



December 23, 2021

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

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6 –
Delivery Procedures Amendments

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Rule 40.6 for self-certification, amendments to its Delivery Procedures (the “Delivery Procedures” or “Procedures”)¹ discussed herein. The amendments will become effective on the first business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

Concise Explanation and Analysis

ICE Clear Europe is amending Part CC of the Delivery Procedures to revise delivery specifications for the ICE Futures Europe Permian West Texas Intermediate Crude Oil Futures contract (“Permian WTI Contracts”) to reflect amendments being made by ICE Futures Europe, the exchange on which it is traded. As ICE Futures Europe has announced, it is changing the name of the Permian WTI Contracts to ICE Futures Europe Midland West Texas Intermediate American Gulf Coast Crude Oil Futures (“Midland WTI Contracts”), adding the Enterprise ECHO Terminal as a delivery point

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

for the contract and changing the crude oil quality specification to a Permian Basin originated WTI crude oil that aligns with the current quality of light sweet crude oil originating from the Permian Basin, among other changes.

To maintain consistency of the Delivery Procedures with the amended contract specifications for the Midland WTI Contracts, ICE Clear Europe is amending Part CC of the Delivery Procedures to replace references to “ICE Futures Europe Permian West Texas Intermediate Crude Oil Futures” with “ICE Futures Europe Midland West Texas Intermediate American Gulf Coast Crude Oil Futures”, and make conforming changes in Part CC and elsewhere in the Delivery Procedures. The amendments also provide that delivery of Midland WTI Contracts may be made out of and into the Enterprise ECHO Terminal (a crude oil storage terminal owned and operated by Enterprise) in addition to the Magellan MEH Terminal (formerly defined as “MEH”), and conforming changes will be made throughout Part CC to refer to either or both terminals where applicable, as well as to refer to Enterprise as well as Magellan where applicable.

The amendments to Section 1 of Part CC replace all references to Permian WTI Contracts with Midland WTI Contracts. Conforming changes will be made to all such references elsewhere in the Delivery Procedures. Section 1 will also be updated to add new definitions used in Part CC, including definitions for “Enterprise” and “Enterprise Echo Terminal”, a new definition of “Specified Terminal” (which is used to reference the relevant delivery terminal under the Contract), as well as an updated definition for the Magellan MEH Terminal. Certain definitions such as “CT” and “LPT” will also be clarified.

The amendments to Section 2.1 of Part CC remove as inapplicable the reference to in-line transfer as a means for effecting delivery under Midland WTI Contracts, consistent with the revised contract specifications. The provision relating to tolerance of delivery into and out of the terminal will be revised to reflect relevant terminal operation by Enterprise as well as Magellan. Amendments further provide that delivery under Contracts will be made at Enterprise ECHO Terminal and/or the Magellan MEH Terminal. Each of the Enterprise ECHO Terminal and the Magellan MEH Terminal will be a Delivery Facility for purposes of Midland WTI Contracts.

The updates to Section 2.1 also make clear that in order to make and take delivery, the Seller and Buyer must be approved customers and have executed documentation governing such delivery process at the applicable Specified Terminal (instead of referring to Magellan-specific documentation). Conforming changes will be made throughout Part CC. The amendments further provide that in accordance with the Contract Terms, the Seller will be obliged to have all the required permits, licenses and authorizations to operate as a customer at the applicable Specified Terminal, and that the Buyer will be obliged to have all the required permits, licenses and authorizations to operate as a customer at both Enterprise ECHO Terminal and Magellan MEH Terminal.

Section 2.2 will be revised to describe the origin and quality of Midland WTI as Permian Basin originated West Texas Intermediate crude oil conforming to the Specifications, as described in the Contract Terms and the ICE Futures Europe Rules.

An update will be made to Section 3.1 to correct a reference to the “Rules” with “ICE Futures Europe Rules”. Similar updates will be made elsewhere in Part CC where “Rules” is used. Section 3.2 will be amended to provide that neither the Clearing House nor ICE Futures Europe will be responsible for performance of Enterprise or any person who operates the Enterprise ECHO Terminal (in addition to the existing provisions relating to Magellan or person who operates the Magellan MEH Terminal).

