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BY ELECTRONIC TRANSMISSION

Submission No. 21-03
February 18, 2021

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

Re: Listing of Commodity Swaps and Related Rule Amendments- Submission Pursuant to Section 5c(c)(1) of the Act and Regulations 40.2(a) and 40.6(a)

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “CEA”) and the Commodity Futures Trading Commission (the “Commission”) Regulations 40.2(a) and 40.6(a), ICE Swap Trade, LLC (“IST” or “SEF”) submits by written certification the terms and conditions for three (3) new cash-settled contracts (the “Energy Contracts”). The Energy Contracts will be listed as permitted contracts for trading on February 26, 2021 (based on an acknowledged filing date of February 18, 2021). Two of the Energy Contracts are monthly cash-settled swaps, one is a cash-settled balance of the month swap.

The contract terms and conditions are set forth in Chapter 13 of the ICE Swap Trade Rulebook (“Rules”) and in related amendments to existing Rules, as specified in **Exhibit A**. The underlying cash market analysis for the new Energy Contracts are contained in **Exhibit B**. A copy of the revised Rulebook marked to show changes against the Rulebook submitted to the Commission with an effective date of February 26, 2021, is attached as **Exhibit C**, and a clean copy of the revised Rulebook is attached as **Exhibit D**. The SEF is listing the Energy Contracts as noted in the table below:

Rule	Code	Contract Name
13112	MEA	180cst Middle East FOB Arab Gulf Swap
13113	ME2	380cst Middle East FOB Arab Gulf Swap
13114	ME9	180cst Middle East FOB Arab Gulf Balmo Swap

Certifications

IST certifies that the rules and amendments related to the listing of the Energy Contracts comply with the requirements of the CEA and the rules and regulations promulgated by the Commission thereunder. IST has reviewed the Core Principles and has determined that the listing of the Energy Contracts impacts the following relevant Core Principles:

COMPLIANCE WITH RULES (Principle 2): The terms and conditions of the Energy Contracts are set forth in Chapter 13 of the Rules, which will be enforced by IST. Trading of the Energy Contracts is subject to all relevant IST rules which are enforced by the Market Regulation Department.

SWAPS NOT READILY SUSCEPTIBLE TO MANIPULATION (Principle 3): In accordance with the guidelines set forth in Appendix C to Part 38 of the CEA, the Energy Contract should not be readily subject to manipulation as it is based on a liquid cash market and widely accepted benchmark as demonstrated in the analysis included in **Exhibit C**. The contract size, listing cycle, quotation basis, final settlement and minimum price fluctuation for the Energy Contracts are common amongst related contracts listed by other SEFs and DCMs. In addition, the Energy Contracts will be subject to market surveillance by IST Market Regulation staff to detect attempted manipulation.

Platts, the administrator of the referenced indices, has established comprehensive rules governing assessment prices and price reporting structures that is publicly available, transparent, and widely accepted and understood by market participants. The prices included in all of Platts' indices are subjected to a rigorous series of quality control processes. Platts publishes benchmark price assessments for liquefied natural gas markets and its price reporting is well known in the industry as fair and accurate. The liquefied natural gas indexes Platts publishes are based on original reporting that is collected by Platts from actual buyers and sellers. Platts also employs a comprehensive compliance review of submissions and its methodologies to ensure the published prices accurately reflect physical deals. Platts' rules, index descriptions and pricing methodology for liquefied natural gas is publicly available on its website¹.

MONITOR OF TRADING AND TRADE PROCESSING (Principle 4): All contracts listed for trading by IST are subject to prohibitions against abusive trading practices as set forth in Chapter 5 of the IST Rulebook. The Market Regulation staff actively monitors all IST markets to detect abusive practices.

ABILITY TO OBTAIN INFORMATION (Principle 5): IST has rules and procedures in place that allow for the collection of non-routine data from Participants and Customers. In addition, IST has agreements in place with other regulatory, data repository and reporting services.

TIMELY PUBLICATION OF TRADING INFORMATION (Principle 9): IST will publish on its website and distribute through quote vendors contract trading volume, open interest levels, and daily price information in accordance with Part 16. IST will also adhere to the reporting requirements as detailed in Part 43 and 45² of the Commission's Rules. Prior to the commencement of trading, the terms and conditions for the Energy Contracts will be available on IST's website. In addition, IST will publish on a daily basis the settlement prices, volume, open interest and the opening and closing ranges for actively traded contracts.

RECORDKEEPING AND REPORTING (Principle 10): IST has rules and procedures in place to require Participants and Customers to maintain records of their trading and provide for the recording and storage of the requisite trade information sufficient for the Market Regulation Department to detect and prosecute customer and market abuses.

