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BY ELECTRONIC TRANSMISSION

Submission No. 12-83
November 20, 2012

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

**Re: Amendments to Block Trade Procedures
Submission Pursuant to Commission Regulation 40.6(a)**

Dear Ms. Warfield:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“Exchange”) submits amendments to its Block Trading Procedures (the “Procedures”) (reflected in the Exchange’s Block Trade FAQ) which revise the block trading period and reporting requirements, and provide for aggregation of multi-leg transactions, as described below and set forth in Exhibit A.

Block Trading Period

Under current Procedures, block trades of Energy Contracts may be executed at anytime. Block trades for all other products may only be executed during the normal trading hours for the respective block eligible product. In order to harmonize the block trading period for all products, the amendments to the Procedures provide that block trades in all products may be executed at any time.

Reporting Requirements

Block trades executed outside of regular trading hours currently must be reported to the Exchange no later than five minutes prior to the start of the next trading session. An amendment to the Procedures provide that block trades executed outside of normal trading hours must be reported to the Exchange no later than five (5) minutes after the start of the open of the next trading session for the respective contract. This amendment was based upon discussions with market participants, who opined that the current standard creates potential difficulties for brokers

in making timely reports on blocks executed just prior to the open (when brokers are typically busy entering and monitoring central limit order book orders and conditions). In addition, the current standard does not address reporting requirements for blocks trades executed in the five minute period prior to the open. Under the standard such blocks must be reported prior to their having been agreed. The amendment eliminates these potential difficulties while still providing for timely public reporting of the details of such block trades during the respective trading session for the product.

In addition, the Exchange is also amending the reporting requirements for block trades executed during normal trading hours. Currently, for all Exchange products other than Energy Contracts¹, block trades consisting of less than three legs must be reported to the Exchange within 5 minutes of execution and block trades consisting of three or more legs must be reported to the Exchange within 10 minutes of execution. In order to provide more time to participants in multi-leg transactions, amendments to the Procedures provide that block trades for all products other than Energy Contracts, which consist of two or more legs shall be reported to the Exchange within 10 minutes of execution. Block trades involving only one leg will continue to be subject to a 5 minute reporting requirement. The amendments do not alter the reporting requirements for block trades of Energy Contracts executed during normal trading hours.

Aggregation of Multi-Leg Transactions:

Under the current Procedures, the legs in a multi-leg Energy Contract block trade are aggregated for the purpose of satisfying the minimum block size requirement. For all other products, the legs of a multi-leg block trade are not aggregated (each leg in a multi-leg intra-commodity futures spread and intra-commodity option spread transaction must independently satisfy the applicable minimum block trade size requirement for the respective product). In order to harmonize the aggregation methodology for all products, the Exchange is amending the Procedures to provide that the legs of multi-leg intra-commodity spreads shall be aggregated to meet the block trade minimum size requirement for all products.

The Exchange is also amending the Procedures to harmonize the aggregation methodology for options/futures combination transactions for the purpose of satisfying the minimum block size requirement. Under current Procedures, the legs in an Energy Contract combination block trade are aggregated. For all other products, the legs in a combination block are not aggregated. The amendments to the Procedures provide that, for all products, the sum of the quantities of the option legs in a intra-commodity combination transaction must meet the block minimum threshold for the respective option product, and the quantity of the futures must be consistent with the delta of the options component of the combination (but need not meet the block minimum threshold for the respective future contract).

¹ Block trades for Energy Contracts executed during normal trading hours must be reported to the Exchange within 15 minutes of the time of execution.

Certifications

The Exchange certifies that the amendments to the Procedures comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. The Exchange further 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.theice.com/notices/RegulatoryFilings.shtml>). No substantive opposing views were expressed by members or others with respect to the amendments. The amendments will become effective on Friday, December 7, 2012.

