

EXCHANGE NOTICE

December 15, 2016

RULE AMENDMENT NOTICE #109

Please amend your ICE Futures Canada Rulebook on the basis set out in this Rule Amendment Notice. You may wish to keep the Amendment Notice with your Rulebook. The Rules and Annexures are also available on the website at:

<https://www.theice.com/futures-canada/regulation##rulebook>

Please note that ICE Futures Canada Rules and Annexures are only available in pdf format.

Rule 6 has been amended with regard to elevator registration requirements. Specifically, the Rule requiring insurance on grain in registered elevators has been removed, and the Rules regarding changes to an elevator's status or registration information have been amended. It is important for Merchant Participants to review these changes to ensure they are aware of the new provisions.

Rule 8B.13 has been amended to more clearly set out the process by which the Exchange may suspend a Person or Account on an emergency basis, and the process by which such Person or Account may request a hearing into their suspension.

Please consult the redlined amendments on the following pages for additional details on these changes.

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RULES

The redlined amendments below are effective Trade Date December 16, 2016.

RULE 6 - ELEVATORS

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Part 6A – General

6A.05	Insurance for Registered Elevators <u>Reserved</u>
6A.06	Acceptance of Elevators for Registration
6A.07	Change in Condition of Elevator <u>Information</u>
6A.08	Change in Status of Registered Elevator <u>from Non-Regular to Regular</u>

6A.03 Requirements for Elevator Registration

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- b. The effective date for registration of any elevator, or a change of status from "non-regular" to "regular", shall be;
- (1) the business day following the date of approval of the Elevator Application(s) or change of status, by the Exchange, provided that if neither date of approval nor the following business day are within a delivery month for that commodity, or
 - (2) the first business day of the month following the approval. ~~if the date of approval is within a delivery month for that commodity.~~

Such registration shall also be applicable for delivery against futures contracts with open interest.

6A.05 Insurance for Registered Elevators Reserved

~~All Participants with registered elevators must ensure that each registered elevator meets the following insurance requirements in order to be approved as and maintain the status of "regular" or "non-regular" elevators:~~

- a. ~~All grain in the elevator shall at all times be insured, in such amounts and in such form as required by the Canadian Grain Commission (CGC);~~
- c. ~~Every policy of insurance shall provide that proceeds of the policy be payable to holders of Delivery Certificates backed by Warrants issued for grain stored in the elevator, as their interests may respectively appear, in priority to any claim by the elevator or by any assignee of the elevator; and~~
- d. ~~It is the responsibility of the Participant to provide the Exchange with a certified copy of the insurance policy or a copy of the certificate of insurance for each elevator, evidencing appropriate coverage.~~

~~Any Participant with registered elevators shall notify the Exchange immediately of any change, termination or threat of termination of insurance coverage.~~

6A.07 Change in ~~Condition of~~ Elevator Information

Any ~~material~~ change to the information required in the registration information provided to the Exchange in the state of conditions of registration of a registered elevator, its operations, conditions, or ownership of the business, shall be reported forthwith by the Merchant Participant or Deliverable Location Participant to the Exchange. This includes, but is not limited to, the following information; the station number, the lease expiry date (if applicable) the category of elevator (primary, process, terminal), rail line information, track capacity (weight), storage capacity, car spots (full car, day car).

6A.08 Change in Status of Registered Elevator from Non-Regular to Regular

Request(s) to change the status of a registered elevator from “non-regular” to “regular” are to be submitted on the same form as a new Elevator Application. Changes shall be subject to the same timelines as a new Elevator Application. -for increases or decreases in storage capacity for any registered elevator and requests for change in the status of registration from “regular” to “non-regular” and vice-versa, must be made in writing to the Exchange. Upon the Exchange’s verification that such request(s) meet the required conditions for registration, the Exchange shall update its records accordingly and publish notification of such changes.

RULE 8 - TRADING

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Part 8B –Trading System

8B.13 ~~Termination of Trading System Connection~~Emergency Suspension

~~8B.13 –Termination of Trading System Connectivity~~

~~The Exchange, and/or Market Operations, has the right, at their sole discretion, to summarily terminate the access to the Trading System of any Member Mnemonic and/or summarily terminate the connection to the Trading System of any Participant, any customer of a Participant, or any user. Additionally, the Exchange and/or ICE Market Operations at their sole discretion, has the right to direct a Participant or a customer of a Participant to immediately terminate the connection of any user to the Trading System.~~

8B.13 Emergency Suspension

- a. Notwithstanding, and without prejudice to any other provision of the Rules, the Exchange may, upon reasonable belief that immediate suspension is necessary to protect the interests of the Exchange and/or its participants and/or to ensure an orderly market, suspend for up to seven (7) Business Days the right of any Person, or any account or account(s), to access the Trading System and conduct any trading on the Exchange. Additionally, the Exchange has the right to direct any Person(s) to immediately terminate the connection of any other Person or any account(s) to the Trading System.
- b. Any Person whose access is suspended under this Rule will have the right to a hearing before three members of the Special Regulatory Committee, and:

- (1) The hearing must be requested, in writing, within seven (7) days of the date of suspension;
 - (2) The hearing will be held within seven (7) days of the request for a hearing; and
 - (3) The procedures for the hearing will generally be as set out in Rule 10G, although they may be varied by the Special Regulatory Committee as it deems appropriate in all of the circumstances.
- c. In the event that a Person whose trading access has been suspended under this Rule does not request a hearing on the basis set out in subpart b. of this Rule, the suspension will become permanent and the Exchange may take such additional action as it deems necessary in all of the circumstances, including, without restricting the generality of the foregoing, a hearing under the provisions of Rule 10.

RULE 15 – CANOLA - Non-Par Price Differentials Review

See web notice distributed on November 21, 2016:

https://www.theice.com/publicdocs/futures_canada/member_notices/2016_11_21_Non_Par_Price_Differentials_Review.pdf