



Submission No. 19-161  
May 13, 2019

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Re: Listing of Bitcoin Monthly Futures Contract - Certification of New Product Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Regulation 40.2 (2 of 2)

Dear Mr. Kirkpatrick:

Pursuant to *Section 5c(c)(1)* of the Commodity Exchange Act, as amended (the “CEA”) and Commission Regulation 40.2, ICE Futures U.S., Inc. (“**IFUS**” or “**Exchange**”) hereby certifies new rules and rule amendments for the initial listing of Bitcoin Daily Futures Contracts (the “**Daily Contract**”) and Bitcoin Monthly Futures Contracts (the “**Monthly Contract**”) (collectively, the “Bitcoin Contracts”).

#### 1. Description of Contracts, Custody and Settlement

The Bitcoin Contracts will be cleared at ICE Clear US, Inc. (“**ICUS**”), a registered derivatives clearing organization (“**DCO**”) under the CEA. The contracts will be physically settled, such that the selling Clearing Member would be required at settlement to deliver to the buying Clearing Member a specified quantity of Bitcoin. Market participants must be authorized to trade Bitcoin Contracts by their Clearing Members in the same manner as Clearing Members authorize other Exchange contracts to be traded by their customers, including the setting of trading limits within the controls provided by the Exchange. Bitcoin Contracts will be subject to initial and variation margin requirements pursuant to the ICE Risk Model, in a manner similar to other futures contracts traded on IFUS and cleared to ICUS.

Deliveries under the Bitcoin Contracts will be made through Bakkt Trust Company LLC (the “**Warehouse**”), which has applied to be licensed as a limited purpose limited liability trust company by the New York State Department of Financial Services. The Bitcoin Contracts require that market participants deposit with the Warehouse the Bitcoin necessary to cover their delivery obligations under short positions in Bitcoin Contracts that go to delivery. The Warehouse services for digital currency contracts traded on IFUS and cleared at ICUS will be provided pursuant to a Digital Currency Trading, Clearing and Warehouse Services Agreement (“**Services Agreement**”) entered into among IFUS, ICUS and the Warehouse.

Each market participant seeking to make or take delivery on a Bitcoin Contract is required to establish one or more accounts (each, an “**Account**”) with the Warehouse, pursuant to a Digital Currency Warehouse Agreement (the “**Warehouse Agreement**”) entered into between the Warehouse and the market participant.

The Warehouse will credit to the appropriate Account Bitcoin transferred by or on behalf of the market participant to the Warehouse. With respect to such Bitcoin, the Warehouse will be recorded as the holder for purposes of the public blockchain or other ledger constituting the “external network” for such Bitcoin, and the Warehouse will in turn credit such Bitcoin to the Account of the market participant on its own books and records. Under the terms of the Warehouse Agreement, the market participant will be the sole customer of the Warehouse with respect to its Accounts.

The Warehouse will effect transfers of Bitcoin by book entry within its system of books and records in order to effect settlement of Bitcoin Contracts. Such internal transfers will be made solely at the direction of ICUS as clearing house. The Warehouse will not be permitted to use for its own purposes any Bitcoin deposited in connection with Bitcoin Contracts. Pursuant to the Services Agreement, the Warehouse will be required to perform the services described in Section 5B of this submission.

The Rules for both Bitcoin Contracts provide that, in the event of a default, the non-defaulting Clearing Member must, promptly upon learning of such default, mitigate in a commercially reasonable manner the damages resulting from the default. The Rules also provide that in the event of a default or other dispute relating to performance under the terms of the futures contract, the Clearing Members must resolve the dispute by arbitration in accordance with Chapter 20 of the Exchange Rules. In calculating an award, the arbitration panel must take into account the net amount of any variation margin paid to ICUS by a party in respect of the defaulted contract from the date following the last trading day to the date of the award. The arbitration award may be satisfied (in whole or in part) from initial margin held by ICUS with respect to the subject Bitcoin Contracts, to the extent permitted under the ICUS Rules.

## 2. Rules and Rule Amendments Setting Forth Contract Terms and Conditions

The terms and conditions of the Bitcoin Contracts are set forth in new Chapter 24 of the Exchange’s Rules, new Rule 6.16 (position limits) and amendments to Rule 4.25 (trading hours). In addition, certain Exchange Notices concerning no cancellation

ranges, reasonability levels and interval price limits will be updated setting forth the levels applicable to the Bitcoin Contracts. Exhibit A to this filing contains new Chapter 24 of the Rules, the amendments and draft notices referred to above.

As specified in the Rules, each of the Bitcoin Contracts has a contract size of 1 Bitcoin, the quotation basis is U.S. dollars and the minimum price increment is \$2.50 per contract for central order book trades and \$0.01 per contract for block trades.<sup>1</sup> The listing cycle for the Monthly Contract is up to 12 consecutive calendar months and the listing cycle for the Daily Contract is up to 70 consecutive Exchange business days. A Clearing Member holding an open short/long Position at the end of trading on the Last Trading Day, as reflected in the records of ICUS at 9:00 a.m. on the following Exchange business day, is deemed to have presented to ICUS a notice of intention to deliver/receive Bitcoin. As further specified in the Rules, the Warehouse will make internal transfers at the direction of ICUS in order to effect settlement of Bitcoin Contracts, and upon confirmation of such transfers the payment collected from the long Clearing Member will be released by ICUS to the short Clearing Member to complete final settlement on the delivery day of the contract. Trading hours are those during which the trading platform is available generally; the trading day ends at 6:00 p.m. and the next trading day commences at 8:00 p.m. that day.

Position limits for each contract are specified in new Rule 6.16 at 100,000 contracts, net short or long, in any single contract month/date or in all contract months/dates combined, based on the deliverable supply analysis attached as Exhibit B. The reportable levels have been set initially at 5 contracts consistent with CFTC Staff Advisory No. 18-14 dated May 21, 2018 setting out guidance for DCMs and DCOs in connection with listing products on digital currency (the “**Guidance**”). This level will provide the Exchange information about participants trading the Bitcoin Contracts. Further information regarding the Exchange’s access to cash market information and market participants is contained in section 5A of this submission.

### 3. Description of Clearing Arrangements

The Bitcoin Contracts will be cleared at ICUS.<sup>2</sup> In general, the Bitcoin Contracts will be cleared in a manner similar to other physically settled contracts currently cleared by ICUS, with certain additional features intended to address particular considerations relevant to Bitcoin, as discussed below. ICUS will collect initial and variation margin in connection with Bitcoin Contracts under the same margin collection cycle and procedures as used for other cleared contracts. Initial margin levels will be determined using the ICE Risk Model. Margin requirements for digital currency contracts will have to be satisfied in cash or (in the case of initial margin) other assets

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<sup>1</sup> The Exchange plans to introduce on a later date additional Bitcoin contracts quoted in Pounds Sterling and Euros, respectively.

