



February 02, 2023

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
U.S. Commodity Futures Trading Commission
77 West Jackson Blvd Suite 800
Chicago, IL 60604

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 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, amendments to its Delivery Procedures (the “Delivery Procedures” or “Procedures”)¹ discussed herein. 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

ICE Clear Europe is amending its Delivery Procedures to add a new Part II thereto (“Part II”) as well as a conforming change elsewhere in the Delivery Procedures. Part II will apply to the new ICE Futures Europe Dutch TTF Natural Gas Futures Contracts (the “Contracts”), which are to be traded on ICE Futures Europe and cleared at ICE

¹ Capitalized terms used but not defined herein have the meanings specified in the Delivery Procedures or, if not defined therein, the ICE Clear Europe Clearing Rules.

Clear Europe.² The amended Delivery Procedures provide the delivery specifications and processes related to delivery under the Contracts.

Delivery under the Contracts will be settled by the transfer of rights to natural gas at the TTF (a notional point within the Dutch natural gas Transmission System at which the balancing of the amounts of natural gas takes place) from a Transferor nominated by the Seller to the Clearing House and from the Clearing House to a Transferee nominated by the Buyer. The amendments provide that the Clearing Members grant authority to ICE Clear Europe to make Trade Nominations on their behalf in connection with deliveries under Contracts. Clearing Members will not be required, and will not be able, to send Trade Nominations themselves.

The amendments set out relevant definitions related to delivery under the contract, including those relating to TTF and the Transmission System. The amendments further specify certain details of the delivery process for the Contracts, including denominations of relevant quantity, settlement price, relevant time zones, timing of cessation of trading and certain requirements for exchange of futures for physical and swap transactions under exchange rules.

The amendments also address the responsibilities of the Clearing House and relevant parties for delivery under Contracts, as well as certain limitations of liability for the Clearing House. Specifically, the Clearing House will not be responsible for the performance or non-performance of GTS (the transmission system operator), including of its obligations under the GTS Rules. Additionally, neither the Buyer, Seller nor their Transferees or Transferors will have any claim against the Clearing House for any loss, cost, damage or expense incurred or suffered as a result of the condition or operation of the Transmission System or any part thereof or the performance or non-performance of GTS except as otherwise expressly provided in the ICE Futures Europe Rules.

The amendments provide details related to delivery contract security, which is the delivery margin to be provided by Buyer and Seller, and which will take into account the possibility of costs or charges arising from the balancing regime under the TSC. The Clearing House will be permitted to alter the calculation of each of the Buyer's Security and the Seller's Security at any time or make adjustments in respect of a specific Seller or Buyer.

The amendments include delivery timetables with detailed timeframes and descriptions of the processes for delivery under Contracts, and such timetables will set out, among other processes, the time for cessation of trading, provision of Buyer's and Seller's security, submission of delivery intentions, confirmation reports, notifications to the nomination agent, payment, top-up of security, invoicing, and other matters. The amendments will also include delivery tables with detailed times and processes relating to failed delivery under Contracts. In respect of invoicing, the amendments will detail how amounts included in invoices prepared by the Clearing House will be calculated

² ICE Clear Europe also currently clears a similar TTF natural gas futures contract traded on the ICE Endex market. That ICE Endex contract will continue to be cleared separately from, and will not be fungible with, the Contracts and is addressed by a separate existing part of the Delivery Procedures (although the Delivery Procedures for the two contracts are substantially similar).

for confirmed deliveries and failed deliveries of each Contract, and address the credit notes issued to Buyers in respect of failed deliveries.

In addition, the amendments provide a summary of the reports produced by the Clearing House in respect of each Contract and made available to Buyers and Sellers electronically.

The amendments will also update Section 5.1 of the Delivery Procedures to include ICE Futures Europe Dutch TTF Natural Gas Futures Contract in the list of contracts under which, subject to delivery obligations, sellers and buyers can nominate transferors and transferees.

Compliance with the Act and CFTC Regulations

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

- *Product Eligibility.* ICE Clear Europe is adopting a new Part II of the Delivery Procedures to facilitate clearing of the Contracts, which will be listed on ICE Futures Europe and cleared by the Clearing House. The amendments set out delivery specifications for the Contracts as set forth herein. The Contracts are similar to other natural gas futures contracts currently cleared by the Clearing House, and therefore ICE Clear Europe believes that its existing financial resources, risk management, systems and operational arrangements are sufficient to support clearing of the Contracts (and to address physical delivery under the Contracts) and to manage the risks associated with the Contracts. As such, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As discussed above, the amendments establish a new set of procedures applicable to the delivery and settlement of the Contracts. The procedures address, among other matters, delivery specifications, the obligations and roles of Clearing Members and the Clearing House, certain limitations of liability for the Clearing House, and certain other documentation and timing matters, consistent with the requirements of the Clearing House. Clearance of the Contracts will otherwise be supported by ICE Clear Europe's existing financial resources, risk management, systems and operational arrangements. The amendments thus appropriately set out 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 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 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 or +44 20 7429 4564.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'G. Milton', with a stylized flourish underneath.

George Milton
Head of Regulation & Compliance