An update will be made to Section 3.3 to replace a reference to the “Procedures” with “Delivery Procedures”, for clarity.

In Section 4.1 an errant reference to “Buyer Contract Security” will be removed.

In Section 5, the Delivery timetable will be updated to reflect changes in the delivery process that relate to the option of delivery through the Enterprise ECHO Terminal. No changes will be made to the delivery timeline itself. The amendments provide that on the Notice Day, Buyers will be able to elect a preference for delivery at a Specified Terminal (or split deliveries at both Specified Terminals), however such preference will only become effective once confirmed by the Clearing House, which confirmation will be final and binding on the Buyer. The amendments further clarify the formula for undelivered volume which factors into the Clearing House’s calculation of Delivery Margin. The amendments also provide that Nominations to be submitted on Nomination Day may be submitted to Enterprise via Enterprise’s ESTREAM System in addition to Magellan via Magellan’s COBALT system (as applicable).

Compliance with the Act and CFTC Regulations

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

- *Product Eligibility.* As set forth above, the amendments to the Delivery Procedures are intended to be consistent with amendments to the contract terms and specifications for Midland WTI Contracts being made by ICE Futures Europe. With the changes to the Delivery Procedures discussed herein, ICE Clear Europe believes that its existing financial resources, risk management, systems and operational arrangements will continue to be sufficient to support clearing of the Midland WTI Contracts (and to address physical delivery under such contracts), and to manage the related risks of such contracts, in substantially the manner as for the existing Permian WTI Contracts. As a result, in ICE Clear Europe’s view, the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As discussed above, the amendments revise the delivery specifications applicable to the settlement of Midland WTI Contracts, consistent with the changes to the contract terms being made by ICE Futures Europe, the exchange on which it is traded. Specifically, the amendments update specifications applicable to the settlement of Midland WTI Contracts in light of the addition of the Enterprise ECHO Terminal as a Delivery Facility

and revise, among other matters, quality specifications, limitation of liability for the Clearing House and ICE Futures Europe in respect of the delivery under such contracts at the relevant terminals, and documentation requirements regarding the election of the relevant terminal, consistent with the requirements of the Clearing House. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle E and Commission Rule 39.14.

As set forth herein, the amendments consist of the amendments to the Delivery Procedures, a copy of which is attached hereto.

ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission's regulations thereunder.

ICE Clear Europe received no substantive opposing views in relation to the proposed amendments.

ICE Clear Europe has posted a notice of pending certification and a copy of this submission on its website concurrent with the filing of this submission.

If you or your staff should have any questions or comments or require further information regarding this submission, please do not hesitate to contact the undersigned at George.milton@theice.com or +44 20 7429 4564.

Very truly yours,



George Milton

Head of Regulation & Compliance

~~10.9.~~ ALTERNATIVE DELIVERY PROCEDURE: ICE FUTURES EUROPE ~~PERMIAN~~MIDLAND WEST TEXAS INTERMEDIATE AMERICAN GULF COAST CRUDE OIL FUTURES CONTRACTS

~~10.19.1~~ In respect of an ICE Futures Europe ~~Permian~~Midland West Texas Intermediate American Gulf Coast Crude Oil Futures Contract (“~~ICE Permian~~Midland WTI Contract” or “Contract”), if the Buyer agrees with the Seller to undertake a specific Tender outside the ICE Future Europe Rules, both parties must advise the Clearing House using the Form “ICE ~~Permian~~Midland WTI Contracts: Confirmation of Agreed ADP.”

~~10.29.2~~ Where an ADP is agreed, the Clearing House will settle the relevant Contracts at the Exchange Delivery Settlement Price and using such pipeline or facilities and subject to such specifications as are agreed between the Buyer and Seller fulfilling its obligations under the Contract in respect of delivery.

~~10.39.3~~ ICE ~~Permian~~Midland WTI Contracts: Confirmation of Agreed ADP forms received by the Clearing House after 09:00 CT / 15:00 LPT will be deemed to have been received on the next Business Day.