<sup>2</sup> ICUS will separately file with the Commission, pursuant to self-certification under Commission Rule 40.6, its own amendments to its clearing rules relating to the clearing of the Bitcoin Contracts, in advance of the launch of such contracts and subject to completion of ICUS’s own governance processes. Accordingly, the description of clearing arrangements is subject to finalization of ICUS clearing rule amendments and completion of its governance process.

currently eligible under ICUS rules and procedures.<sup>3</sup> ICUS's existing default resource waterfall will apply to Bitcoin Contracts, with one enhancement: ICUS will make an additional, pre-funded default resource contribution to support the clearing of digital currency contracts. The ICUS Rules will provide that this additional contribution may only support digital currency contracts and no other cleared contracts. The additional default resources will be applied following the use of the resources of a defaulting Clearing Member and prior to the use of the Exchange and ICUS contributions to default resources. All other default resources will support clearing of both digital currency contracts and other cleared contracts.

As noted earlier, physical settlement of Bitcoin Contracts will be made by book-entry transfer through the Warehouse, at the instruction of ICUS. For purposes of settlement, ICUS will match delivering and receiving Clearing Members that have open positions in Bitcoin Contracts at the expiration of trading. As with other physically delivered contracts, ICUS will not be responsible for deliveries and will not be responsible for failures or omissions on the part of the Warehouse. Clearing Members may agree to deliver on terms other than those specified in the Rules, provided that notice of such alternative delivery process is furnished by both Clearing Members to the Exchange and to ICUS by a specified time on the business day prior to the delivery day.

#### 4. Description of Cash Market and Deliverable Supply Analysis

An analysis of the cash market and deliverable supply of Bitcoin is attached as Exhibit B. For the reasons specified in that analysis, the Exchange has determined to set position limits at 100,000 contracts, as specified in Rule 6.16.

#### 5. Other Matters

##### A. Access to Information Regarding Underlying Cash Market and Participants

The Exchange's physically settled Bitcoin Contracts are not dependent on any index values, however, the Exchange has established arrangements by which Market Surveillance staff of the Exchange will have access to relevant data feeds from spot markets as well as price feeds for other bitcoin futures contracts. Specifically, the Exchange will utilize the ICE Data & Analytics application, which provides real-time market data, charting, analytics and news feeds across global futures and options exchanges, including the ICE Cryptocurrency Data Feed powered by Blockstream. This data feed provides comprehensive data from over thirty cryptocurrency trading venues, markets and exchanges. It includes direct coverage of seven cryptocurrencies, exchange rates against USD and other major currencies, and calculates exchange rates between cryptocurrencies. Such information will be relevant to analyzing price relationships between the Exchange contract and other markets. The Exchange has also developed custom reports and data tables to track real time convergence between the Exchange's contract and cash indexes as well as other

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<sup>3</sup> See [https://www.theice.com/publicdocs/clear\\_us/ICUS\\_Collateral\\_Information.pdf](https://www.theice.com/publicdocs/clear_us/ICUS_Collateral_Information.pdf) for the current list of eligible assets.

bitcoin futures contracts. This information will also be relevant to trade practice surveillance of traders participating in multiple markets. Cumulatively, these tools will equip the Exchange to meaningfully monitor trading activity in the Bitcoin Contracts.

The Exchange will also have visibility into the underlying spot markets by virtue of its ability to obtain information directly from traders regarding their activity in those markets. Current Exchange Rule 6.07 requires market participants to maintain in accordance with Commission regulations:

“full, complete and systematic records...of all transactions relating to its business of dealing in commodity interests and related cash or forward transactions, which shall include all orders... wire transfer records... copies of confirmations...and all other records which have been prepared in the course of its business of dealing in Commodity Contracts and related cash or forward transactions”.

In addition, the Exchange has expressly included in Rule 6.16 a requirement that any Clearing Member which holds, controls or carries for any Person a ‘reportable position’ (as such term is used in Rule 6.15) in any Bitcoin Contract must submit such information as may be requested by the Exchange regarding transactions effected in Bitcoin by it or such Person on other futures markets and spot markets. Such cross market information regarding positions held on other futures markets may be useful in policing for disruptive trading practices and identifying manipulative, cross market activity intended to influence prices. Further, existing Exchange Rule 21.04 empowers Exchange officials to request documents and testimony from market participants in connection with an investigative matter or hearing, and the failure to comply with such a request is a violation of the rules which can be redressed through disciplinary action. Taken together, the Exchange has a variety of means for obtaining access to information regarding Bitcoin held by market participants in wallets outside of the Warehouse.

#### B. Description of Contracts with Third Parties to Enable Carrying Out Responsibilities

The Services Agreement sets forth the obligations of the Warehouse to the Exchange and ICUS. Specifically, the Warehouse will establish the system of Accounts and maintain Accounts for digital currency for market participants. In connection with establishing such Accounts, it will accept external transfers of Bitcoin in accordance with its security procedures and credit the Bitcoin received to the applicable Account. The Warehouse will verify digital currency balances of Account holders to IFUS and ICUS upon request and on the last trading day of an expiring contract to confirm there is sufficient Bitcoin on deposit in the Account to settle short position obligations of the account holder. Upon instruction of ICUS, the Warehouse will perform internal transfers of Bitcoin in settlement of futures contracts. Pursuant to instructions of the market participant for which it carries an Account, the Warehouse will withdraw Bitcoin from the holder’s Account in accordance with applicable security procedures of the Warehouse. In addition, the Services Agreement sets forth certain audit, security,

business continuity and record-keeping requirements which are also codified in Rule 24.4.

### C. Consultations with Market Professionals

In developing the Bitcoin Contracts the Exchange and ICUS spoke extensively with Clearing Members, IFUS existing market participants and digital currency market participants that do not trade in the US derivatives markets. Specific market feedback for the Bitcoin Contract centered on contract size and tick size. Following up on this feedback, IFUS set the contract size at 1 Bitcoin and increased the tick size to US \$2.50. Existing Exchange market participants and digital currency participants particularly liked physical settlement, which they believe solves some of the existing problems of price discovery in the cash markets. IFUS expects that its market participants will benefit from enhanced price discovery as a result of the fact that the Bitcoin Contracts will be physically settled. The contracts' features and design should result in a more established and diversified pool of market participants, thereby increasing liquidity. Similarly, the certainty that comes from physical settlement should also result in a larger pool of market participants and greater liquidity--specifically from firms that currently do not trade in regulated derivatives markets. All of this has the potential to reduce the occasionally large price swings that have been a feature of Bitcoin and other digital currency contracts.

### 6. Certifications

The Exchange has determined that the new rules and amendments related to the listing of the Bitcoin Contracts comply with the requirements of the CEA and the rules and regulations promulgated by the Commission thereunder. ICE Futures U.S. is currently certifying trading of contracts related to Bitcoin. Before certifying or seeking approval to list futures contracts on other digital currencies, the Exchange will coordinate with Commission staff and ensure that any such digital currency being considered falls within the jurisdiction of the CFTC.

