BY ELECTRONIC TRANSMISSION

Submission No. 25-152
August 15, 2025

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

Re: Amendments to ICE Futures U.S. Pre-Execution Communications FAQ and Related Amendments - Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), ICE Futures U.S., Inc. ("Exchange") hereby certifies amendments to the Exchange's Guidance on Position Limits FAQ (hereafter, the "FAQ"), as set forth in Exhibit A. The amendments to the FAQ provide supplemental guidance and answers to frequently asked questions related to Exchange rules regarding pre-execution communications. Conforming changes to Exchange Rule 4.02 are provided as Exhibit B. Additional, non-substantive changes to the FAQ are included in Exhibit A.

The amendments to the Exchange's Pre-Execution Communications FAQ provide supplemental information and codify longstanding guidance provided to market participants by the Exchange's Market Regulation Department. Specifically, the amendments to the FAQ provide a definition for pre-execution communications and clarify that two-sided market quotes would not be considered pre-execution communications, consistent with guidance provided by the Exchange in its other FAQ documents. Additionally, consistent with other guidance provided in the Exchange's rulebook and FAQ documents, the amendments to FAQ #3 clarify that entering an order to front run a crossing order in an effort to take advantage of non-public information obtained through a confidential employee/employer, broker/customer relationship, or in breach of pre-existing duty may be considered a violation of Rule 4.02(h). Lastly, new FAQ #18 provides examples of permissible and impermissible cross trading related to orders placed with reserve quantities and is consistent with disciplinary actions taken by the Exchange.

Additionally, amendments to FAQ #9 and Rule 4.02(g & k) reduce the time period after submission before a crossing order is activated from five seconds to two seconds. In accordance with such amendments, the amendments to the FAQ and Rule 4.02 conform to such crossing order timeframe by making clear that

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an opposing futures order resulting from pre-execution communications may be entered after the opposite futures order has been exposed to the market for a minimum of two seconds. The Exchange believes that the reduction of the crossing order activation time will not affect the number of crossing orders presented in the market or the ability for market participants to continue to transact opposite those exposed orders in the Central Limit Order Book.

The amendments to the FAQ will be effective trade date September 2, 2025, or such other date as the Exchange may determine, which shall be no sooner than 10 business days after receipt of this submission by the Commission.

Certifications

The Exchange certifies that the amendments to the FAQ comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has determined that the amendments to the FAQ and Rule 4.02 comply with the following relevant Core Principles:

COMPLIANCE WITH RULES
The Exchange's Pre-Execution Communications FAQ provides guidance to market participants on the requirements related to the Exchange's rules. The guidance included in the FAQ is intended to assist market participants in avoiding violation of Exchange rules regarding prohibited trading, which involves prohibited pre-execution communications. It is the Exchange's belief that the amendments to the FAQ and Rule 4.02 will provide additional clarity and certainty for market participants regarding the Exchange's rules. Additionally, the amendments to the FAQ and Rule 4.02 are in furtherance of Core Principle 2 and Regulation 38.152, which require that a designated contract market must prohibit abusive trading practices on its markets by members and market participants. Additionally, designated contract markets that permit intermediation must prohibit improper cross trading, except as specifically permitted under Part 38.

AVAILABILITY OF GENERAL INFORMATION
The Exchange is publicly posting the amended FAQ and Rule 4.02 to ensure that market participants have updated guidance and information related to the Exchange's requirements related to transactions involving pre-execution communications. The FAQ and Rule 4.02 will be available on the ICE Futures U.S. website.

EXECUTION OF TRANSACTIONS
The Exchange's FAQs are in furtherance of and comply with Core Principle 9 and CFTC Regulation 1.38, which provides that a DCM shall provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading in the centralized market of the board of trade.

The Exchange is not aware of any substantive opposing views expressed by members or others with respect to the amendments to the FAQ and Rule 4.02 and 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/futures-us/regulation).

If you have any questions or need further information, please contact me at 312-836-6745 or at patrick.swartzer@ice.com.

