



# ICE Endex Block Trades Policy

@ 2024

## Contents

1. General.....	3
2. Eligible Contracts.....	3
3. Trading Hours and Fees .....	4
4. Participation .....	4
5. Prohibitions .....	4
6. Price .....	5
7. Minimum Volume Thresholds .....	6
8. Reporting Time Requirements .....	6
9. Recordkeeping .....	7
10. Aggregation of Orders .....	7
11. Reporting to the Exchange and Registration .....	7
12. Post Trade Confirmation & Publication.....	9
13. Cancellation and Amendment.....	10
Appendix - Block Trade Reporting Time Requirements.....	11



# Block Trades Policy

This Block Trades Policy (the “Policy”) provides details, requirements and restrictions on reporting Block Trades to ICE Endex Markets B.V. (the “Exchange” or “ICE Endex”) for registration and subsequent clearing by ICE Clear Europe.

## 1. General

- i) Capitalized terms used in this Policy shall have the same meaning as attributed to them in the Market Rules of ICE Endex (the “Rules”) unless defined otherwise in this Policy.
- ii) For the purposes of this policy, a Block Trade is a privately negotiated transaction agreed away from the central limit order book, directly between counterparties or via an intermediary, and subsequently registered on the Exchange through the Block Trade Facility. A Block Trade must be agreed at fair market value and for a volume at or above a defined minimum threshold.
- iii) A Member shall include all relevant General Participants, Trade Participants and all Member representatives such as traders, brokers and back-office staff, as appropriate, in the registration of the Block Trade.
- iv) Each Member and its representatives should ensure that, in accordance with Rule 1-5.2, it is appropriately authorised and holds all necessary licenses and consents, and that it has appropriate systems and controls in place in order to conduct business on the ICE Endex Platform.
- v) Members must ensure that Block Trades are reported in accordance with this Policy and the Rules (in particular Chapter IV.). The Rules shall always prevail in case of any discrepancy between this Policy and the Rules.
- vi) Members must ensure that they act with due skill, care and diligence at all times and the interests of the client(s) are not prejudiced during negotiations or registration. Members must be mindful of applicable regulatory requirements, e.g. the Market Abuse Regulation (EU) No 596/2014, as well as any requirements under law when conducting business on the ICE Endex Platform.
- vii) The Block Trade Facility are not to be used to facilitate the transfer of funds between parties and/or locations, the resolution of errors or any other purpose other than for normal commercial activity.
- viii) The Exchange undertakes regular audits of transactions negotiated away from the central limit order book and may take disciplinary action against Members where it identifies violations of the Rules or this Policy.

## 2. Eligible Contracts

- i) Block Trades may take place in respect of futures or options designated by the Exchange from time to time as Block Trade contracts. At present, all futures contracts are eligible to be registered as Block Trades.

- ii) Block Trades may be for single outright contract months, intra-commodity spreads (e.g. calendar spreads), inter-commodity spreads (e.g. gas and power), volatility trades and other combination trades<sup>1</sup>.
- iii) Members may submit a single ticket for a recognised cross-exchange Block Trade strategy across multiple ICE exchanges, where they have all appropriate permissions and authorisations to conduct such activity. Each strategy and its component legs must be transacted in compliance with all applicable laws, rules, policies and guidance of all respective ICE exchanges.
- iv) For certain contracts as designated by the Exchange from time to time, Members can register Block Trades that price against the relevant futures Settlement Price using the Trade at Settlement (TAS) in the Block Trade Facility.

### 3. Trading Hours and Fees

- i) Block Trades may, pursuant to Rule IV, only be agreed during the trading hours for the relevant contract(s), or as otherwise prescribed by the Exchange.
- ii) Block Trades may not be agreed at any other times or after the expiry of the relevant contract month.
- iii) Block Trades will be charged fees as published at <https://www.ice.com/fees>.

