



BY ELECTRONIC TRANSMISSION

Submission No. 19-162
May 13, 2019

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

Re: Amendments to Block Trade Procedures Establishing Minimum Trade Size for Bitcoin Contracts; Amendments to Rule 4.37 (Transfer Trades) - 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 (the “Act”), and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), ICE Futures U.S., Inc. (the “Exchange”) self certifies amendments to (1) the Exchange’s Block Trading Procedures which are reflected in the Exchange’s Block Trade FAQ (the “FAQ”), and (2) Rule 4.37 regarding certain transfers which are permitted after the close of trading on the last trading day of a contract, in each case to add references to Bitcoin Contracts to the Rules. The amendments are set forth in Exhibit A and will become effective on the 10th business day following the day on which this filing is received by the Commission.

Specifically, the Exchange is amending the FAQ to establish a minimum block trade quantity of ten (10) contracts for the new IFUS Bitcoin Daily Futures Contract and Bitcoin Monthly Futures Contract, the terms of which were filed today in IFUS Submissions 19-160 and 19-161. The Exchange believes this is the quantity level at which there would be significant price concession were an order to be executed in the central limit order book. Additionally, the Exchange is amending Rule 4.37, which currently permits transfers to be made for a limited period of time and in a limited contract quantity, after the close of trading on the last trading day of a contract, in order to correct position errors. The amendment adds references to Bitcoin Contracts and permits such transfers to be made until 9:00 a.m. of the business day following the

last trading day, subject to a maximum transfer of 20 lots in the expiring contract date/ delivery month, as applicable.

The Exchange is not aware of any opposing views and certifies that the amendments to the FAQ and Rule 4.37 comply with the requirements of the Act and the regulations promulgated thereunder. Specifically, the amendments comply with Core Principle 9, which allows designated contract markets to establish the terms on which transactions, such as block trades and transfers, can be transacted away from the centralized marketplace. In the 2008 preamble to Proposed Amendments to Core Principle 9, the Commission indicated that “for new contracts that have no trading history, a [DCM] should strive to set its initial minimum block trade size based on what the [DCM] believes will be a ‘large’ order (i.e., the order size that would likely move the market price).” Consistent with that guidance, the minimum block quantity for Bitcoin block trades has been set at a level which the Exchange believes would result in significant price concession in the central limit order book. We further note that the amendment to Rule 4.37, which allows Exchange Clearing Members to correct positions which remain open in error after the close of trading on the last trading day of an expiring Bitcoin contract, is intended to prevent market disruptions and promote orderly expirations in furtherance of Core Principles 3 (Contracts not Readily Subject to Manipulation) and 11 (Financial Integrity of Contracts).

The Exchange 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/futures-us/regulation#Rule-Filings>). If you have any questions or need further information, please contact me at 212-748-4083 or at audrey.hirschfeld@theice.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Audrey R. Hirschfeld".

Audrey R. Hirschfeld
SVP and General Counsel
ICE Futures U.S., Inc.

EXHIBIT A

ICE FUTURES U.S. BLOCK TRADE – FAQs

2. What are the eligible contracts and the minimum threshold quantities for a block trade?

The minimum quantity requirements for block trades of eligible Energy futures and options contracts can be found under the “Energy Forms” tab at [the link below](#):

Energy Futures and Options Block Minimum Sizes

<https://www.theice.com/futures-us/regulation>

Table 1 below lists the eligible agricultural and index futures and options contracts and the minimum quantity requirements for block trades. Table 2 below lists the eligible financial contracts and bitcoin contracts and the minimum quantity requirements for block trades and Table 3 lists the eligible metals futures and options contracts and the minimum quantity requirements for block trades.

TABLE 2 – Financial Contracts

Product	Contract Type	Minimum Quantity
Bitcoin	Futures	10 lots

[Remainder of FAQ Unchanged]

Rule 4.37. Transfer Transactions Not Required to Be Made Competitively

(a) The following transfer Transactions need not be made competitively:

* * *

(e) After the close of trading on the Last Trading Day of any delivery month or Contract Date in any Bitcoin, Cocoa, Coffee “C”, Cotton No. 2, Financial, FCOJ, Sugar No. 11, Sugar No. 16, Gold Daily Contract, Silver Daily Contract and Precious Metal Contracts (but not later than 10:30 a.m. of the Last Trading Day for the Gold Daily Contract and the Silver Daily Contract; and not later than 5:00 p.m. of the Last Trading Day for the, Financial Contracts, Precious Metals Contracts, Cocoa, Coffee “C”, Cotton No. 2, Canola and FCOJ; and not later than 10:00 a.m. for Sugar No. 11 and Sugar No. 16 on the following Business Day; and not later than 9:00 a.m. on the following Business Day for any Bitcoin Contract), a Clearing Member carrying one (1) or more open contracts for that delivery month for its own account or the account of any other Person as the result of an error may transfer any or all of such contracts to any other account carried by such Clearing Member or to any other Clearing Member (together with any

delivery documents evidencing an intention to deliver or receive with respect to such contracts); provided that:

(i) for any delivery month in Cocoa, Coffee “C” and Sugar No. 16, no Clearing Member may so transfer for its own account and/or the account of any other Person, in the aggregate, more than ten (10) contracts in such delivery month;

(ii) for any contract date in Gold Daily, ~~and~~ Silver Daily and Bitcoin Daily Contracts, and any delivery month in Bitcoin, Cotton No. 2, Canola, a Financial Contract, Precious Metals, and FCOJ, no Clearing Member may so transfer for its own account or the account of any other Person, in the aggregate, more than twenty (20) contracts in such delivery month;

(iii) for any delivery month in Sugar No. 11, no Clearing Member may so transfer for its own account and/or the account of another Person, in the aggregate, more than eighty (80) contracts in such delivery month; and

[Remainder of Rule Unchanged]