The Exchange has reviewed the DCM Core Principles as well as the Guidance and determined that the listing of the Bitcoin Contracts impacts the following:

**COMPLIANCE WITH RULES (Principle 2):** The terms and conditions of the Bitcoin Contracts are set forth in new Chapter 24, Rule 6.16, amendments to Rule 4.25 regarding trading hours and existing settlement procedures contained in Rule 4.34, along with updated market Notices regarding reasonability limits, no cancellation ranges and interval price limits, and will be enforced by the Exchange. In addition, trading is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

**CONTRACTS NOT READILY SUBJECT TO MANIPULATION (Principle 3):** The contracts should not be readily subject to manipulation as they are subject to position limits. The Exchange has set the reportable level at 5 contracts, consistent with the level identified by the CFTC Guidance as a ceiling, to give the Exchange more visibility into the identity of market participants. Daily settlement prices will be established on the basis of existing Exchange Rule 4.34.

**PREVENTION OF MARKET DISRUPTION, PROTECTION OF MARKETS AND MARKET PARTICIPANTS (Principles 4 and 12):** All contracts listed for trading by the Exchange are subject to prohibitions against abusive and disruptive trading practices as set forth in Chapter 4 of the Rules. The Exchange's Market Regulation staff actively monitors all Exchange markets to detect and sanction abusive practices. In addition, the Bitcoin Contracts have interval price limits which act to temper the rate of price moves during a trading session.

**POSITION LIMITS OR ACCOUNTABILITY (Principle 5):** The Exchange has set the position limit at a level that takes into account the size of the underlying spot market, as described in the deliverable supply analysis that accompanies this submission. These limits can be readily adjusted to respond to changes in the value of Bitcoin.

**AVAILABILITY OF GENERAL INFORMATION/ DAILY PUBLICATION OF TRADING INFORMATION (Principle 7):** Prior to the commencement of trading, the terms and conditions of the Bitcoin Contracts will be available on the Exchange's website. In addition, the Exchange will publish on a daily basis the settlement prices, volume, open interest and the opening and closing ranges for the contracts.

**DAILY PUBLICATION OF TRADING INFORMATION (Principle 8):** The Exchange will publish on its website and distribute through quote vendors trading volume, price and delivery information as it currently does for other Exchange futures contracts.

**EXECUTION OF TRANSACTIONS (Principle 9):** The Bitcoin Contracts will be listed on the Exchange's electronic trading platform which provides a competitive, centralized market for transparent execution of transactions. In addition, the Exchange will permit certain noncompetitive transactions pursuant to existing Exchange Rules, including block trades. The rule amendments relating to these trades and certain other matters will be contained in a separate rule submission as they do not relate to the "terms and conditions" of the Bitcoin Contracts within the meaning of CFTC Regulations 40.1 and 40.2.

**RECORDKEEPING AND TRADE INFORMATION (Principle 10):** The Exchange currently has rules and procedures in place to 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.

**FINANCIAL INTEGRITY OF CONTRACTS (Principle 11):** The Bitcoin Contracts will be cleared by ICE Clear U.S., a registered DCO subject to Commission regulation, and all customer positions will be carried by registered futures commission merchants that are clearing members of ICUS. All customer property will be subject to segregation under the CEA, in the same manner as for other contracts. Deliveries in settlement of the Bitcoin Contracts will be made through the Warehouse, which has applied to be licensed as a limited purpose limited liability trust company by the New York State Department of Financial Services. Transfer of Bitcoin through the Warehouse will be made by book entry between the accounts of market participants in



accordance with settlement instructions provided by ICUS pursuant to the IFUS and ICUS rules and the Services Agreement, as discussed herein.

**PROTECTION OF MARKETS AND MARKET PARTICIPANTS (Principle 12):** Exchange Rules set forth numerous restrictions on conduct that preclude an intermediary from disadvantaging its customers. These are equally applicable to competitive trading in Bitcoin Contracts.

**DISCIPLINARY PROCEDURES (Principle 13):** Pursuant to Chapter 21 of the Rules setting forth the Exchange's disciplinary procedures, and Rule 4.00 setting forth the Exchange's jurisdiction over all market participants that transact on the Exchange, the Market Regulation Department and the Exchange's Business Conduct Committee have the authority to sanction, suspend or expel members and market participants that violate Exchange rules.

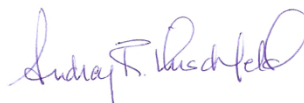
**DISPUTE RESOLUTION (Principle 14):** Market participants may arbitrate claims arising from trading Bitcoin Contracts pursuant to Chapter 20 of the Rules, and delivery disputes in particular are subject to mandatory arbitration. Arbitration is also mandatory on the part of a member against which a customer elects to use the Exchange's arbitration forum; member to member claims are subject to mandatory arbitration to the extent related to Exchange transactions.

The Exchange has described its outreach efforts in the preceding pages and, except as specified in that section, is not aware of any opposing views expressed by members or others regarding the listing of the Bitcoin Contracts and the adoption of related rules. The Exchange further certifies that concurrent with this filing a copy of this submission was posted on the Exchange's website, which may be accessed at: (<https://www.theice.com/futures-us/regulation#rule-filings>).

The rules and amendments establishing the Bitcoin Contracts' terms and conditions are to become effective on the first business day following the second business day after this submission is received by the Commission, or such later date as the Exchange President shall determine. Trading in Bitcoin Contracts will not commence until the relevant ICUS rule amendments have become effective and the Warehouse has acquired the license referenced above.

If you have any questions or need further information, please contact the undersigned at [audrey.hirschfeld@theice.com](mailto:audrey.hirschfeld@theice.com).

Sincerely,



Audrey R. Hirschfeld  
SVP and General Counsel  
ICE Futures U.S., Inc.

**EXHIBIT A**  
**CHAPTER 24**

**DIGITAL CURRENCY FUTURES CONTRACTS**

**24.1 Scope of Chapter**

This chapter is limited in application to trading of Digital Currency Futures Contracts. The procedures for trading, clearing, delivery and settlement, and any other matters not specifically covered herein shall be governed by the general Rules of the Exchange and the applicable Clearing Organization Rules.

**24.2 Definitions**

In this Chapter and in all procedures and resolutions adopted by the Board hereunder, the following terms shall have the meanings indicated unless the context otherwise requires:

**“Bakkt Warehouse”** shall mean the digital asset warehouse operated by Bakkt™ Trust Company LLC or any successor organization.

**“Clearing Organization”** shall mean ICE Clear US, Inc. or any successor thereto.

**“Delivery Day”** shall mean the day on which Digital Currency is required to be delivered in fulfillment of delivery under a Digital Currency Futures Contract.