Sincerely,

Patrick Swartzer
Director
Market Regulation

Enc.
cc: Division of Market Oversight

New York Regional Office

EXHIBIT A

(Additions are underlined and deletions are [~~struck through~~].)

Pre-Execution Communications FAQ

[~~August 2019~~]September 2025

PRE-EXECUTION COMMUNICATIONS FAQ

ICE Futures U.S. Inc. Rules permit pre-execution communications in all Exchange products, subject to the provisions of Rules 4.02(i)[1] and 4.02(k) [2]. This document is intended to provide information on the permission required to allow pre-execution communication on behalf of a customer, and on how orders resulting from pre-execution communication must be executed on the electronic trading system ("ETS"). [~~(Please note that requirements vary depending on the product).~~]

Required Permission and restrictions for Pre-Execution Communications

1. Is a customer's consent to pre-execution communications necessary?

   Yes. If a Person is acting on behalf of another, i.e. a [~~Customer~~]customer, such Person must obtain the [~~Customer's~~]customer's consent prior to engaging in pre-execution communications. Records evidencing that such consent was obtained should be available for production upon request of the Exchange. Such consent may be in the form of blanket consent from a customer acknowledging its consent for the broker to engage in pre-execution communications on its behalf and would be considered in force until revoked by such customer.

2. May a Person involved in pre-execution communications disclose the details of those communications to other parties?

   No. Pre-execution communications are confidential and may not be disclosed to anyone else.

3. If a Person has participated in a pre-execution communication where non-public information has been disclosed about an order or a potential order, may such Person subsequently enter an order into the market to take advantage of the non-public information derived during the communication?

   A: No, at minimum, such actions would result in a violation of Rule 4.02(h) for any Person to engage in the front running of a CO when acting on material non-public information regarding an impending transaction by another person, acting on non-public information obtained through a confidential employee/employer relationship, broker/customer relationship, or in breach of a pre-existing duty.

   However, an exception exists in the case of parties to an option CO. Such parties may hedge the risk associated with a pending [~~Option~~]option CO by entering a risk-mitigating order in a related market as soon as they have agreed to the CO, except for an intermediary taking the opposite side of its own [~~Customer~~]customer order. In such instances, the CO must transact in the ETS before an order to hedge may be entered for: (i) any account in which the intermediary has a direct or indirect interest; or (ii) the account of any Person(s) that holds a relationship to the intermediary of a type enumerated in the definition of "proprietary account" in CFTC Regulation 1.3. Exchange Rules 4.02(h) and 4.03 prohibit intermediaries from front running and/or trading ahead of an executable customer order. [~~Further, it shall be a violation of Exchange Rule 4.02(h) for any Person to engage in the front running of a CO when acting on material non-public information regarding an impending transaction by another person, acting on non-public information obtained through a confidential employee/employer relationship, broker/customer relationship, or in breach of a pre-existing duty.~~]

[~~[1] Formerly Exchange Rule 27.21~~]

[~~[2] Formerly Exchange Rule 27.22~~]

The Exchange may proceed with enforcement action when the facts and circumstances of the pre-cross hedging suggest deceptive or manipulative conduct by any of the involved parties, including when an intermediary handling a [~~Customer~~]customer order acts against its [~~Customer's~~]customer's best interests.

*The submission of a CO does not guarantee a fill as it will interact with the central limit order book based on the prescribed CO functionality, leaving the potential for a non-hedged position.

Execution of orders resulting from Pre-Execution Communication

4. What is considered Pre-Execution Communication?

The Exchange defines pre-execution communications between any Person as interactions intended to solicit interest in executing a trade prior to the order being displayed on the ETS. Any communication that discusses order terms such as quantity, market side, or price is regarded as a pre-execution communication. However, the Exchange does not consider a two-sided market quote to be pre-execution communication.

Any Person, whether directly or indirectly involved in the placement, execution, communication, or working of an order that includes pre-execution communication must adhere to the Rules of the Exchange. Failure by any Person involved in a transaction that includes pre-execution communications to comply with Exchange Rules may subject each Person in such transaction to disciplinary action by the Exchange.

