



55 East 52nd Street
New York, New York 10055

BY ELECTRONIC TRANSMISSION

Submission No. 14-2
January 10, 2014

Ms. Melissa Jurgens
Assistant Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**Re: Amendments to Rule 21.02(e)
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)**

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“Exchange”) submits amendments to Disciplinary Rule 21.02(e), attached hereto as Exhibit A.

Disciplinary Rule 21.02(e) currently authorizes the Vice President of Market Regulation to issue summary fines of up to \$10,000 for certain minor infractions such as recordkeeping violations, failure to report sales on the close and failure to report block trades in accordance with Exchange procedures as required by Rule 4.07(c). The amendments to Rule 21.02 will authorize the Vice President of Market Regulation to issue summary fines for additional infractions related block trades under Rules 4.07(a) and (b), such as failure to meet the applicable minimum quantity requirement for a block trade and the failure of a participant to a block trade to qualify as an eligible contract participant. The Rule is also being amended to authorize the Vice President of Market Regulation to issue summary fines to firms and individuals who fail to make timely production of documents and other records requested by the Exchange’s Compliance staff, certain other Exchange officials and Exchange committees in connection with an investigation or hearing, which is a violation of Exchange Rule 21.04. For convenience, copies of Exchange Rule 4.07(a) and (b), and Rule 21.04 are attached hereto as Exhibit B.

No opposing views were expressed by members or others with respect to the amendments, which will become effective on January 28, 2014. The Exchange certifies that the rule amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. Specifically, the amendments to Rule 27.09(e) comply with Core Principles 2 (Compliance with Rules) and 13 (Disciplinary Procedures). The amendments allow the Exchange to comply with its obligations to apply appropriate sanctions to participants that violate Exchange rules through the imposition of minor summary penalties.

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/notices/RegulatoryFilings.shtml>).

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jason V. Fusco
Assistant General Counsel
Market Regulation

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

EXHIBIT A

Rule 21.02. Compliance Staff — Powers and Duties

* * * * *

(e) Notwithstanding the provisions of paragraph (d) of this Rule, the Vice President or his

designee may issue a warning letter or impose a summary fine of no more than ten thousand dollars (\$10,000) in any case in which it is concluded that there may have been a violation of:

- (i) any trading card or order ticket record keeping rule;
- (ii) Rule 4.07 (a), (b) or (c);
- (iii) Rule 27.05(a)(i); ~~or~~
- (iv) paragraph (a), (b) or (c) of Rule 27.09; or
- (v) Rule 21.04, by failing to produce documents, books or records, within the time period prescribed by the Exchange.

The authority to impose such a summary fine does not limit the Vice President's authority to refer the matter to the BCC instead of imposing a summary fine. A summary fine imposed in accordance with this paragraph shall become final and effective and payment shall become due and owing to the Exchange fifteen (15) calendar days after the Member receives the fine.

* * * * *

EXHIBIT B

Rule 4.07. Block Trading

(a) Privately negotiated Transactions may be entered into with respect to Commodity Contracts designated by the Exchange for such purpose (hereinafter referred to as "Block Trades"), provided that all of the following conditions are satisfied:

(i) Each party to a Block Trade must be an eligible contract participant as that term is defined in Section 1a(18) of the Act; provided that, if the Block Trade is entered into on behalf of Customers by (A) a commodity trading advisor registered under the Act ("CTA"), including without limitation any investment advisor registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act or CFTC regulations ("Exempt Investment Adviser"), with total assets under management exceeding US \$25 million, or by (B) a foreign entity performing a similar role or function to a CTA or investment advisor that is subject to foreign regulation ("Foreign Adviser"), with total assets under management exceeding US \$50 million, the individual Customers need not so qualify.

(ii) Each buy or sell order underlying a Block Trade must:

(A) state explicitly that it is to be, or may be, executed by means of a Block Trade; and

(B) be for at least the applicable minimum threshold as specified by the Exchange; *provided that* only a CTA, including without limitation an Exempt Investment Adviser, with total assets under management exceeding US \$25 million or a Foreign Adviser with total assets under management exceeding US \$50 million, may satisfy this requirement by aggregating orders for different accounts.

(iii) The price at which a Block Trade is executed must be fair and reasonable in light of (A) the size of such Block Trade, (B) the price and size of other Trades in the same contract at the relevant time; and (C) the price and size of Trades in other relevant markets, at the relevant time.

(iv) Block Trades shall not set off conditional orders, including but not limited to, stop orders, limit orders or market-if-touched orders, or otherwise affect orders in the regular market.

(v) Block Trades executed on the Last Trading Day for any delivery month in Sugar No. 11 Futures Contract must be executed and reported before the final five (5) minutes of trading.

(b) Block Trades may be executed in Exchange Futures and Options Contracts as determined by the Board and must meet the applicable minimum thresholds for such contracts as determined by the Board from time to time.

Rule 21.04. Power to Compel Testimony and Production of Documents

The President, the Board, the Vice President, the Compliance staff, any committee or subcommittee and any panel of any committee or subcommittee, engaged in any investigation of, examination into, or hearing or appeal involving any matter pursuant to the Rules shall have the power to summon any Member, any employee of any Member and any non-member market participant to appear before him or it, to give testimony under oath or in any other manner required by him or it and to produce any documents, books or records. A Firm so summoned shall appear by a partner, officer or responsible employee fully acquainted with the relevant facts. If any Member, any employee of any Member, or non-member market participant fails to obey any such summons or to give any such testimony or to produce any such documents, books or records, such failure shall constitute a violation of this Rule and shall be reported to the Business Conduct Committee for appropriate action.