**“Digital Currency”** shall mean Bitcoin, and any other “digital currency” which is a “commodity” under the Commodity Exchange Act, as amended. For this purpose, “digital currency” means any type of digital unit that is used as a medium of exchange or a form of digitally stored value (including digital units of exchange that (i) have a centralized repository or administrator, (ii) are decentralized and have no centralized repository or administrator, and/or (iii) may be created or obtained by computing or manufacturing effort).

**“Digital Currency Futures Contract”** shall mean an Exchange Futures Contract that calls for final settlement to be completed by physical delivery of the underlying Digital Currency.

**“Notice Day”** shall mean a day on which a notice of intention to deliver Digital Currency may be issued or deemed issued by a Clearing Member to the Clearing Organization with respect to an open Position in a Digital Currency Futures Contract.

**24.3 Policy on Certain Events Relating to Digital Currency Asset**

In the event that a change in the operating rules, protocols or standards applicable to a Digital Currency underlying an Exchange Futures Contract occurs or is expected, including a so-called hard fork, user activated soft fork, or other process that results in a division or split of the Digital Currency into multiple, non-fungible assets, a swap, conversion or exchange of the Digital Currency into or for another asset, a restriction on transfer of the Digital Currency (including a so-called lock-up or freeze), or a so-called airdrop or other distribution of any asset to existing holders of the Digital Currency, the Exchange shall have the discretion to take action in consultation with market participants to align the exposures of Persons holding Positions of Digital Currency Futures Contracts with cash market exposures or otherwise to address such occurrence, as appropriate. Such action could include adjusting the delivery obligation under a Digital Currency Futures Contract (including to support one or more branches of the forked or changed protocol and/or to provide for delivery of one or more assets

resulting from such event), providing for cash adjustments, and/or assigning newly listed futures or options contract Positions to such Persons.

#### **24.4 Bakkt Warehouse Operations**

In connection with, and as a condition to, performing the functions assigned to it herein and in the Clearing Organization Rules with respect to Digital Currency Futures Contracts, Bakkt Warehouse will comply with the following obligations:

- (a) Bakkt Warehouse must enter into an agreement with the Exchange and the Clearing Organization with respect to its obligations relating to custody of Digital Currency in connection with Digital Currency Futures Contracts.
- (b) Bakkt Warehouse must be a licensed trust company under applicable law (or otherwise be authorized under applicable law to provide custody for Digital Currency).
- (c) Bakkt Warehouse must provide annual audited financial statements to the Exchange within 60 days of the end of Bakkt Warehouse's fiscal year-end (or such other period as the Exchange may specify).
- (d) Bakkt Warehouse must engage an independent certified public accountant to conduct a review and issue a SOC I Type II report with respect to its custody of Digital Currency, with a scope and within a timeframe acceptable to the Exchange. Bakkt Warehouse must provide a copy of such report to the Exchange within 30 days of the completion of the report (or such other period as the Exchange may specify) and remediate issues discovered by the review in a manner acceptable to the Exchange.
- (e) Bakkt Warehouse must maintain in effect business continuity, disaster recovery and security incident response plans. Bakkt Warehouse must test such plans on an annual basis, provide the results of the testing to the Exchange within 30 days of the completion of such testing (or such other period as the Exchange may specify) and remediate issues discovered by the testing in a manner acceptable to the Exchange.
- (f) Bakkt Warehouse must conduct internal and external penetration testing on at least an annual basis. Bakkt Warehouse must provide the results of the testing to the Exchange within 30 days of the completion of such testing (or such other period as the Exchange may specify) and remediate issues discovered by the testing in a manner acceptable to the Exchange.
- (g) Bakkt Warehouse must maintain a record of each deposit, transfer or withdrawal of digital currency in connection with Digital Currency Futures Contracts. Such records must be available for inspection by the Exchange and the CFTC, and must be maintained in a form acceptable to the Exchange for a period of not less than 5 years from the date of the relevant transaction.

## CHAPTER 24A

### BITCOIN DAILY FUTURES CONTRACT

#### 24.A.1 Scope of Chapter

This chapter is limited in application to trading of Bitcoin Daily Futures Contracts (“**Bitcoin Daily Futures Contracts**”). The procedures for trading, clearing, delivery and settlement, and any other matters not specifically covered herein shall be governed by the general Rules of the Exchange and the applicable Clearing Organization Rules.

#### 24.A.2 Contract Specifications

Each Futures Contract shall be for one Bitcoin held at the Bakkt Warehouse.

#### 24.A.3 Trading Specifications

##### (a) Contract Date

Each Exchange Business Day on which commercial banks are generally open for business in New York shall be an eligible Contract Date.

##### (b) Listing Cycle

Up to 70 consecutive eligible Contract Dates shall be listed for trading at any time, or as otherwise determined by the Exchange from time to time.

##### (c) Delivery Day

The Delivery Day for an expiring Bitcoin Daily Futures Contract shall be the second Exchange Business Day after the Contract Date for the contract.

##### (d) Notice Day

The Notice Day for an expiring Bitcoin Daily Futures Contract shall be the Exchange Business Day after the Contract Date.

##### (e) Last Trading Day

The Last Trading Day for an expiring Bitcoin Daily Futures Contract shall be the Contract Date.

##### (f) Trading Unit

Each Futures Contract shall be for one Bitcoin held at the Bakkt Warehouse.

##### (g) Price Increments

The minimum price fluctuation for a U.S. Dollar-Bitcoin Daily Futures Contract shall be U.S. two dollars and fifty cents (\$2.50) per Bitcoin except for block trades, which may be executed at fluctuations of one cent (\$0.01) per Bitcoin.

#### 24.A.4 Notices of Intention to Deliver and Receive

(a) A Clearing Member holding an open short Position in a Bitcoin Daily Futures Contract at the end of trading on the Last Trading Day for a Contract Date (as reflected in the Clearing Organization's records at 9:00 am NY local time on the Notice Day) shall be deemed to have presented to the Clearing Organization a notice of intention to deliver Bitcoin, in the form prescribed by the Clearing Organization (the "**Notice of Intention to Deliver**"), for each lot of the open Position in the expiring Contract Date.

(b) A Clearing Member holding an open long Position in a Bitcoin Daily Futures Contract at the end of trading on the Last Trading Day for a Contract Date (as reflected in the Clearing Organization's records at 9:00 am NY local time on the Notice Day) shall be deemed to have presented to the Clearing Organization a notice of intention to receive Bitcoin, in the form prescribed by the Clearing Organization (the "**Notice of Intention to Receive**"), for each lot of the open Position in the expiring Contract Date.