### 4. Participation

- i) Block Trades may only be reported to the Exchange by ICE Endex Members who have been permitted to enter Block Trades (as appropriate) by the Exchange or by their client's Clearing Member. Where more than one Exchange Member is involved in the agreement, registration and subsequent clearing of a Block Trade, each Member must ensure that the business conducted by it or through it shall not cause it or the Exchange to be in breach of any applicable laws and regulations.
- ii) Members are reminded of their responsibility under Rule I-5. for the conduct of their Member Representatives.

### 5. Prohibitions

- i) A Member must not disclose the identity of the party to a Block Trade order to potential counterparties or disclose information from which their identity can reasonably be inferred, unless the Member has previously received that party's permission to do so. Consent must be obtained in writing and must be evidenced to the Exchange upon request. Where consent is received, disclosure of identity may only be made to parties involved in the Block Trade negotiation; disclosure to anyone else is prohibited. There is no right under the Rules to insist on disclosure of names of counterparties as a condition of completing the trade.
- ii) Members are reminded of Rule I-18 which states that any behaviour amounting to market abuse as set out in relevant market abuse legislation will constitute a breach of the Rules. This includes front-running or pre-positioning. Members are not permitted to enter into a

---

<sup>1</sup> Combination trade: A trade which consists of two or more contract months from the same contract or different contracts. Otherwise known as strategy trades e.g. Fly, Condor, straddle / strangle trades.

transaction for their own benefit, which is transacted on the basis of and ahead of an order which it, or an associate, is to carry out with or for another person, which takes advantage of the anticipated impact of the order on the market. Members must also not withdraw nor withhold a client's order in whole or in part for their own benefit or the benefit of others.

- iii) Members involved in the solicitation or negotiation of a Block Trade may only disclose relevant details such as price, direction or volume to potential counterparties where this is necessary to facilitate its negotiation or agreement. Members should exercise care with respect to when and to whom they disclose these details. Members and their clients should be aware that information pertaining to a potential Contingent Agreement to Trade is non-public information and should be mindful that this could be inside information.
- iv) Once a Contingent Agreement to Trade has been reached, the details must not be disclosed to anyone except those party to the agreement prior to the details of the resultant Block Trade being broadcast by the Exchange.

## 6. Price

- i) Rule IV-1.3 requires Members to ensure that the price of any Block Trade represents Fair Market Value for that trade. Fair Market Value is interpreted as being a price that the Member considers to be the best available price for a trade of that kind and size at the time of agreeing the Block Trade. Moreover, Rule IV-1.3 also requires Members to ensure that they take into account the prevailing price and volume currently available in the market, the liquidity of the product on the relevant ICE Endex market and general market conditions. In doing so, the Member is not obliged to obtain prices from other Members, unless this would be appropriate in the circumstances.
- ii) When quoting a Block Trade price, the Member must, at the time, make it clear to the potential counterparty(ies) that the price being quoted is a Block Trade price and is not necessarily the prevailing market price.
- iii) There are a number of practical steps which Members can take in order to ensure that they are adhering to the Rules in relation to the pricing of Block Trades.
  - o Firstly, in relation to products where the central limit order book is populated, the Member should determine whether the difference (if any) between the Block Trade price and central limit order book prices is excessive, taking into account the liquidity of the product concerned, market depth in the central limit order book and the size of the Block Trade. In particular, Members should compare the intended price of the Block Trade with the price which could be achieved through execution in the central limit order book. In doing so, Members should consider the impact of any price slippage or execution delay which might be experienced in the case of execution in the central limit order book.
  - o Secondly, if the central limit order book has no bids or offers, the Member should consider both prices which have traded in the market earlier that day in the product concerned and spread relationships with related products. The Member should also assess whether the Block Trade price falls within or outside the daily high/low price for the product concerned as, depending on the size of the Block Trade and market conditions, this may be an indicator of excessive price slippage in the Block Trade price.
- iv) The Exchange monitors the prices of Block Trades, taking into account the considerations described above. Block Trades may become the subject of further investigation by the Exchange if, prima facie, they do not appear to represent Fair Market Value.

