amendment below, additions are underscored.)

Sugar No. 16 Resolution No. 4 – Delivery of Sugar Subject to US Anti-Dumping and Countervailing Duties or Agreements Suspending Anti-Dumping or Countervailing Duty Investigations on Sugar

If a Deliverer seeks to deliver sugar that, at the time of delivery, is subject to (i) a U.S. anti-dumping and/or countervailing duty or (ii) an agreement suspending a countervailing duty investigation and/or an anti-dumping duty investigation or other measure affecting such a duty, the Deliverer shall identify itself to the United States Customs as the importer of record and shall take all actions required to clear the sugar through United States Customs and be responsible for (a) paying such anti-dumping and/or countervailing duty applicable to such sugar and/or (b) Deliverer's compliance with the provisions of such agreement or other measure suspending or affecting the countervailing duty investigation or suspending or affecting an anti-dumping duty investigation applicable to such sugar.

As such anti-dumping and/or countervailing duty shall therefore be paid by the Deliverer, the Exchange pro-forma invoice as referred to in Rule 29.06(a)(vi) shall not be reduced by the amount of such anti-dumping and/or countervailing duty, and the provisions of Rule 29.06(f) calling for the Receiver to pay such anti-dumping and/or countervailing duty shall not apply to such anti-dumping and/or countervailing duty amount.

In addition to identifying itself to the United States Customs as the importer of record in such event, the Deliverer shall exercise due diligence in the process of obtaining customs clearance of the sugar. In the event of a delay in the discharging of the vessel caused by the Deliverer's failure to promptly obtain customs clearance on arrival of the vessel at the discharge port, then for purposes of calculating laytime such delay caused by Deliverer's failure to promptly obtain customs clearance shall be for the account of the Deliverer.