#### 24.A.5 Timing and Method of Delivery and Payment

(a) Each Clearing Member intending to make or take delivery shall have (or in the case of customer positions shall require that its customers have) agreements in place to make deposits and withdrawals of and to hold Bitcoin at the Bakkt Warehouse. Each Clearing Member that has been deemed to deliver a Notice of Intention to Deliver or Notice of Intention to Receive shall notify the Exchange and the Clearing Organization, by 11:30a.m. on the Exchange Business Day prior to the Delivery Day, of the applicable accounts (whether the Clearing Member's proprietary account or the account of a customer of the Clearing Member) at the Bakkt Warehouse from or to which delivery will be made. Deliveries of Bitcoin pursuant to a Bitcoin Daily Futures Contract shall be made through the Bakkt Warehouse by the transfer of ownership of the relevant amount of Bitcoin from the account(s) designated by the delivering Clearing Member to the account(s) designated by the receiving Clearing Member. Neither the Exchange nor the Clearing Organization will have any responsibility or liability to any Person for the use of, or any failure, error action or omission of, the Bakkt Warehouse. Settlement shall occur in accordance with the procedures and timetables specified by the Exchange and the Clearing Organization.

(b) On the Exchange Business Day prior to the Delivery Day, the Clearing Organization shall provide an invoice to the receiving Clearing Member for the value of Bitcoin to be received, calculated as the product of the Settlement Price for the expiring Contract Date on the Notice Day and the number of lots to be received by the Clearing Member (the "**Invoice Amount**"). This invoice shall be paid by the receiving Clearing Member to the Clearing Organization by 8:30 am NY local time on the Delivery Day. Failure to timely pay the Invoice Amount shall constitute a default by the Clearing Member.

(c) On or before the Delivery Day of an expiring Bitcoin Daily Futures Contract, the Clearing Organization shall provide instructions to the Bakkt Warehouse to transfer the appropriate quantity of Bitcoin from the account(s) designated by the delivering Clearing Member to the account(s) designated by the receiving Clearing Member as specified in the Clearing Organization Rules, such transfer to be effected by the Bakkt Warehouse on the Delivery Day. The failure of there to be sufficient Bitcoin in the applicable account(s) with the Bakkt Warehouse designated by the Clearing Member to timely meet the Clearing Organization's instructions to the Warehouse with respect to such Clearing Member shall constitute a default by the Clearing Member; and

(d) The Clearing Organization shall transfer the Invoice Amount to the delivering Clearing Member on the Delivery Day, after receiving confirmation from the Bakkt Warehouse that the transfers referenced in paragraph (3) above have been completed.

(e) Upon completion of the transfers referenced in paragraphs (3) and (4) above, the net amount of any variation margin that has been paid to either party in respect of the expiring Bitcoin Daily Futures Contract in respect of any date after the Last Trading Day shall be collected from such party by the Clearing Organization and paid to the other party.

#### **24.A.6 Alternative Delivery Procedures**

(a) No Bitcoin Daily Futures Contract shall be entered into with any stipulation or understanding between the parties at the time of making such contract that the applicable terms specified in this Chapter 24A of the Rules are not to be fulfilled, or that the deliverable instrument is not to be delivered and received in accordance with such Rules.

(b) Subject to the prohibition in paragraph (a), Clearing Members may enter into a mutually acceptable written agreement to deliver and receive under conditions other than those stipulated in the Rules. A delivery so made shall be considered complete upon written notification by both Clearing Members to the Clearing Organization and to the Exchange Vice President of Market Regulation, provided, however, that such notification shall be received by the Clearing Organization from both Clearing Members by 4:15 p.m. NY local time on the Business Day prior to the Delivery Day. The making of any such agreement shall relieve the Clearing Organization of any further obligations with respect to any Exchange Futures Contract involved, and the Clearing Members shall indemnify the Exchange and the Clearing Organization against any liability, cost or expense either may incur for any reason as a result of the execution, delivery or performance of such contract or such agreement, or any breach thereof or default thereunder.

#### **24.A.7 Arbitration of Disputes**

(a) In the event of a default or other dispute relating to performance under the terms of a Bitcoin Daily Futures Contract, the Clearing Members shall resolve such dispute by arbitration in accordance with Chapter 20 of the Rules. Upon determining that a default has occurred, the non-defaulting Clearing Member shall promptly mitigate the damages resulting from the default, in a commercially reasonable manner, and present evidence of such mitigation to the arbitration panel. Upon resolution of such dispute, (1) the arbitration panel, in determining the amount owed by a party, shall take into account the net amount of any variation margin paid to or by such party in respect of such Bitcoin Daily Futures Contract from the date following the Last Trading Day and (2) such amount may be satisfied from amounts held by the Clearing Organization from such Clearing Member as initial margin in respect of such Bitcoin Daily Futures Contract, to the extent permitted under Clearing Organization Rules.

(b) Upon resolution of such dispute and payment or satisfaction of any amount or liability owed in connection therewith, (1) any remaining initial margin held by the Clearing Organization in respect of such Bitcoin Daily Futures Contract may be released by the Clearing Organization in accordance with its procedures and (2) the net amount of any variation margin that has been paid to either party in respect of such Bitcoin Daily Futures Contract from the date following the Last Trading Day and has not otherwise been taken into account in calculating the amount due under the preceding paragraph shall be collected from such party by the Clearing Organization and paid to the other party.

## CHAPTER 24B

### BITCOIN MONTHLY FUTURES CONTRACTS

#### 24.B.1 Scope of Chapter

This chapter is limited in application to trading of Bitcoin Monthly Futures Contracts (“**Bitcoin Monthly Futures Contracts**”). The procedures for trading, clearing, delivery and settlement, and any other matters not specifically covered herein shall be governed by the general Rules of the Exchange and the applicable Clearing Organization Rules.

#### 24.B.2 Contract Specifications

Each Futures Contract shall be for one Bitcoin held at the Bakkt Warehouse.

#### 24.B.3 Trading Specifications

##### (a) Listing Cycle

Up to 12 consecutive contract months shall be listed for trading at any time, or as otherwise determined by the Exchange from time to time.

##### (b) Delivery Day

The Delivery Day for an expiring Bitcoin Monthly Futures Contract shall be the third Friday of the contract month; in the event that the third Friday of the contract month is not an Exchange Business Day, then the Delivery Day shall be the Exchange Business Day preceding the third Friday of the contract month.

##### (c) Notice Day

The Notice Day for an expiring Bitcoin Monthly Futures Contract shall be the first Exchange Business Day prior to the Delivery Day.

##### (d) Last Trading Day

The Last Trading Day for an expiring Bitcoin Futures Contract shall be the second Exchange Business Day preceding the Delivery Day of the contract month.

##### (e) Trading Unit

Each Futures Contract shall be for one Bitcoin held at the Bakkt Warehouse.

##### (f) Price Increments

The minimum price fluctuation for a U.S. Dollar-Bitcoin Monthly Futures Contract shall be U.S. two dollars and fifty cents (\$2.50) per Bitcoin except for block trades, which may be executed at fluctuations of one cent (\$0.01) per Bitcoin.

#### 24.B.4 Notices of Intention to Deliver and Receive

(a) A Clearing Member holding an open short Position in a Bitcoin Monthly Futures Contract at the end of trading on the Last Trading Day for a contract month (as reflected in the Clearing

Organization's records at 9:00 am NY local time on the Notice Day) shall be deemed to have presented to the Clearing Organization a notice of intention to deliver Bitcoin, in the form prescribed by the Clearing Organization (the "**Notice of Intention to Deliver**"), for each lot of the open Position in the expiring contract month.