5[4]. How are orders resulting from Pre-Execution Communications required to be executed?

In addition to Off-Exchange transactions (e.g., Block and EFRP trades), the following are the other permissible methods for executing a futures or options cross trade resulting from pre-execution communications on the ETS. The parties involved in pre-execution discussions that result in a trade using the methods below must not involve the same Principal as specified in the Wash Trade FAQ.

Futures
The submission of a Crossing Order ("CO") into the ETS. [~~Cross trades resulting from pre-execution communications must be executed by the submission of a Crossing Order ("CO") into the ETS.~~]The CO must contain the quantity and price at which the cross trade execution is sought. Entry of the CO will trigger a Request [~~For~~]for Quote ("RFQ") message for the respective future, option or combination, which will automatically be exposed to the market for the prescribed [~~five (5)~~]two (2) seconds [~~time period~~]before the ETS will seek to execute the CO.

Alternatively, a Person may opt to transact a cross trade **only** in futures (**not options**) by separately entering one order and allowing it is to be exposed on the ETS for a minimum of [~~five (5)~~]two (2) seconds before entering the opposing order.

Options
Only through the submission of a Crossing Order ("CO") into the ETS.

6[~~5~~]. Is a CO, [~~Request for Quote ("RFQ")~~]RFQ or bid/offer required to be submitted to the ETS prior to engaging in pre-execution communications?

No. Only after the market participants have agreed to the execution of a [~~crossing~~]transaction as a result of pre-execution communications, must a participant execute the transaction [~~the cross~~]in accordance with [~~Question 4 above~~]the guidance herein.

Use of Crossing Order Functionality

[~~6~~]7. Is the price or quantity of the orders on the CO displayed to the marketplace in the resulting RFQ?

No. The price of the orders will not be displayed, but the quantity will be displayed.

8[~~7~~]. Is there any information in the RFQ that identifies that a CO may be forthcoming?

No. The purpose of the RFQ is to notify all market participants that there is interest in executing a trade or strategy.

9[~~8~~]. After submitting a CO, how much time will elapse before the CO is automatically activated?

Two (2)[~~Five (5)~~] seconds will elapse after submission of the CO before the CO is automatically activated.

10[~~9~~]. Once the CO has been activated, are the buy and sell orders automatically executed against each other?

No. Once activated, the CO will be evaluated against the best prices in the limit order book. If the CO price improves the best bid and the best offer in the order book or if there is no bid/offer, 100% of the CO quantity will match at the CO price immediately upon activation. If the CO price improves the best bid, but there is a better offer or offers, the buy side of the CO will be executed first against such better offer or offers and then subsequently against the sell side of the CO if any residual quantity on the buy side remains. Similarly, if the CO price improves the best offer but there is a better bid or bids, the sell side of the CO will be executed first against such better bid or bids and then subsequently against the buy side of the CO if any residual quantity on the sell side remains.

11[~~10~~]. What priority will the CO have in the order book?

For purposes of determining priority in the order book, the CO will be considered to have been entered at the time the CO is submitted to ETS.

12[~~11~~]. What happens if there are unfilled quantities of the CO after the CO has been matched?

Any remaining volume of the CO will be cancelled by ETS.

13[~~12~~]. Once the CO is submitted and quotes are made, may the submitter of the CO trade opposite the bids or offers entered in response to the RFQ?

Yes. However, the parties to the CO cannot enter bids or offers that would improve the bids or offers made in the corresponding market during the respective 2[~~5~~]-second crossing window. This would violate the provisions of Rule 4.02(k)(2)(C) which prohibit the parties to pre-execution communications from entering orders that take advantage of information obtained through the pre-execution communication, such as the price at which the CO will execute.

14[~~13~~]. Once the CO is submitted and active, may the parties to the CO submit any RFQs?