- v) Block Trades are neither included in the determination or calculation of any Settlement Price published by the Exchange, nor do they affect the daily published high and low trades.
- vi) Members shall be able to request or make contingent quotes or agree to facilitate contingent orders from a client in the same series, delivery month or strategy which may have the effect of achieving a transaction at an aggregate or average price inside the minimum price movement of the contract concerned provided that each component is greater than or equal to the relevant Block Trade minimum volume threshold. Furthermore, the average price may only be derived from two price levels which are one price level apart.
- vii) The use of volatility trades, where options are combined with futures at a specified delta, to achieve an overall price inside the minimum price increment of the contract concerned, is permissible in respect of all contracts.

## 7. Minimum Volume Thresholds

- i) The minimum volume threshold is the minimum number of lots as determined by the Exchange, from time to time, that can be submitted as a Block Trade.
- ii) Minimum volume thresholds are published on the website of the Exchange under **Market Resources**.
- iii) See **Section 10** of this Policy and article IV-1.5 and IV.1.6 of the Rules for details on aggregation of orders.
- iv) All option strategy trades may also be submitted as volatility trades. The minimum volume block threshold applicable to a volatility trade is in respect of the options leg, i.e. the volume of the related futures leg may be less than the options leg, depending on the relevant delta.
- v) Orders that form part of a Contingent Agreement to Trade that initiate a Block Transparency Auction must meet the applicable minimum volume threshold. Orders subsequently joining the Block Transparency Auction, after that auction has been initiated, are permitted at the applicable minimum volume threshold or above; however, such orders may legitimately result in Block Trades that are below the minimum volume threshold. Members initiating a Block Transparency Auction shall not engage in any practice which is intended to circumvent the minimum volume threshold via that auction. Moreover, Members initiating a Block Transparency Auction shall act in accordance with articles IV.1.18 through IV.1.24 of the Rules..

## 8. Reporting Time Requirements

- i) Details of a Block Trade must be entered into the Block Trade Facility within the specified time limit after agreement on the terms of the Block Trade was reached between the parties as set out in **Table 1** below. In the case of Non-crossed Trades (as defined in article IV-1.9 of the Rules), the details of the Block Trade must be both entered into the Block Trade Facility and accepted by the other Member within the specified time limit.
- ii) On the day of expiry of a contract, a Block Trade must be reported within the specified reporting time requirements or at any rate before the contract expires.
- iii) The time of the agreement of the Block Trade must be recorded by the Members on a durable medium.
- iv) The reporting time requirements are outlined in **Table 1**.

- v) No Block Trade can be reported, or accepted, later than the reporting times prescribed in **Table 1**.

## 9. Recordkeeping

- i) Members must ensure that orders and communications relating to Block Trades are performed on recordable mediums. Records must be maintained in accordance with the Rules, including but not limited to articles IV-1.7 and IV-1.8 of the Rules. All relevant records must be centrally stored, uneditable and, where requested, provided to the Exchange in a comprehensible format and in a timely manner.

## 10. Aggregation of Orders

- i) Members must not aggregate separate client orders in order to meet the minimum volume thresholds, except in the following circumstances:
  - a. The separate orders have the same beneficial owner;
  - b. The separate orders have different beneficial owners provided that each such order individually meets or exceeds the applicable minimum volume;
  - c. The orders are for funds which are operated by the same Fund Manager and traded by the same Fund Manager, pursuant to the same strategy.
  - d. In respect of options contracts, where a Member receives a Block Trade order which meets or exceeds the relevant minimum volume threshold, they may aggregate orders on the matching side only in order to facilitate negotiation of the Block Trade order.
- ii) Block Trade orders (for futures contracts only) for outright contract months or intra-commodity spreads may be combined to facilitate Block Trade orders for combination trades, so long as the volume of the order for the combination trade meets the minimum volume threshold of the relevant outright contract month or intra-commodity spread.

Members must ensure that combining orders in this way is not to the detriment of any client order.