(b) A Clearing Member holding an open long Position in a Bitcoin Monthly Futures Contract at the end of trading on the Last Trading Day for a contract month (as reflected in the Clearing Organization's records at 9:00 am NY local time on the Notice Day) shall be deemed to have presented to the Clearing Organization a notice of intention to receive Bitcoin, in the form prescribed by the Clearing Organization (the "**Notice of Intention to Receive**"), for each lot of the open Position in the expiring contract month.

#### **24.B.5 Timing and Method of Delivery and Payment**

(a) Each Clearing Member intending to make or take delivery shall have (or in the case of customer positions shall require that its customers have) agreements in place to make deposits and withdrawals of and to hold Bitcoin at the Bakkt Warehouse. Each Clearing Member that has been deemed to deliver a Notice of Intention to Deliver or Notice of Intention to Receive shall notify the Exchange and the Clearing Organization, by 11.30 a.m. on the Exchange Business Day prior to the Delivery Day, of the applicable accounts (whether the Clearing Member's proprietary account or the account of a customer of the Clearing Member) at the Bakkt Warehouse from or to which delivery will be made. Deliveries of Bitcoin pursuant to a Bitcoin Monthly Futures Contract shall be made through the Bakkt Warehouse by the transfer of ownership of the relevant amount of Bitcoin from the account(s) designated by the delivering Clearing Member to the account(s) designated by the receiving Clearing Member. Neither the Exchange nor the Clearing Organization will have any responsibility or liability to any Person for the use of, or any failure, error action or omission of, the Bakkt Warehouse. Settlement shall occur in accordance with the procedures and timetables specified by the Exchange and the Clearing Organization.

(b) On the Exchange Business Day prior to the Delivery Day of an expiring contract month (the "**Invoice Date**"), the Clearing Organization shall provide an invoice to the receiving Clearing Member for the value of Bitcoin to be received, calculated as the product of the Settlement Price for the expiring contract month on the Notice Day and the number of lots to be received by the Clearing Member (the "**Invoice Amount**"). This invoice shall be paid by the receiving Clearing Member to the Clearing Organization by 8:30 am NY local time on the Delivery Day. Failure to timely pay the Invoice Amount shall constitute a default by the Clearing Member.

(c) On or before the Delivery Day of an expiring contract month, the Clearing Organization shall provide instructions to the Bakkt Warehouse to transfer the appropriate quantity of Bitcoin from the account(s) designated by the delivering Clearing Member to the account(s) designated by the receiving Clearing Member as specified in the Clearing Organization Rules, such transfer to be effected by the Bakkt Warehouse on the Delivery Day. The failure of there to be sufficient Bitcoin in the applicable account(s) with the Bakkt Warehouse designated by the Clearing Member to timely meet the Clearing Organization's instructions to the Warehouse with respect to such Clearing Member shall constitute a default by the Clearing Member; and

(d) The Clearing Organization shall transfer the Invoice Amount to the delivering Clearing Member on the Delivery Day, after receiving confirmation from the Bakkt Warehouse that the transfers referenced in paragraph (3) above have been completed.



(e) Upon completion of the transfers referenced in paragraphs (3) and (4) above, the net amount of any variation margin that has been paid to either party in respect of the expiring Bitcoin Monthly Futures Contract in respect of any date after the Last Trading Day shall be collected from such party by the Clearing Organization and paid to the other party.

#### **24.B.6 Alternative Delivery Procedures**

(a) No Bitcoin Monthly Futures Contract shall be entered into with any stipulation or understanding between the parties at the time of making such contract that the applicable terms specified in this Chapter 24B of the Rules are not to be fulfilled, or that the deliverable instrument is not to be delivered and received in accordance with such Rules.

(b) Subject to the prohibition in paragraph (a), Clearing Members may enter into a mutually acceptable written agreement to deliver and receive under conditions other than those stipulated in the Rules. A delivery so made shall be considered complete upon written notification by both Clearing Members to the Clearing Organization and to the Exchange Vice President of Market Regulation, provided, however, that such notification shall be received by the Clearing Organization from both Clearing Members by 4:15 p.m. NY local time on the Business Day prior to the Delivery Day. The making of any such agreement shall relieve the Clearing Organization of any further obligations with respect to any Exchange Futures Contract involved, and the Clearing Members shall indemnify the Exchange and the Clearing Organization against any liability, cost or expense either may incur for any reason as a result of the execution, delivery or performance of such contract or such agreement, or any breach thereof or default thereunder.

#### **24.B.7 Arbitration of Disputes**

(a) In the event of a default or other dispute relating to performance under the terms of a Bitcoin Daily Futures Contract, the Clearing Members shall resolve such dispute by arbitration in accordance with Chapter 20 of the Rules. Upon determining that a default has occurred, the non-defaulting Clearing Member shall promptly mitigate the damages resulting from the default, in a commercially reasonable manner, and present evidence of such mitigation to the arbitration panel. Upon resolution of such dispute, (1) the arbitration panel, in determining the amount owed by a party, shall take into account the net amount of any variation margin paid to or by such party in respect of such Bitcoin Monthly Futures Contract from the date following the Last Trading Day and (2) such amount may be satisfied from amounts held by the Clearing Organization from such Clearing Member as initial margin in respect of such Bitcoin Monthly Futures Contract, to the extent permitted under Clearing Organization Rules.

(b) Upon resolution of such dispute and payment or satisfaction of any amount or liability owed in connection therewith, (1) any remaining initial margin held by the Clearing Organization in respect of such Bitcoin Monthly Futures Contract may be released by the Clearing Organization in accordance with its procedures and (2) the net amount of any variation margin that has been paid to either party in respect of such Bitcoin Monthly Futures Contract from the date following the Last Trading Day and has not otherwise been taken into account in calculating the amount due under the preceding paragraph shall be collected from such party by the Clearing Organization and paid to the other party.

**Rule 6.16 ~~Reserved~~. Position Limits for Bitcoin Futures Contracts**

(a) Bitcoin Daily Futures Contracts:

Subject to the exceptions contained in this Chapter, the maximum number of Exchange Futures Contracts, net long or net short, which any one (1) Person may own or control in Bitcoin Daily Futures Contracts is one hundred thousand (100,000) Futures Contracts in any one Contract Date or in all Contract Dates combined.

(b) Bitcoin Monthly Futures Contracts:

Subject to the exceptions contained in this Chapter, the maximum number of Exchange Futures Contracts, net long or net short, which any one (1) Person may own or control in Bitcoin Monthly Futures Contracts is one hundred thousand (100,000) Futures Contracts in any one Contract Month or in all Contract Months combined.