Yes. The parties to the CO (including the submitter of the CO in the case of a broker) may submit RFQs provided that they are not entering the RFQs with the intent to divert attention of other participants away from the pending CO.

15[~~14~~]. Once the CO is submitted and quotes are made, may the submitter of the CO change the CO?

No. The submitter of the CO cannot change the originally submitted CO and may not submit another CO until the original CO is transacted. Further, the parties to the CO cannot enter bids or offers that would improve the bids or offers made in the corresponding market during the respective 2[~~5~~]-second [~~crossing~~]CO window.

16[~~15~~]. Once a transaction is agreed upon via pre-execution communications, how much time does the submitter have before the submitter must enter the CO?

None. Once a transaction has been agreed upon, the submitter must immediately enter the CO.

17[~~16~~]. May a submitter specify a "Reserve Quantity" on a CO?

No.

18. For **futures** contracts, if a Person places an order with a reserve quantity ("Iceberg" order) (e.g. 10 lots showing with 90 lots hidden) after engaging in pre-execution communication related to the order, can a party to the pre-execution communication trade opposite that order after it has rested for two (2) seconds?

Yes, however, *only* the order quantity exposed to the market may be crossed (e.g. 10 lots) after 2 seconds has elapsed. If any portion of the hidden/reserved quantity is traded, the Exchange may make an inference that the Person trading opposite knew or reasonably should have known that the original order placed included quantities that were not exposed competitively to the market and may be considered in violation of Exchange Rules. Below are two examples:

Example 1 - A Person places an Iceberg futures bid for 100 lots with 10 lots showing and 90 lots hidden, waits 2 seconds after the order is placed, then enters an offer for 10 lots. This scenario complies with Exchange Rules if any portion of the exposed 10-lot futures bid crosses.

Example 2 - A Person places an Iceberg futures bid for 100 lots with 10 lots showing and 90 lots hidden, waits 2 seconds after the order is placed, then enters an offer for a quantity of 11 lots or greater. Assuming the 10-lot resting bid fills in full, if any portion of the 90 lots hidden crosses with the offer, the Exchange may make an inference that the Person knew or reasonably should have known that the offer could trade opposite the remaining hidden quantity of the Iceberg futures bid not exposed competitively to the market -- this would ***NOT*** be an acceptable practice and may be considered in violation of Exchange Rules. The Exchange requires the Person trading opposite the resting futures order to wait 2 seconds each time an additional 10-lot portion of the iceberg is exposed to the market.

Transactions with no Pre-Execution Communications

19[~~18~~]. Is it permissible to contact other market participants to obtain general market color without engaging in pre-execution communications?

Yes. Communications to obtain general market color or simply to obtain a quote are permissible provided there is no express or [~~obviously~~]implied arrangement to execute a specified trade and no non-public information is communicated regarding an order or potential order. The Exchange does not consider a two-sided market quote to be pre-execution communication.

20[~~19~~]. If an order has been submitted to ETS, are there any restrictions on communicating with potential counterparties?

With a resting order exposed on ETS, it is permissible to contact potential counterparties to solicit interest in trading against the order. In any such communications, no non-public information (i.e. information not represented in the terms of the order exposed to the market) may be disclosed. For example, if the represented offer is for 250 contracts, it would be a violation of the Rules to disclose that there are an additional 500 contracts to sell because that information has not been disclosed to the market. Please see the examples provided within this FAQ for acceptable practices.

21[~~20~~]. What are the requirements for handling simultaneous buy and sell orders for different beneficial owners that do not involve pre-execution communications?

Independently initiated orders that are on opposite sides of the market for **different** beneficial account owners and are immediately executable against each other may be entered without delay provided that the orders did not involve pre-execution communications and that each of the orders is entered immediately upon receipt.