## 11. Reporting to the Exchange and Registration

- i) Once a Block Trade has been agreed, Members must report the Block Trade details to the Exchange in accordance with articles IV-1.7 and IV-1.8 of the Rules.
- ii) Block Trades may be reported to the Exchange by the entry of the Block Trade details into the Block Trade Facility (or by any other means determined by the Exchange from time to time).
  - a. Where the Block Trade is agreed between different Members (“Non-crossed Trade”) one of the Members inputs into the Block Trade Facility its own side of the deal (i.e. either the buy or sell side of the trade) alleging the counterparty Member to the deal. The counterparty Member to the deal is required to accept the alleged Non-crossed Trade in the Block Trade Facility within the specified time period. Once the Non-crossed Trade has been accepted by the counterparty it flows through to the ICE Systems in the usual manner.

- i. In order to facilitate the swift matching of Non-crossed Trades the submitting Member must complete mandatory Order Reference and Contact Number fields in the Block Trade Facility to assist any queries prior to acceptance by the counterparty Member.
    - ii. Unless otherwise agreed by the relevant Members, Non-crossed Trades shall be entered by the buying Member in respect of Non-crossed Trades in single contract months. All legs pertaining to multi-legged combination Block trades should be entered into the Block Trade Facility by the Buyer of the front month.
  - b. Members may also directly allocate trades agreed on behalf of clients into the clients' accounts at the relevant clearing Member(s) through the Block Trade Facility. Members must have the permission of the relevant clearing Member(s) to register business on behalf of clients and must be set up in the system before agreeing the Block Trade.
  - c. Members who do not have direct access to the Block Trade Facility may report the details of agreed Block Transactions to the ICE Help Desk for entry into the Block Trade Facility provided that the Member, or the client(s) on whose behalf the Member is acting, has a clearing account with a Clearing Member.
- iii) The period of time for the submission of a Block Trade to the Exchange commences as soon as verbal agreement on the terms of the Block Trade is reached between the parties to the Block Trade. Verbal agreement on the terms of the Block Trade is synonymous with there being a Contingent Agreement to Trade, meaning that all trade details have been agreed between the parties and that the completion of the transaction is only subject to the confirmation of the Exchange. If there are any outstanding matters between the parties, such as the agreement to the transaction depending upon completion of related volume, a Contingent Agreement to Trade does not yet exist. In such circumstances, a broker may seek to elicit such related volume before submitting the original Contingent Agreement to Trade to the Exchange, provided such broker has a reasonable expectation of success in doing so within a reasonable period of time. Where this is not the case, the original Contingent Agreement to Trade should be submitted to the Exchange without delay. For example, if a broker states to a client that their fill is subject to completion of remaining volumes then the Exchange considers that no Contingent Agreement to Trade yet exists. Upon completion of the fills, the broker should confirm the Contingent Agreement to Trade with each client. All trading activity should have regard to Rule 1-18 (and any other applicable Rule pertaining to potential Market Abuse or other act of misconduct).
- For the avoidance of doubt, verbal agreement in relation to spread Block Trades is deemed to have been achieved at the time at which the parties agree to the differential or combination price.
- iv) Participants who do not have the relevant permissions from the Exchange or from their client's Clearing Member to register Block Trades on their behalf are prohibited from doing so. Parties seeking to register Block Trades must ensure, prior to agreeing a transaction with a client that all appropriate permissions and limits are in place to ensure the trade can be entered and that Exchange Regulations are complied with.
  - v) A Member submitting an outright Block Trade or a Block Trade Strategy via the Block Trade Facility may permissibly use the following flags within the Block Trade Facility in the following instances:



- **Minimum Quantity Requirement (“MQR”) bypass**

Members registering strategies that meet the applicable minimum volume threshold and LIS threshold for the strategy, but where it is not a recognised strategy in the Block Trade Facility and the individual legs are below the applicable minimums, may submit the individual legs of the strategy via the Block Trade Facility using the Minimum Quantity Requirement (“MQR”) bypass checkbox. Members must ensure that the “Transaction Details” text field on the Block Trade submission screen in the Block Trade Facility is populated with details the entire strategy (for example, Deal IDs of associated legs or, if one or more legs were executed on another exchange, the details including volume and product traded). Selecting Pre-Confirm in the Block Trade Facility without checking the MQR bypass checkbox will initiate a Block Transparency Auction for the respective leg of an Energy Contract.