(c) Reportable Position Level:

The Bitcoin Daily Futures Contract and the Bitcoin Monthly Futures Contract reportable position' (as such term is used in Rule 6.15) is 5 contracts. A Clearing Member which holds, controls or carries for any Person a 'reportable position' (as such term is used in Rule 6.15) in any Bitcoin Futures Contract shall submit such information as may be requested by the Exchange regarding transactions effected in Bitcoin by it or such Person on other futures markets and spot markets.

**Rule 4.25. Trading Hours**

(a) The ETS trading hours shall be as specified by the Exchange from time to time. All times specified in this Rule for Energy Contracts shall refer to the prevailing time in New York City on the relevant day and shall be referred to as Eastern Prevailing Time or "EPT".

(b) The time period during which daily Settlement Prices shall be determined is

\* \* \*

(xvii) for the NYSE Index Futures Contracts, 3:59 PM and 4:00 PM ; and

(xviii) for Bitcoin Futures Contracts, 4:58 PM and 5:00 PM.

(c) On the Last Trading Day for each Exchange Futures Contract, the Trading Session will end:

\* \* \*

(xiii) for Gold Daily Futures Contracts and Silver Daily Futures Contracts, noon London time;  
and

(xiv) for Bitcoin Futures Contracts, 6:00 PM; and

~~(xiv)~~(xv) for all other Exchange Contracts, at the time specified in the chapter of the Rules setting forth the terms and conditions of such contract.



**ICE Futures U.S., Inc. Reasonability Limits and No Cancellation Ranges -  
As of [DATE 2018]**

The ICE Futures U.S. Error Policy includes Reasonability Limit (“RL”), No Cancellation Range (“NCR”) and Calendar Spread Stop Limit Order (“CSLOR”) levels for futures and options contracts. The levels shown below are subject to change without prior notification.

**ICE Futures U.S. – Energy Division No Cancellation Ranges**

\* \* \* \*

**ICE Futures U.S. Agricultural, Metal, Index, Currency and Bitcoin Contracts NCR, RL and CSLOR Levels**

<b>AG AND METAL FUTURES</b>	<b>RL</b>	<b>NCR</b>	<b>CSLOR</b>
Cocoa (CC)	\$50.00 per ton	\$25.00 per ton	\$10.00 per ton
Coffee “C” (KC)	\$.0375 per lb.	\$.0080 per lb.	\$.0040 per lb.
Cotton No. 2 (CT)	\$.0200 per lb.	\$.0075 per lb.	\$.0030 per lb.
FCOJ (OJ)	\$.0225 per lb.	\$.0100 per lb.	\$.0075 per lb.
Sugar No. 11 (SB)	\$.0050 per lb.	\$.0020 per lb.	\$.0010 per lb.
Sugar No. 16 (SF)	\$.0300 per lb.	\$.0050 per lb.	\$.0050 per lb.
Canola	\$8.00 per ton	\$6.00 per ton	\$6.00 per ton
Corn (ICN),Wheat (IW) and Soybean (IS)	\$.200 per bushel	\$.100 per bushel	\$.050 per bushel
Soybean Oil (IBO)	\$.016 per lb.	\$.008 per lb.	\$.004 per lb.
Soybean Meal (ISM)	\$16.00 per ton	\$8.00 per ton	\$4.00 per ton
Daily (AUD), 100 oz. (ZG) and mini Gold YG)	\$8.00 per oz.	\$4.00 per oz.	\$2.00 per oz.
Daily (HIO), 5000 oz. (ZI) & mini Silver (YI)	\$0.300 per oz.	\$0.200 per oz.	\$0.100 per oz.

<b>INDEX FUTURES (in Index Points)</b>	<b>RL</b>	<b>NCR</b>	<b>CSLOR</b>
U.S. Dollar Index (DX)	0.500	0.200	0.100
NYSE FANG+TM Index (FNG)	15.00	6.00	4.00
Russell Stock Indexes	7.50	3.00	2.00
MSCI EAFE Index (MFS), MSCI Emerging Markets Index (MME) and MSCI World Index (MWL)	24.00	3.00	2.00
MSCI EAFE NTR Index (MFU)	72.00	9.00	6.00
MSCI Emerging Markets NTR Index (MMN)	8.00	1.00	0.50
MSCI Emerging Markets Latin America Index (MLE)	30.00	5.00	2.50
MSCI EM Asia Index (ASE)	12.00	1.50	1.00
MSCI EM Asia NTR Index (ASN)	10.00	1.50	1.00
MSCI ACWI Index Futures (MAW) and MSCI ACWI Ex-US Index (AWE)	6.00	0.75	0.50
MSCI ACWI NTR Index (MMW) and MSCI ACWI ex-US NTR Index (AWN)	5.00	0.75	0.50
MSCI Canada Index (MCL) and MSCI USA Index (MUN)	18.00	9.00	6.00
MSCI Pan-Euro Index (MPP)	11.00	6.00	4.00
MSCI Euro Index (MEU)	10.00	4.50	3.00
MSCI Europe Index (MCE), MSCI Europe Growth Index (MGE) and MSCI Europe Value Index (MPU)	1.25	0.50	0.25
MSCI USA Growth Index (MRG)	30.00	15.00	10.00
MSCI USA Value Index (MCU)	20.00	10.50	7.00
NYSE Arca Gold Miners Index (GDF)	7.00	6.25	4.00
MSCI USA Small Cap Index (MUS)	22.50	3.00	2.00
MSCI EM NTR (EUR) Index (MMR), MSCI EM EME Index (MMM)	5.00	1.00	0.75
MSCI EM LatAm NTR Index (MML) and	12.00	1.00	0.75

MSCI Mexico NTR Index (MXM)			
MSCI China Free NTR Index (MCY)	9.00	1.25	1.00
MSCI India NTR Index (MIN)	8.00	1.25	1.00
ERIS CDX HY (HY5)	7500	2500	2500
ERIS CDX IG (IG5)	3000	1500	1500

CURRENCY PAIR FUTURES	RL	NCR	CSLOR
Sterling-US dollar (MP and IMP)	100 ticks/100 points	50 ticks/50 points	25 points
Zloty-US dollar (PLN)	"	"	"
Zloty-Euro (PLE)	"	"	"
Turkish lira-US dollar (TRM)	"	"	"
Turkish lira-Euro (ETR)	"	"	"
Russian Ruble-US dollar (KRU)	"	"	"
Col. peso-US dollar (KCU)	1200 ticks/1200 points	600 ticks/600 pts.	300 points
Indian Rupee (KIU) and Yen-US dollar (KSN)	"	"	"
Sterling-Norway (PK)	200 ticks/5000 points	60 ticks/1500 pts.	750 points
Sterling-SA Rand (PZ)	"	"	"
Sterling-Sweden (PS)	"	"	"
Euro-Sweden (RK,KRK and IRK) Euro-Norway (OL and KOL)	"	"	"
Euro-SA Rand (YZ)	"	"	"
US\$-SA Rand (ZR)	"	"	"
Norway-Yen (KY)	"	"	"
Sweden-Yen(KJ)	"	"	"
Mexican peso-US dollar (KMP)	"	"	"
All Other Currency Pairs	200 ticks/1000 points	60 ticks/300 pts.	150 points
<u>Bitcoin</u>	<u>150.00</u>	<u>50.00</u>	<u>N/A</u>

