



GUIDANCE

ICE Futures Singapore

Open Interest

16 December 2015

GUIDANCE on Open Interest (OI) Rules

Applicable Rules

The Exchange has provided under G.17 the explanation of open interest which is a figure published daily by the Exchange. This rule should be read in tandem with the Clearing Rules and Procedures, as the open interest calculation is based on the Open Contract Positions in the books and records generated from the Clearing Process System of the Clearing House.

Exchange Rules:

www.theice.com/publicdocs/futures_singapore/circulars/SIDOCs0117183-v16-ICE_Futures_Singapore_Exchange_Rules.pdf

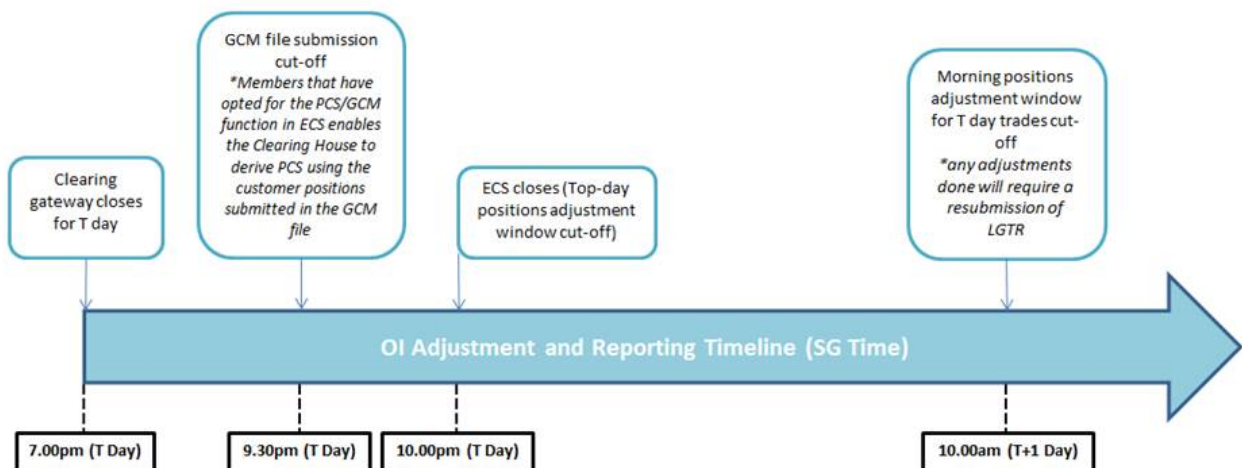
Clearing Rules:

www.theice.com/publicdocs/clear_singapore/circulars/SIDOCs01-ICE_Clear_Singapore_Clearing_Rules.pdf

Clearing Procedures:

www.theice.com/publicdocs/futures/ICE_Clear_Singapore_Clearing_Procedures.pdf

OI Adjustment and Reporting Process



FAQ

1. What is open interest?

The clarification is given in Exchange Rule G.17.1 where a Member's open interest in any Exchange Future, is the number of lots, long or short, which the Member holds either for its Own Business or on behalf of clients which will either be:

- offset by trading out in the Market; or
- taken to delivery or cash settlement.

2. How is the open interest of an Exchange calculated?

The open interest figures published daily by the Exchange are calculated on the basis of the number of Contracts held by Members which remain open (Exchange Rule G.17.2). These positions are maintained in sub-accounts (G.17.3) as set out in sections 2.3, 2.4 and 3.2 of the Clearing Procedures within the Clearing Processing System of the Clearing House.

The calculation of open interest will take into account any settlements and position transfers carried out before the cut-off time which occurs on the subsequent Trading Day (Exchange Rule G.17.4). All close outs and position transfers must be performed by Members in a fashion and at a time in accordance with Market Rules (2.4 of Clearing Procedures).

In Clearing Rule 406, it's stated that "at the end of each Business Day or at such other frequency as the Clearing House determines at its discretion either generally or in respect of any Clearing Member, the Clearing House will calculate Open Contract Positions in its books and records. Settlement or revaluation of Open Contract Positions and Contracts will take place pursuant to the applicable Contract Terms and through the Clearing Processing System."

3. Is there a cut-off time for Members to close out and report their open contract positions?

Members are responsible for inputting any required manual netting or close-out instructions in relation to all subaccounts (2.4 of Clearing Procedures) by 10am on the subsequent trading day, such that all open positions held in the Clearing Processing System represent the Contracts held by the Member which remain open.

There are two methods that Members may use to close out their open contract positions:

- Manually, through Position Change Submission (PCS)
- Automatically, through the Gross Customer Margin (GCM) file submission. Please note that the cut-off time for the GCM file submission is 9.30pm on the Trading Day. It is

possible to provide additional manual adjustments through PCS after 9.30pm, but before 10am the subsequent trading day.

4. Is there any other position reporting obligation for the Members?

Exchange Rule J.2 requires each Member or Person that owns, controls, or carries for another Person an account with reportable positions in any Exchange contract to furnish a daily report by 10am to the Exchange. The template is specified by the Exchange in the Large Trader Reporting (LGTR) template.

The positions

in the LGTR must reconcile with the open positions held in the Clearing Processing System and should represent the Contracts held by the Member which remain open.

You may refer to the link https://www.theice.com/publicdocs/futures/LGT_IFSG_Thresholds.pdf for the Guidance issued.