DISCIPLINARY PROCEDURES (Principle 13): Pursuant to Chapters 8 of the IST Rulebook, the Market Regulation Department has the authority to sanction, suspend or expel members and market participants that violate SEF rules.

¹ <https://www.spglobal.com/platts/plattscontent/assets/files/en/our-methodology/methodology-specifications/lngmethodology.pdf>

² 17 CFR Part 43 Real-Time Public Reporting of Swap Transaction Data and 17 CFR Part 45 Swap Data Recordkeeping and Reporting Requirements.



DISPUTE RESOLUTION (Principle 14): Participants may arbitrate claims arising from trading of IST's contracts in accordance with Chapter 9 of the IST Rulebook. Such arbitration is mandatory for claims by customers against SEF Participants and for claims by SEF Participants against each other. Non-Participants with claims arising from trading of IST's contracts may also opt for SEF arbitration.

IST not aware of any substantive opposing views expressed with respect to the rules and the amendments. IST further certifies that concurrent with this filing, a copy of this submission was posted on its website, which may be accessed at: (<https://www.theice.com/swap-trade/regulation>).

If you have any questions or need further information, please contact the undersigned at (312) 323-8512 or Kurt.Windeler@theice.com.

Sincerely,

A handwritten signature in black ink that reads "Kurt Windeler".

Kurt Windeler
Chief Compliance Officer

cc: Division of Market Oversight

Exhibit A**Rule 13112. ~~Reserved~~ Middle East Fuel Oil 180 CST FOB Arab Gulf Swap**

Contract Description: A monthly cash settled swap based on the Platts daily assessment price for Middle East 180 CST FOB Arab Gulf Fuel Oil.

Contract Symbol: MEA

Contract Size: 1,000 metric tonnes

Unit of Trading: Any multiple of 1,000 metric tonnes

Currency: US Dollars and cents

Trading Price Quotation: One cent (\$0.01) per metric tonne

Last Trading Day: Last Trading Day of the contract month

Final Settlement Price: In respect of final settlement, the Floating Price will be a price in USD and cents per metric tonne based on the average of the "Mid" quotations appearing in the "Platts Asia-Pacific/Arab Gulf Marketscan" under the heading "Asia Products" subheading "Middle East physical oil assessments" and "FOB Arab Gulf (\$/barrel)" for "HSFO 180 CST (\$/mt)" for each business day (as specified below) in the determination period.

Contract Series: Up to 72 consecutive months, or as otherwise determined by the SEF

Final Payment Dates: Fourteen (14) Calendar Days after each settlement date via wire transfer or federal funds

Business Days: Publication days for Platts Asia-Pacific/Arab Gulf Marketscan

Other Terms: To be confirmed directly between the parties in their full form of contract. The terms reflected in such contracts shall be controlling.



Rule 13113. ~~Reserved~~ Middle East Fuel Oil 380 CST FOB Arab Gulf Swap

Contract Description: A monthly cash settled swap based on the Platts daily assessment price for Middle East 380 CST FOB Arab Gulf Fuel Oil.

Contract Symbol: ME2

Contract Size: 1,000 metric tonnes

Unit of Trading: Any multiple of 1,000 metric tonnes

Currency: US Dollars and cents

Trading Price Quotation: One cent (\$0.01) per metric tonne

Last Trading Day: Last Trading Day of the contract month

Final Settlement Price: In respect of final settlement, the Floating Price will be a price in USD and cents per metric tonne based on the average of the "Mid" quotations appearing in the "Platts Asia-Pacific/Arab Gulf Marketscan" under the heading "Asia Products" subheading "Middle East physical oil assessments" and "FOB Arab Gulf (\$/barrel)" for "HSFO 380 CST (\$/mt)" for each business day (as specified below) in the determination period.

Contract Series: Up to 72 consecutive months, or as otherwise determined by the SEF

Final Payment Dates: Fourteen (14) Calendar Days after each settlement date via wire transfer or federal funds

Business Days: Publication days for Platts Asia-Pacific/Arab Gulf Marketscan

Other Terms: To be confirmed directly between the parties in their full form of contract. The terms reflected in such contracts shall be controlling.



Rule 13114. ~~Reserved~~ Middle East Fuel Oil 180 CST FOB Arab Gulf Balmo Swap

Contract Description: A balance of the month cash settled future based on the Platts daily assessment price for Middle East 180 CST FOB Arab Gulf Fuel Oil.

Contract Symbol: ME9

Contract Size: 1,000 metric tonnes

Unit of Trading: Any multiple of 1,000 metric tonnes

Currency: US Dollars and cents

Trading Price Quotation: One cent (\$0.01) per metric tonne

Last Trading Day: Last Trading Day of the contract month

Final Settlement Price: In respect of final settlement, the Floating Price will be a price in USD and cents per metric tonne based on the average of the "Mid" quotations appearing in the "Platts Asia-Pacific/Arab Gulf Marketscan" under the heading "Asia Products" subheading "Middle East physical oil assessments" and "FOB Arab Gulf (\$/barrel)" for "HSFO 180 CST (\$/mt)" for each business day (as specified below) in the determination period.