If you have any questions or need further information, please contact me at 212-748-4021 or at jason.fusco@theice.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jason V. Fusco
Assistant General Counsel
Market Regulation

Enc.
cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

ICE FUTURES U.S.
BLOCK TRADE – FAQs

* * *

7. What are the trading hours for block trades?

~~Block trades for all products may be entered during the electronic trading hours for the respective product~~

~~Block trades for Energy Futures and Options Contracts may be executed at anytime. Block trades of all other contracts may be entered during the electronic trading hours of the respective product.~~

~~Block trades executed during normal trading hours should be entered and/or reported as described in Question 9.~~

[REMAINDER OF ANSWER UNCHANGED]

9. What are the reporting requirements for block trades?

For Energy Futures and Options Contracts, fifteen (15) minutes from the time of execution.

For all other products, five (5) minutes from the time of execution for single leg trades and 10 minutes from of time of execution for block trades consisting of two or more legs

For block trades executed outside of normal trading hours, the block trade must be reported to the Exchange no later than 5 minutes after the open of the next trading session for the particular block eligible contract.

109. What are the procedures for entering a block trade in ICE Block?

In order to submit a block trade directly into ICE Block, the party entering the transaction must have access to ICE Block and must have received permission to enter the trades for the accounts involved in the block trade from the Clearing Member(s) carrying those accounts (see Question 124 below). In the event that a block trade is executed for an account or accounts for which the appropriate ICE Block permissioning has not been completed by the clearing member, such block trade must be submitted by notifying ICE Futures U.S., by email at icehelpdesk@theice.com.

Direct Entry in ICE Block

The party submitting the block trade must enter complete block trade details into ICE Block within:

~~Fifteen (15) minutes from the time of Execution for block trades involving Energy futures and options contracts; or~~

~~Five (5) minutes from the Time of Execution for block trades of all other contracts, consisting of no more than two legs, or within 10 minutes of Time of Execution for block trades consisting of three or more legs. ICE Block submission is made in one of two ways.~~

For Energy Futures and Options Contracts, fifteen (15) minutes from the time of execution.

For all other products, five (5) minutes from the time of execution for single leg trades and 10 minutes from of time of execution for block trades consisting of two or more legs

The party submitting the block trade should enter complete block trade details as follows:

a. Single sided-- where the seller/buyer submits a trade that is alleged to the buyer/seller. The buyer/seller must confirm the alleged block by the end of the trading session for it to be processed in clearing.

b. Two sided-- where the seller/buyer submits and confirms for both the buy and sell side of the block. The selling/buying clearing member/authorized submitter will need to be permissioned to accept trades on behalf of the buying/selling clearing member. Two sided entry of blocks in ICE Block will automatically clear and be downloaded to PTMS.

In the case of block trades involving Sugar No. 11 Futures trades executed as part of a S11/LIFFE White Sugar arbitrage transaction (see Question 20 for additional information), the submitter must also report the arbitrage premium and the details (Month/Yr) for the contract month involved in the LIFFE Sugar leg by entering that information in the "Transaction Details" text field on the block trade submission screen in ICE Block.

110. How do I obtain access to enter orders directly into ICE Block?

121. Must block trades be brokered by an Exchange Member or Clearing?

132. Who is responsible for reporting the execution time?

143. May spreads or combination trades be executed as block trades?

Yes. Spreads and combinations may be executed as block trades provided the trade represents a unified strategy controlled by a single entity and executed for a single account or group of eligible accounts.

**A. Block Trades Involving Energy Futures and Options Contracts
Intra-commodity**

Intra-commodity futures spreads and intra-commodity options spreads ~~and intra-commodity combination transactions~~ may be executed as block trades provided that the sum of the quantities of the legs of the transaction meets the requisite minimum quantity requirements (“MQR”).

For example, the MQR for the Henry Basis Future contract (“HEN”) is 25 contracts. A 15 lot September 2012 / October 2012 HEN spread may be blocked as a block trade. Please note that the 15 September 2012 and 15 October 2012 *may be aggregated* to satisfy the 25 lot MQR.

