

# SUBMISSION COVER SHEET

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): \_\_\_\_\_

Organization: ICE NGX Canada Inc. \_\_\_\_\_

Filing as a:  DCM  SEF  DCO  SDR Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/04/2018 Filing Description:

Amendment to Schedule "C" of the Contracting Party Agreement

**SPECIFY FILING TYPE** Please note only ONE choice allowed per Submission.

## Organization Rules and Rule Amendments

- |  |            |
|--|------------|
| <input checked="" type="checkbox"/> Certification            | § 40.6(a)  |
| <input type="checkbox"/> Approval                            | § 40.5(a)  |
| <input type="checkbox"/> Notification                        | § 40.6(d)  |
| <input type="checkbox"/> Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> SIDCO Emergency Rule Change         | § 40.10(h) |

Rule Numbers: Core Principle D \_\_\_\_\_

## New Product

Please note only ONE product per Submission.

- |  |            |
|--|------------|
| <input type="checkbox"/> Certification                         | § 40.2(a)  |
| <input type="checkbox"/> Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> Approval                              | § 40.3(a)  |
| <input type="checkbox"/> Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> Swap Submission                       | § 39.5     |

Official Product Name: \_\_\_\_\_

## Product Terms and Conditions (product related Rules and Rule Amendments)

- |  |                      |
|--|----------------------|
| <input type="checkbox"/> Certification   | § 40.6(a)            |
| <input type="checkbox"/> Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/> Certification Security Futures                          | § 41.24(a)           |
| <input type="checkbox"/> Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/> Approval  | § 40.5(a)            |
| <input type="checkbox"/> Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/> Approval Security Futures                               | § 41.24(b)           |
| <input type="checkbox"/> Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> "Non-Material Agricultural Rule Change"                 | § 40.4(b)(5)         |
| <input type="checkbox"/> Notification  | § 40.6(d)            |

Official Name(s) of Product(s) Affected: \_\_\_\_\_

Rule Numbers: \_\_\_\_\_

**ICE NGX CANADA INC.**  
**Rule Amendment Submission**  
**December 4, 2018**

1. The text of the amended provisions to the ICE NGX Canada Inc. (“ICE NGX”) Contracting Party Agreement (“CPA”) is appended as Attachment A. The CPA is part of ICE NGX’s rulebook. Additions to the text are underlined and deletions are struck through.
2. The date of intended implementation for these amendments is sixteen business days after the date of this submission.
3. Attached, please find a certification that: (a) these rule amendments comply with the Commodity Exchange Act (the “Act”), and the Commission’s regulations thereunder; and (b) concurrent with this submission, ICE NGX posted on its website: (i) a notice of pending certification of the amendments with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amendments appears below.
5. There were no opposing views expressed regarding these amendments.
6. Confidential treatment is not requested.

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CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND  
EFFECT OF THE RULE AMENDMENT AND ITS COMPLIANCE WITH APPLICABLE  
PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION’S  
REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.6(a)(7)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of the amendments to the ICE NGX CPA.<sup>1</sup>

ICE NGX is amending the CPA to provide enhanced powers to call for additional Eligible Collateral Support from Contracting Parties (each as defined in the CPA), at the discretion of ICE NGX.

As you will recall, Schedule “C” to the CPA sets out the terms for ICE NGX calling for margin and additional Eligible Collateral Support from a Contracting Party. The amendments to Schedule “C” are designed to enhance ICE NGX’s ability to protect its markets, by establishing a power for ICE NGX to call for additional Eligible Collateral Support from a Contracting Party in response to circumstances that are specific to a particular Product or Contracting Party. The amendments complement ICE NGX’s existing power under section 10 of Schedule “C” to the CPA to decline to enter into any Transactions that affect the risk profile of ICE NGX or to take any other reasonable actions to preserve the integrity and security of ICE NGX.

The amendments comply with Core Principle D – Risk Management, as the amendments enhance ICE NGX’s ability to manage the risks associated with discharging ICE NGX’s responsibilities as derivatives clearing organization. Specifically, the amendments enhance ICE

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<sup>1</sup> As a registered FBOT, ICE NGX has submitted contemporaneously with this 40.6 rule amendment self-certification a notification under Commission Rule 48.8(b)(ii)(A) of a material change to its rules (i.e., the CPA).

NGX's ability to limit its exposure to potential losses from defaults by its clearing members by establishing a power for ICE NGX to call for additional Eligible Collateral Support from a Contracting Party in response to circumstances that are specific to a particular Product or Contracting Party.

No opposing views were expressed in relation to the amendments. The amendments to the CPA are set out in Attachment A; additions are underlined and deletions are struck through.

**CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7  
U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R.  
§40.6**

I hereby certify that:

- (1) the amended provisions of the Contracting Party Agreement comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, ICE NGX Canada Inc. posted on its website: (a) a notice of pending certification of these rules with the Commission; and (b) a copy of this submission.

*"original signed by"*

By: Steve Lappin

Title: President

Date: December 4, 2018

## ATTACHMENT A

*[insertions are underscored; deletions are struck through.]*

### AMENDMENTS TO SCHEDULE "C" OF THE ICE NGX CONTRACTING PARTY AGREEMENT

*[Note: The following is inserted as new paragraph a. under Section 9 Request for Eligible Collateral. Numbering of the subsequent paragraphs in section 9 will be updated to reflect this insertion.]*

- a. Notwithstanding anything in this Contracting Party Agreement, including all Schedules, whenever the Exchange determines, in its sole discretion, that unstable conditions relating to one or more Products exist, or that the maintenance of an orderly market or the preservation of the fiscal integrity of the Exchange requires additional Eligible Collateral Support, or that any Contracting Party is carrying positions in Products or incurring risks in its account(s) that are larger than is justified by the financial and/or operational condition of the Contracting Party, the Exchange may require additional Eligible Collateral Support to be deposited with the Exchange within such time(s) as may be specified by the Exchange, and/or may limit withdrawals of any Eligible Collateral Support on deposit from such Contracting Party for such time as may be specified by the Exchange.