



**BY ELECTRONIC TRANSMISSION**

Submission No. 17-48  
March 28, 2017

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

**Re: Amendments to Rule 21.02- Compliance Staff Powers and Duties  
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) self certifies amendments to Disciplinary Rule 21.02(e) as set forth in Exhibit A. The amendments expressly allow a participant that is issued a summary fine by the Vice President of Market Regulation to present evidence and to request rescindment or modification of the penalty up to 15 days after receiving notice of the sanction, and expressly allow summary fines to be issued to both member and non-member market participants.

Disciplinary Rule 21.02(e) currently authorizes the Vice President of Market Regulation to issue summary fines of up to \$10,000 for infractions such as recordkeeping violations, block reporting trade violations, the failure to comply with the Exchange’s rules concerning the assignment and inclusion of proper trader identifications on electronic orders and minor infractions. Participants do not currently have a formal right to appeal such fines to any Exchange committee or to the Exchange’s board of directors. However, sometimes participants submit additional evidence after receiving notice of a summary fine and seek rescission of the fine. The amendments to Rule 21.02 codify a process whereby participants could submit additional evidence and contest the fine within 15 days of issuance and the Vice President could reduce or rescind the fine based on such evidence. The amendments also expressly make the summary fining rules applicable to both member and non-member market participants.

The Exchange is not aware of any opposing views to the amendments, which will become effective on April 11, 2017. The Exchange certifies that the amendments to Rule 21.02 comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. Specifically, the amendments to Rule 21.02(e) comply with core principle 13 (Disciplinary Procedures), by providing a means for market participants to request the review of penalties for minor violations of Exchange rules. The Exchange further 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#rule-filings>).

If you have any questions or need further information, please contact the undersigned at 212-748-4021 or ([jason.fusco@theice.com](mailto:jason.fusco@theice.com)).

Sincerely yours,

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

cc: Division of Market Oversight

Enc.

## 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) upon a Member or other market participant in any case in which it is concluded that there may have been a violation of:

- (i) any record keeping rule;
- (ii) Rule 4.02(g)(2) or (g)(3);
- (iii) Rule 4.02(k)(2)(E);
- (iv) Rule 4.07 (a), (b) or (c);
- (v) Rule 6.15(a) or (b);
- (vi) Rule 2.22 or Rule 18.05(a) or (d);
- (vii) Rule 27.05(a)(i);
- (viii) paragraph (a), (b) or (c) of Rule 27.09;
- (ix) Rule 21.04, by failing to produce documents, books or records, within the time period prescribed by the Exchange; or
- (x) 27.12A(a) through (e)

The authority to impose such a warning letter or summary fine does not limit the Vice President's authority to refer the matter to the BCC instead of imposing such sanction. A summary fine imposed in accordance with this paragraph shall become final and effective and payment shall become effective fifteen (15) calendar days after receipt. ~~the Member receives the fine.~~ A Member or non-member market participant may present evidence to the Market Regulation Department and request the summary fine be rescinded or reduced during the fifteen (15) calendar day period until the fine has become effective. The decision to cancel, modify or affirm a summary fine imposed in accordance with this paragraph shall be made at the sole and absolute discretion of the Vice President or his designee.