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New York, New York 10055

**BY ELECTRONIC TRANSMISSION**

Submission No. 14-35  
April 22, 2014

Ms. Melissa Jurgens  
Assistant Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> 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), which will allow the Vice President of Market Regulation to issue summary fines for additional rule violations, as set forth in 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 minor infractions relating to: (i) recordkeeping violations, (ii) block trade violations; (iii) the failure to comply with the Exchange’s rules concerning the assignment and inclusion of proper trader identifications on electronic orders; and (iv) the failure to comply with the Exchange’s requirements for clerks accessing the electronic trading system from the trading floor. The amendments will allow summary fines for the following additional violations:

1. Failure to report large trader positions to the Exchange [Rule 6.15(a) and (b)];
2. Misreporting of open interest for Energy contracts [Rule 18.05(a)];
3. Re-opening of Energy positions previously reported on a net basis without the required prior written authorization from the Exchange [18.05(e)];
4. Failure to use a crossing order (“CO”) when executing a cross trade [4.02(i)(2) and (3)]; and
5. Improper submission of a request for quote (“RFQ”) by a party to a cross trade while a CO is transacting [4.02(m)(2)(E)].

If, in a particular case, the violation is significant or there is a chronic problem with a particular firm or individual, the violation may be referred to the BCC for more significant action.

No opposing views were expressed by members or others with respect to the amendments, which will become effective on May 7, 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,



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**

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(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 4.02(i)(2) or (i)(3);
- (iii) Rule 4.02(m)(2)(E)
- (iv) Rule 4.07 (a), (b) or (c);
- (v) Rule 6.15(a) or (b);
- (vi) Rule 18.05(a) or (e);
- (vii) Rule 27.05(a)(i);
- (viii) paragraph (a), (b) or (c) of Rule 27.09; [or]
- (ix) Rule 21.04, by failing to produce documents, books or records, within the time period prescribed by the Exchange[.]; or
- (viii) 27.12A(a) through (e).

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.

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