~~10.49.4~~ Where an ADP is agreed for ~~an ICE Permiana~~ Midland WTI Contract, then, as from the time that the Clearing Members’ accounts are amended by the Clearing House as described in this paragraph 9, the affected Clearing Members and the Clearing House shall all automatically and immediately be released and discharged from all their rights, liabilities and obligations in respect of the affected Contract or Contracts and such rights, liabilities and obligations shall be replaced by such amended obligations as are agreed between the parties.

~~PART CC: PERMIAN WEST TEXAS INTERMEDIATE CRUDE OIL FUTURES~~

PART CC: MIDLAND WEST TEXAS INTERMEDIATE AMERICAN GULF COAST CRUDE OIL FUTURES

1. **APPLICABILITY AND DEFINITIONS**

1.1 This Part CC applies to all physically deliverable ICE Futures Europe ~~Permian~~Midland West Texas Intermediate American Gulf Coast Crude Oil Futures Contracts for which physical delivery is specified as applicable in the relevant Contract Terms and which go to physical delivery on the expiry date. Such ICE Futures Europe Midland West Texas Intermediate American Gulf Coast Crude Oil Futures Contracts are referred to in this part as “~~ICE Permian~~Midland WTI Contracts” or “Contracts”.

1.2 The following additional definitions apply to this part of the Delivery Procedures:

~~(a) “Permian WTI” means West Texas Intermediate crude petroleum that originates either from Magellan’s Longhorn Crude System or from Bridgetex Pipeline Company, LLC’s Crude System (or their respective successors and reasonably foreseeable extensions thereof), and which satisfies all of the product specification and measurement requirements set forth in the Contract Terms.~~

~~(a) “CT” means “Central Time”, the prevailing time in Houston, Texas.~~

~~(b) “Enterprise” means Enterprise Crude Pipeline LLC, and its successors.~~

~~(c) “Enterprise ECHO Terminal” means the crude oil storage terminal owned and operated by Enterprise located at 6849 E. Sam Houston Parkway S., Houston, Texas 77034.~~

~~(d) “LPT” means “London Prevailing Time”, the prevailing time in London, United Kingdom.~~

~~(b)(e) “Magellan” means Magellan Crude Oil Pipeline Company, L.P., and its successors.~~

~~(f) “Magellan MEH Terminal” means the Magellan East Houston crude oil storage terminal used for physical delivery of owned and operated by Magellan located at 7901 Wallisville Road, Houston, Texas 77029.~~

~~(g) “Midland WTI” or “Product” means a Permian WTI Basin originated West Texas Intermediate crude oil which meets the Specifications.~~

~~(e)(h) “Specified Terminal” has the meaning determined pursuant to an ICE Permian the relevant Midland WTI Contract.~~

~~(-) “CT” means the prevailing time in Houston, Texas.~~

~~(-) “LPT” means the prevailing time in London, England.~~

~~(-) “Tariffs” means Magellan Tariff R.C.T. 1.0.0, Magellan Tariff R.C.T. 5.0.0, BridgeTex Tariff F.E.R.C. 1.20, BridgeTex Tariff R.C.T. 1.2.0, or other such tariffs as may be specified from time to time, and all supplements to or revisions of any of the foregoing, as applicable.~~

~~5.2. DELIVERY SPECIFICATION~~

~~5.2.1 Delivery~~

Deliveries pursuant to ~~ICE Permian~~Midland WTI Contracts are effected by Product Transfer Order for inter-facility transfer, ~~in-line (or in-system)~~ transfer or in-tank transfer of title of required ~~Permian~~Midland WTI from a Seller to a Buyer. Deliveries will therefore not be subject to any delivery

tolerances. The tolerance of delivery into and out of ~~MEH the Enterprise ECHO Terminal~~ will be dealt with by Enterprise and the Magellan ~~in accordance with the Tariffs~~ MEH Terminal by Magellan and, where applicable, industry practices.

Delivery shall be made at the Enterprise ECHO Terminal and / or the Magellan MEH Terminal, as applicable, in accordance with the relevant Contract Terms and all Applicable Laws. For the avoidance of doubt, ~~MEH each of the Enterprise ECHO Terminal and the Magellan MEH Terminal~~ is a Delivery Facility for the purposes of ~~ICE Permian~~ Midland WTI Contracts.