- vi) It is permissible to use communication platforms or technologies to bilaterally request block trade markets from one or more market participants and to conduct privately negotiated block trades. It is not permitted to facilitate the registration of Block Trades in Exchange-traded products on a system or facility accessible to multiple parties that allows for the electronic matching of or the electronic acceptance of anonymous bids and offers. See Rule IV-1.17.

Parties may also use technologies supported by third parties which allow for the electronic posting of indicative block markets displayed to multiple market participants. However, Block Trades agreed between parties on the basis of such electronically displayed indicative markets may be transacted only through direct bilateral communications involving the broker, where applicable, and the parties to the trade. To demonstrate that the Block Trade based on such technologies was privately negotiated, the broker(s) or parties involved in a transaction must maintain and provide, when requested, documentation or correspondence that clearly evidences direct bilateral communications between the broker(s) and the parties to the trade.

## **12. Post Trade Confirmation & Publication**

- i) Subject to such details being within relevant clearing risk limits, the trade details will flow through to the ICE Systems and an ICE Endex Contract shall arise. The process will not continue if there are any issues with limits; in such instance, the affected party should contact its Clearing Member to remedy the issue.
- ii) In the event that the details of a Block Trade are reported to and entered into the Block Trade Facility by the ICE Help Desk, both parties to the Block Trade will receive a confirmation email. For such trades, parties must respond to the email as soon as possible if they disagree with any of the details booked on the trade. Note that if no objection is received within the reporting time period, or by the reporting deadline as the case may be, both parties to the Block Trade will be deemed to have accepted the trade.
- iii) The Block Trade Facility assigns each new trade a unique deal ID and provides an audit of all actions undertaken on the Block Trade Facility for that particular day.
- iv) The Exchange may check the validity of the details of a registered Block Trade. If the Exchange (following consultation, where necessary, with ICE Clear Europe and subject to

their right to refuse registration) is not satisfied that all such details are valid, it will void the Block Trade. Any decision by the Exchange not to register a Block Trade is final.

- v) Registration of a transaction does not preclude the Exchange from instigating disciplinary procedures in the event that the transaction is subsequently found to have been made other than in compliance with the Regulations.
- vi) Price and volume will be broadcast to the market immediately following acceptance by the Exchange for Block Trades.
- vii) Block Trades are identifiable with the following trade type codes:

Type of Trade	Trade Type Code
Block Trades	K
Block TAS trades	Z

### 13. Cancellation and Amendment

- i) A Member may cancel Block Trades reported to the Exchange through the Block Trade Facility. The self-cancellation of Block Trades will only be permitted for cross trades, or trades where both sides have been entered by the same Member, which were entered earlier on the same Trading Day. Members using this facility must ensure they enter a reason for the Block Trade cancellation when confirming the request for cancellation.
- ii) Members should contact ICE Endex Market Supervision regarding cancellation requests for all other non-crossed trades.
- iii) Adjustment of Block Trades entered via the Block Trade Facility is also available at any time on the business day following the reporting of the Block Trade to the Exchange. This next-day adjustment establishes an offsetting trade and a new trade with the corrected details.

This facility will not apply to Block Trade at settlement trades (“Block TAS”), or balmo contracts.

- iv) The Exchange will monitor all requests for trade cancellations and may take disciplinary action against Members that make excessive requests compared to the level of business they undertake. Deliberate submission of inaccurate trades would be regarded as potentially manipulative and amount to serious misconduct.
- v) Block trades arising as a result of a consummation of a join order in the Block Transparency Auction may not be cancelled.
- vi) The Exchange reserves the right to apply its discretion to cancel a Block Trade where it deems such a cancellation would be in the interests of the maintenance of a fair and orderly market.

## Appendix - Block Trade Reporting Time Requirements

Table 1

<b>Contract</b>	<b>Reporting time</b>
Futures	Within 15 minutes after the trade being completed, but no later than the closing time listed in Appendix B.1 of the Rules
Options	Within 15 minutes after the trade being completed, but no later than the closing time listed in Appendix B.1 of the Rules