Inter-commodity (Energy Futures and Options Only)

Inter-commodity futures spreads, inter-commodity options spreads and inter-commodity combination transactions may be executed as block trades provided that the sum of the quantities of the legs of the transaction meets the largest MQR for the underlying products.

For example, the MQR for the MISO Indiana Real Time Financial Off-Peak futures contract (“CPO”) is 10 contracts and the MQR for the NYISO Zone A Financial Off-Peak futures contract (“AOP”) is 78 contracts. A 50 lot September 2012 CPO/October 2012 AOP inter-commodity spread may be blocked as a block trade. Please note that the 50 September 2012 CPO and 50 October 2012 AOP *may be aggregated* to satisfy the largest MQR of 78 lots (AOP).

Futures/Options Combination

Combination block trades may be executed in all products where the option contract is eligible for block execution.

In order for a combination to meet the requirements for block execution, *the sum of the quantities* of the options leg must satisfy the requisite MQR (please review the Intra/Inter Commodity language reflected above to determine the required MQR). While the futures leg does *not* need to separately satisfy the requisite MQR, the futures leg *must* offset the net options position of the options leg(s). Please note that the futures leg cannot be greater or less than the number of contracts required to offset the net delta of the options leg(s).

For example, assume that a block combination trade for Henry Penultimate options (“PHE”) and futures (“PHH”) is agreed between two parties, consisting of 80 lots of December 2012 PHE \$4.00 Calls and 16 November 2012 PHH futures contracts (a 20 delta). Since the MQR for options on Henry Penultimate (PHE) is 60 lots, the options quantity complies with the MQR for the options portion of the combination trade; given the options quantity of 80 lots and the 20 delta for the options, the future quantity of 16 lots is equal to the net delta of the options position (calculated by multiplying the options quantity by the delta, or $80 \times .2000 = 16$ lots), and therefore the futures quantity complies with the volume requirement for the futures position of the combination. If the futures quantity in this example were significantly larger or smaller than 16 lots, it would not comply with the volume requirement for the futures portion of a combination block trade.

B. ~~Block Trades for All Other Contracts~~

Satisfying the Quantity Requirements for a Futures Spread Block Trade

~~In order to be eligible for block execution, *each* leg of a futures spread must satisfy the MQR for the contract. Legs may not be aggregated to meet the MQR.~~

~~—————~~
~~—————~~ **Satisfying the Quantity Requirements for an Options Spread
Block Trade**

~~In order to be eligible for block execution, all legs of an options spread must meet the MQR. Legs may not be aggregated to meet the MQR.~~

~~——~~ **Satisfying the Quantity Requirements for a Futures/Options
Combination Block Trade**

~~Combination block trades may be executed in all products where the option contract is eligible for block execution (see Question # 3) including those products where the corresponding futures contract is ineligible for outright block execution.~~

~~In order for a combination to meet the requirements for block execution, *each* options leg must satisfy the requisite MQR. Options legs may not be aggregated to meet the MQR. While the futures leg does *not* need to separately satisfy the requisite MQR, the futures leg *must* offset the net options position of the options leg(s). Please note that the futures leg cannot be greater or less than the number of contracts required to offset the net delta of the options leg(s).~~

- 154. May block trades be given up?**
- 165. Can block trades be executed for a future or option position after Last**
- 176. Can orders be bunched to constitute one side of a block trade?**
- 187. What fees are associated with block trades?**
- 198. Can Trade at Settlement (“TAS”) trades be executed as block trades?**
- 2019. What is a Sugar No. 11/LIFFE White Sugar Futures arbitrage block trade?**
- 2120. Do block trades between accounts of affiliated parties constitute as Wash**
- 221. If a trade does not meet the minimum block quantity, what other execution alternatives does ICE offer for Energy Futures and Options Contracts?**
- 232. What restrictions are in place regarding the disclosure of block trade details?**