In order to make and take delivery, the Seller and Buyer respectively must be approved ~~shippers~~ customers and have executed ~~a Systems Services Agreement or other~~ documentation governing such delivery process at the applicable Specified Terminal. In accordance with the Contract Terms, (i) the Seller is obliged to have all the required permits, licenses and authorizations to operate as a customer at the Specified Terminal elected for the purposes of making delivery under the Contract; and (ii) the Buyer is obliged to have all the required permits, licenses and authorizations to operate as customer at both Enterprise ECHO Terminal and Magellan- MEH Terminal for the purposes of taking delivery under the Contract.

5.22.2 **Origin and Quality**

~~Permian WTI~~ Midland WTI shall be a Permian Basin originated West Texas Intermediate crude oil conforming to the Specifications, as described in the Contract Terms and the ICE Futures Europe Rules, and shall be delivered free from all liens, encumbrances, unpaid taxes, fees, other charges and any other form of claim ~~and shall conform to the specifications, as appropriate, described in ICE Futures Europe Rules.~~

5.32.3 **Quantity**

Quantities are as required under the relevant Contract Terms.

5.42.4 **Price**

The price at which the ~~Permian~~ Midland WTI Contracts are delivered shall be based on the final settlement price, which shall be published on the Last Trading Day for the contract month.

5.52.5 **Cessation of Trading**

Contracts cease trading on the Last Trading Day, as defined in the Contract Terms.

5.62.6 **Exchange for Physicals (EFPs)**

EFPs may be made only in accordance with the ICE Futures Europe Rules, provided that EFPs executed on the Last Trading Day for any contract month may be reported at any time after the close of trading until 09:00 CT / 15:00 LPT on the next Business Day following the Last Trading Day.

6.3. **LIABILITY**

6.13.1 The provisions of this paragraph 3 are without prejudice to the generality of, and subject to, the provisions of the ICE Futures Europe Rules relating to liability and apply in addition to the general requirements of these Delivery Procedures.

6.23.2 Neither the Clearing House nor ICE Futures Europe is responsible for, and neither of them shall have any liability whatsoever as a result of, the performance or non-performance of Enterprise or any person who operates the Enterprise ECHO Terminal or Magellan or any person who operates the Magellan MEH Terminal. Neither the Buyer nor the Seller, nor their Clearing Members, shall have any claim against the Clearing House for any loss, cost, damage, or expense incurred or suffered as a result of the performance

or non-performance of [Enterprise, the Enterprise ECHO Terminal](#), Magellan or [the Magellan MEH Terminal](#). This provision is without prejudice to the Clearing House’s liability under Contracts.

6.33.3 Neither the Clearing House nor ICE Futures Europe makes any representation regarding the authenticity, validity or accuracy of any delivery Tender notice, confirmation of transfer or any other notice, document, file, record, or instrument used or delivered pursuant to the [ICE Futures Europe Rules and Delivery Procedures](#).

7.4. DELIVERY CONTRACT SECURITY AND CONTRACT VALUE

7.14.1 On the second Business Day following the Last Trading Day, the Clearing House will call for delivery Margin from the Seller and the Buyer-~~Contract Security~~, such amount to be paid in accordance with the Finance Procedures. The Clearing House will retain the Seller’s and Buyer’s delivery Margin until such times as specified below.

7.24.2 At the beginning of the Business Day prior to delivery day for the Contract, the Clearing House will call for the full delivery Margin as against the Contract value from the Buyer, such amount to be paid in accordance with the Finance Procedures.

8.5. DELIVERY TIMETABLE AND OBLIGATIONS

Delivery under ~~an ICE Permiana Midland~~ WTI Contract is based on open contract positions at close of trading on the Last Trading Day for which physical delivery is specified as applicable in the relevant Contract Terms and which go to physical delivery on the expiry date. A delivery schedule shall be agreed between [Enterprise and/or](#) Magellan and the Buyer and Seller. Delivery shall take place no earlier than the first calendar day of the delivery month and shall be completed no later than the last calendar day of the delivery month. Seller shall ensure that its crude oil receipts are available to begin flowing ratably by the first calendar day in the delivery month ~~in MEH, in accordance with~~ the [Tariffs Specified Terminal](#).