No-Cancellation Ranges for Ag, USDX and MSCI Option Contracts (based on Theoretical Values shown)						
Theoretical Value*	Cotton	FCOJ	Cocoa	Coffee	Sugar	USDX
.01 - .20	.20 pts	.20 pts	10 pts	.15 pts	.10 pts	.100 pts
.21 - 2.00	.40 pts	.75 pts	20 pts	.50 pts	.15 pts	.150 pts
2.01 - 5.00	.50 pts	1.00 pts	25 pts	.75 pts	.20 pts	.200 pts
5.01 - 10.00	.60 pts	1.50 pts	25 pts	1.00 pts	.25 pts	.250 pts
10.01 - above	.80 pts	2.00 pts	25 pts	1.00 pts	.25 pts	.250 pts
<b>RL</b>	<b>3 x NCR</b>	<b>3 x NCR</b>	<b>3 x NCR</b>	<b>3 x NCR</b>	<b>3 x NCR</b>	<b>3 x NCR</b>
For MSCI Options the NCR shall be 20% of Theoretical Value with a minimum of .50 points and a maximum of 3.00 point, and the RL shall be 3 x NCR						
<i>*Note that for Cocoa options (which do not trade in decimal points) the respective Theoretical Value Ranges are "1 to 20 points, 21 to 200 points, 201 to 500 points, 501 to 1000 points, and 1001 points and above.</i>						
<i>NCR and Reasonability Limits are for both outright options and User Defined Spread trades, including hedged trades; for purposes of NCR and RL levels, UDS and hedged UDS are treated as a package and not by the individual legs of the UDS.</i>						
<i>In the case of price adjustment, Market Supervision will adjust to fair value minus/plus the NCR.</i>						

NOTE: Market Supervision staff has the authority to expand the No Cancellation Range and Reasonability Limit for a product to two (2) times the levels shown above in volatile market conditions and without prior notice.

[Remainder Unchanged]

## INTERVAL PRICE LIMIT FUNCTIONALITY

With IPL levels as of [Date XX 2018]

IPL functionality acts as a temporary circuit breaker feature on the electronic platform, to diminish the likelihood and extent of short-term price spikes or aberrant market moves. While it is designed to be in force throughout each trading day, it is expected that the protections will be actively triggered only in the case of extreme price moves over very short periods of time. The IPL regime uses three customizable parameters for each futures product:

1. **IPL Recalculation Time:** A pre-set length of time during which the price of a contract month may not move up or down more than the IPL Amount (defined below) from the contract price at the start of the period. This starting price is referred to as the “anchor price”. The IPL Recalculation Time continuously resets for the length of time applicable to the particular futures contract.
2. **IPL Amount:** The maximum number of points that a contract month is permitted to move up or down during each IPL Recalculation Time for the contract. The anchor price plus/minus the IPL amount effectively creates an IPL range for the contract for the IPL Recalculation Time.
3. **IPL Hold Period:** When the platform determines that the next trade in the contract month will be at a price that is outside the active IPL range, the platform triggers a Hold Period, during which the price of the contract is not permitted to trade outside the IPL range that was in place at the start of the IPL Hold Period. The length of the Hold Period is pre-set. When a Hold Period is triggered, the platform will issue an alert notifying users that a Hold Period has begun and specifying the time the Hold Period will end.

IPL parameters can be changed over time based on market conditions; more information on IPL functionality can be found at:

[https://www.theice.com/publicdocs/technology/IPL\\_Circuit\\_Breaker.pdf](https://www.theice.com/publicdocs/technology/IPL_Circuit_Breaker.pdf).

Current IPL Recalculation Times, Amounts and Hold Period for all IFUS products are detailed below:

### Agricultural, Metal and Financial Index contracts:

FUTURES CONTRACT	IPL Amount (in points)	Recalc Time (in secs)	Hold Period (in secs)
Sugar No. 11 (SB)	60	15	30



Cotton No. 2 (CT)	400	15	30
Coffee "C" (KC)	400	15	30
Cocoa (CC)	100	15	30
FCOJ (OJ)	500	15	30
Sugar No. 16 (SF)	750	15	30
Canola	900	10	30
Daily (AUD), Mini (YG) and 100 oz. Gold (ZG)	1000	15	30
Daily (HIO), Mini (YI) and 5000 oz. Silver (ZI)	400	15	30
NYSE FANG+™ Index	4000	5	5
Russell Indices	2000	5	5
USDX (DX)	500	5	2
MSCI EAFE Index (MFS ) and MSCI World Index (MWL)	4800	5	5
MSCI EAFE NTR Index (MFU)	14400	5	5
MSCI Emerging Markets Index (MME)	3000	5	5
MSCI Emerging Markets NTR Index (MMN), MSCI EM Asia NTR Index (ASN), and MSCI ACWI Index (MAW)	1200	5	5
MSCI EM Latin America Index (MLE)	6000	5	5
MSCI EM Asia Index (ASE) and NYSE Arca Gold Miners Index (GDF)	1400	5	5
MSCI ACWI NTR Index (MMW), and MSCI ACWI Ex-US NTR Index (AWN)	600	5	5
MSCI ACWI ex-US Index (AWE)	800	5	5
MSCI Canada Index (MCL) and	3600	5	5

MSCI USA Index (MUN)			
MSCI Pan-Euro Index (MPP)	2200	5	5
MSCI Euro Index (MEU)	2000	5	5
MSCI Europe Index (MCE), MSCI Europe Growth Index (MGE), and MSCI and Europe Value Index (MPU)	250	5	5
MSCI USA Growth Index (MRG)	6000	5	5
MSCI USA Value Index (MCU)	4000	5	5
MSCI USA Small Cap Index (MUS)	2500	5	5
MSCI EM NTR (EUR) Index (MMR)	600	5	5
MSCI EM EMEA NTR Index (MMM)	600	5	5
MSCI EM LatAm NTR Index (MML)	1400	5	5
MSCI China Free NTR Index (MCY)	1000	5	5
MSCI India NTR Index (MIN)	1000	5	5
MSCI Mexico NTR Index (MXM)	1500	5	5
ERIS CDX HY (HY5)	10000	5	5

**[Remainder Unchanged]**

### Digital Currency Contracts

<u>FUTURES CONTRACT</u>	<u>IPL Amount (in USD)</u>	<u>Recalc Time (in secs)</u>	<u>Hold Period (in secs)</u>
<u>Bitcoin Daily and Monthly</u>	<u>\$300.00</u>	<u>5</u>	<u>5</u>

**EXHIBIT B**  
**[REDACTED MATERIAL]**