In accordance with Rule 4.02(g) ("[~~Cross Trades~~]Trade Practice Violations"): [~~opposite~~]

Opposite **futures** orders that are for different beneficial accounts and are simultaneously placed by a party with discretion over both accounts, or orders that allow for price and/or time discretion, may be entered as a CO which contains both the buy and sell orders, or by separately entering one order and allowing it to be exposed on the ETS for a minimum of two (2)[~~five (5)~~] seconds before entering the opposing order~~.~~

Opposite **options** orders that are for different beneficial accounts and are simultaneously placed by a party with discretion over both accounts, or orders that allow for price and/or time discretion, must be entered as a CO which contains both the buy and sell orders.

22[~~21~~]. If there have been no pre-execution communications, is it permissible for a firm to knowingly trade a future or option for its proprietary account against a c[~~C~~]ustomer order entered by the firm?

Yes, provided that in accordance with Rule 4.02(i), the customer's order and the proprietary order have been exposed on the ETS by the submission of a CO.

[REMAINDER OF FAQ UNCHANGED]

EXHIBIT B

(Additions are underlined and deletions are [~~struck through~~].)

Rule 4.02. Trade Practice Violations

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to:

* * *

(g) Engage in cross trading other than in accordance with the following procedures:

(1) Independently initiated orders on opposite sides of the market for different beneficial account owners that are immediately executable against each other may be entered without delay provided that the orders did not involve pre-execution communications as defined in sub-paragraph (k) of this Rule.

(2) Futures orders on opposite sides of the market that are simultaneously placed for different beneficial accounts by a Person with discretion over both accounts may be entered into ETS as Crossing Order ("CO") which contains both the buy and sell orders; or by separately entering one order and allowing it to be exposed on the ETS for a minimum of two (2)[~~five (5)~~] seconds before entering the opposing order.

(3) A futures order that allows for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite a second order received by the same intermediary using a CO which contains both the buy and sell orders; or by entering the second order immediately upon receipt and allowing it to be exposed on the ETS for a minimum of two (2)[~~five (5)~~] seconds before entering the opposing order.

(4) In the case of Options which are listed on the ETS, orders on opposite sides of the market that are simultaneously placed for different beneficial accounts by a Person with discretion over both accounts must be entered into the ETS as a CO which contains both the buy and sell orders.

(5) In the case of Options which are listed on the ETS, an order that allows for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite a second order received by the same intermediary only as part of a CO which contains both the buy and sell orders.

(k) Engage in pre-execution communications, except in accordance with the following procedures:

(1) For the purposes of this Chapter, pre-execution communications shall mean communications between two (2) market participants for the purpose of discerning interest in the execution of a Transaction prior to the terms of an order being entered on the ETS and visible to all market participants on the electronic trading screen.

(2) A market participant may engage in pre-execution communications with regard to Transactions executed on ETS where a market participant wishes to be assured that another market participant will take the opposite side of an order under the following circumstances:

(A) If a Customer order is involved, the Customer has previously consented to such communications being made on its behalf;

(B) A party to pre-execution communications shall not disclose the details of such communications to any Person who is not a party to the communications;

(C) A party to pre-execution communications shall not enter an order to take advantage of information conveyed during such communications, except in accordance with this Rule;

(D) Each Options order that results from pre-execution communications must be executed by entry into the ETS of a CO consisting of both the buy and sell orders. A party that has agreed to an Options CO resulting from pre-execution communications may enter an order in a related market to hedge the risk associated with the pending CO, except for an intermediary taking the opposite side of its own Customer order. The CO must transact in the ETS before an order to hedge may be entered for: (i) any account in which the intermediary has a direct or indirect interest; or (ii) the account of any Person(s) that holds a relationship to the intermediary of a type enumerated in the definition of "proprietary account" in CFTC Regulation 1.3;

(E) Each Futures order that results from pre-execution communications may be entered as a CO, which contains both the buy and sell order; or by separately entering one order and allowing it to be exposed on the ETS for a minimum of two (2)[~~five (5)~~] seconds before entering the opposing order;

(F) Once the terms of a CO have been agreed to, the parties may not delay entry of the CO and may not enter a Request for Quote ("RFQ") with the intent to distract other participants from the pending CO.

[REMAINDER OF RULE UNCHANGED]