	Three Business Days prior to the 25th calendar day of the month	
Last Trading Day	13:30 CT / 19:30 LPT	Trading in ICE Permiana Midland WTI Contracts ceases.
	Last Trading Day + 1 Business Day	
Notice Day	By 09:00 CT / 15:00 LPT	EFPs may be posted following the cessation of trading until this time.
	By 10:00 CT / 16:00 LPT	Clearing Members must confirm the positions they intend to deliver or receive and their underlying client(s) by submitting a “Delivery Confirmation Form” to the Clearing House. Buyers may elect a preference for delivery at a Specified Terminal (or split deliveries at both Specified Terminals), however such preference will only become effective once confirmed by the Clearing House. The Clearing House’s confirmation shall be final and binding on the Buyer as to the Specified Terminal where delivery shall take place.

	Thereafter	<p>Following receipt of such required forms from Clearing Members, the Clearing House will verify the relevant data, including against a valid shipper list <u>customer lists</u> provided by <u>Enterprise and Magellan</u>, and, the Clearing House will make appropriate delivery Tenders <u>at the respective Specified Terminals</u>, matching the clients of Clearing Members that are Buyers with the clients of Clearing Members that are Sellers for the purposes of them making delivery to one another.</p> <p>To allow Clearing Members, where applicable, to inform their clients who they have been matched with, Clearing Members will receive email confirmation of all relevant Tenders by means of automated email via the Clearing House's systems and MFT (or any successor system).</p>
Nomination Day	Last Trading Day + 2 Business Days	
	By 03:00 CT / 09:00 LPT	<p>Buyer's delivery Margin and Seller's delivery Margin shall be debited from Clearing Members that are Buyers and Clearing Members that are Sellers, respectively, for their deliverable positions.</p> <p>Delivery Margin will be calculated by the Clearing House's systems as undelivered volume (lots x 1,000 <u>barrels</u>) x an appropriate scanning range (as determined by the Clearing House).</p> <p>The Clearing House will collect contingent variation margin from both the Buyer and Seller.</p>
	By 17:00 CT / 23:00 LPT	<p>Nominations to be submitted by Buyer and Seller or, where applicable, their Transferors or Transferees, respectively, as per individual Tenders, to <u>Enterprise via Enterprise's ESTREAM System or Magellan via Magellan's COBALT system, as applicable</u>.</p>
Completion of settlement instructions	One Business Day prior to the first calendar day of the delivery month	
	By 03:00 CT / 09:00 -LPT	<p>Delivery Margin increases to full contract value for the Buyer; the Clearing House will debit the Buyer's account accordingly. Contingent variation margin requirements end for the Buyer.</p>
	By 17:00 CT / 23:00 LPT	<p>As soon as possible after receipt of the nominations and no later than 17:00 CT / 23:00 LPT, <u>Enterprise and Magellan</u> will provide scheduling instructions to the Buyer <u>their respective Buyers and Seller</u>.</p>
Delivery Day	Delivery Day	
		<p>By no later than the last calendar day in the delivery month, delivery is to be made at MEH <u>the Enterprise ECHO Terminal or the Magellan MEH Terminal, as applicable</u>, in accordance with the Contract <u>Rules</u> <u>Terms</u>, Applicable Laws and the scheduling instructions given by <u>Enterprise or Magellan, as applicable</u>.</p>
Following Delivery	Delivery Day + 10 Business Day	

	By COB	By close of business, Enterprise or Magellan, as applicable , will provide the Clearing House with delivery confirmation confirming delivery of the Product to the Buyer. Deliveries are not valid until confirmed by Enterprise or Magellan, as applicable , to the Clearing House. In the event of discrepancy between the parties, Magellan's confirmations of Enterprise or Magellan, as applicable , shall override those of the Buyer and Seller.
		Contingent variation margin requirements end for the Seller.
Buyer's Invoice	3 Business Days prior to the Seller's Invoice	
	The Buyer's invoice is issued. Clearing House returns Buyer's delivery Margin.	
Seller's Invoice	20th calendar day of the month following the delivery month	
	The Seller's invoice is issued. Clearing House will release Seller's delivery Margin.	