Contract Series: Up to two consecutive months, or as otherwise determined by the SEF

Final Payment Dates: Fourteen (14) Calendar Days after each settlement date via wire transfer or federal funds

Business Days: Publication days for Platts Asia-Pacific/Arab Gulf Marketscan

Other Terms: To be confirmed directly between the parties in their full form of contract. The terms reflected in such contracts shall be controlling.

EXHIBIT B

I. Middle East FOB Arab Gulf Overview

The underlying cash market that underpin the 380cst Middle East FOB Arab Gulf derivative contracts is the assessment of physical 380 CST HSFO cargoes loading on an FOB Fujairah basis.

The FOB Fujairah cargo assessment takes in to consideration cargoes loading from any safe and sound port within the Arab Gulf region. This information would be normalized for loading on FOB Fujairah basis. As such FOB Fujairah assessment would be a marker for pricing fuel oil in the Middle East.

II. Underlying Cash Market For Listed Swaps

The Platts Market on Close Assessment process (MOC) is the tool used by Platts to determine and assess the physical market. The Methodology and Specifications Guide for crude oil assessments is contained here: <https://www.spglobal.com/platts/plattscontent/assets/files/en/our-methodology/methodology-specifications/Ingmethodology.pdf>

Cash Market Analysis for Middle East FOB Arab Gulf

High sulphur fuel oil originating from the Arab Gulf amounting to about 1 million mt arrives in Singapore every month. The pricing for which is done basis the Singapore benchmark assessment. The emergence of a FOB Arab Gulf benchmark is expected to result in most, if not all, of the oil that originates in the Middle East to be priced off that marker.

Of the average 850,000 mt or so of HSFO originating from the Arab Gulf and arriving in Singapore, almost two-thirds are Iraqi origin, the pricing for which is basis the Platts MOPAG assessment. Pakistan has traditionally imported an average of around half a million mt per month of HSFO to meet utility/industrial applications demand on an FOB Fujairah basis and pricing basis Platts MOPAG assessments. Kuwait occasionally has around 80,000 mt of HSFO per month to export, the pricing for which is also done basis Platts MOPAG assessments. Bahrain's state-owned refiner BAPCO, which also typically has 1 aframax worth of HSFO to export every month, uses Platts MOPAG assessments as the pricing basis. Saudi Arabia, the largest producer and trader of HSFO in the Middle East, sees summer season utility demand for fuel oil that can peak at a little over 3 million mt/month and uses Platts MOPS assessments as the pricing basis. ADNOC in the UAE uses Platts MOPS pricing basis to export fuel oil. Oman's OTI, which is a relatively smaller producer/supplier of HSFO (about 20-30kt/month), also uses Platts assessments as the basis to price this oil. In terms of participation, the Singapore fuel oil MOC assessment process sees active participation from 10-15 companies on a daily basis.

Liquidity and participation in the Singapore Platts Market on Close assessment process continue to be extremely robust in the high sulphur fuel oil markets with volume of over 5.5 million mt of physical HSFO and almost 4 times that volume of HSFO derivatives traded in the MOC process even as the marine fuel market has transitioned to trading low sulphur fuel oil since 2020.

Over the last several years, the Middle East physical markets have evolved considerably, and spot market values are now consistently and transparently visible. Logistics have evolved to ensure broad market access and flexibility, including through the growth of independent storage at Fujairah, while refinery infrastructure has grown, providing ample supply.

On Oct. 3, 2016, Platts launched the independent, spot market assessments reflecting oil products loading basis FOB Fujairah. These assessments reflect trade on a free-on-board basis at good ports across the Gulf, fully normalized to an FOB Fujairah basis.



Platts assesses an outright value for 380 CST fuel oil cargoes on FOB Fujairah basis. The outright assessment equals the sum of Middle East 380 CST Fuel Oil spot differential (premium/discount) and MOPAG 380 CST strip. The MOPAG strip is calculated using 380 CST Fuel Oil derivatives that settle on Platts Middle East 380 CST Fuel Oil netback assessments.

The Middle East fuel oil market relies predominantly on the Singapore benchmark to price products on a netback basis, but the potential for liquidity to emerge in FOB Arab Gulf derivatives holds the key for the Middle East to emerge as a benchmark pricing hub. With the launch of FOB Arab Gulf derivatives, there exists potential for the Platts FOB Fujairah MOC process to gain traction and witness steady growth.