



Atlanta Calgary Chicago Houston London New York Singapore Winnipeg

Automated Trading System Questionnaire

ICE recommends that participants in its markets operating an Automated Trading System ("ATS") comply with the Futures Industry Association's **Recommendations for Risk Controls for Trading Firms** ("the Recommendations").

ICE is considering, in conjunction with its regulated markets and exchanges, the extent to which such requirements might be made mandatory. This questionnaire is based on the Recommendations. ICE requests that participants outline the extent to which they comply with existing best practice and explain the reasons for any departures. Completion of this questionnaire will allow ICE to determine how best to implement requirements regarding ATSs, and any potential challenges ATS operators might face in meeting the requirements.

Participants are asked to indicate the ICE markets in which they operate ATSs. If the participant operates ATSs in more than one ICE market, this questionnaire does not need to be completed more than once. However, if an answer varies between ICE markets, the respondent should indicate this in the response. Similarly, if the answer varies between ATSs, whether across ICE markets or within a given ICE market, this too should be indicated within the response.

ICE Participant Name: _____

ICE markets in which at least one ATS is operated:
(please check all that apply)

- ICE Futures Europe
- ICE Futures U.S.
- ICE OTC
- ICE Futures Canada

	Question	Yes	No	N/A	Explanation if No or N/A
1	Is each ATS you operate supervised at all times while operating in ICE's markets?				
2	Do staff overseeing each ATS have training, experience and tools that enable them to monitor and control the trading systems and troubleshoot and respond to operational issues in a timely and appropriate manner?				

	Question	Yes	No	N/A	Explanation if No or N/A
3	Are trading operations staff trained on the expected operating parameters of any ATS for which they are responsible (e.g. orders per second, maximum position and maximum order quantities of each algorithm)?				
4	Does your firm have policies and procedures for ensuring that appropriate staff involved in supporting electronic trading operations have the necessary authorizations with relevant ICE markets in which you participate to inquire about order status, manage orders, execute trades and invoke exchange error trade policies?				
5	Does your firm have policies and procedures for ensuring that appropriate staff involved in supporting electronic trading operations have the necessary authorizations with appropriate brokers to manage orders and execute trades?				
6	Does your firm have procedures for tracking and updating the authorizations referenced in 4 and 5 above?				
7	Does each ATS have a management console to display information about actions and market exposure to the ICE exchange?				
8	Does the management console provide the staff with the capability to control the ATS?				
9	Does your firm have policies and processes for setting, modifying and tracking changes to pre and post-trade risk checks?				
10	Do any policies in respect of 9 above specify the following: who is authorized to enter, view and modify pre- and post-trade checks, which checks are enforced, and in what manner?				
11	Does your firm have processes in place to allow representatives from trading, risk, and software				

	Question	Yes	No	N/A	Explanation if No or N/A
	management to approve changes and verify internal testing before a new trading system can be enabled in production?				
12	Does your firm have documented procedures that direct the actions of traders, ATS trading monitors and support staff in the event of a trading system error?				
13	Do any policies in respect of 12 above specify people to be notified in the event of an error resulting in violations of risk profile, or potential violations of exchange rules?				
14	Does your firm establish and automatically enforce pre-trade risk limits?				
15	Do pre-trade risk limits you operate include limits on position size?				
16	Do pre-trade risk limits you operate include limits on order size?				
17	Do pre-trade risk limits you operate include limits on volume transacted?				
18	Are risk limits implemented in multiple independent pre-trade components of each ATS you operate?				
19	Do the pre-trade risk limits noted in Questions 14 – 18, above, also function on an aggregate basis for all ATSs operated by your firm?				
20	Does each ATS have upper and lower limits on the price of the orders it can send, configurable by product?				
21	Does each ATS take a specified action (have an alert, pause, or automatically disable) if an unusual price move occurs during a specified timeframe?				
22	Does each ATS take a specified action (have an alert, pause, or automatically disable) if an unusual volume spike occurs during a specified timeframe?				
23	Does each ATS have upper limits on				

	Question	Yes	No	N/A	Explanation if No or N/A
	the size of the orders they it can send, configurable by product?				
24	Does each ATS have functionality in place that monitors the number of times a strategy is filled and then re-enters the market without human intervention?				
25	Is each ATS configured so that after a configurable number of repeated executions an algorithm is disabled until a human re-enables it?				
26	Does your firm have limits in place on the number of order messages each ATS can send to the exchange in a short period of time?				
27	Does each ATS have "reasonability checks" on incoming market data as well as on generated values.				
28	Does each ATS have a manual "kill button" that, when activated, disables the system's ability to trade and cancels all resting orders.				
29	Does each ATS monitor "heartbeats" among their various components as well as with the exchange to identify when connectivity to any system component or the exchange has been lost?				
30	If connectivity is lost, is each ATS disabled with working orders cancelled by the system?				
31	Do trading operations staff have contact details for incident response personnel responsible for network connectivity, software development, third-party vendors and the ICE Helpdesk?				
32	Does your firm have alternate execution platforms available to traders or trading monitors in the event that primary systems or direct market access fail?				
33	Does your firm have documented procedures for alternative trade execution methods (including trading				

	Question	Yes	No	N/A	Explanation if No or N/A
	desk phone numbers, account numbers, clearing information as applicable) in the event electronic trading is not feasible?				
34	When trades are executed through alternative methods, does your firm have logs documenting the execution of such trades and recording the relevant trade details				
35	Does your firm establish and automatically enforce any post-trade risk limits?				
36	Does your firm establish and automatically enforce post-trade risk limits by instrument or asset class, aggregated for all ATSs operated?				
37	Does your firm set daily loss limits by instrument or asset class, aggregated for all ATSs operated?				
38	Does your firm set daily loss limits by strategy?				
39	Is each ATS configured automatically to close out or reduce positions if any limits are breached?				
40	Does each ATS monitor order fill messages they receive from the exchange in order to confirm they are valid?				
41	Does each ATS have functionality to accept drop-copies from ICE and/or from your clearing firm?				

Participants should be prepared to produce written policies or procedures that document and support the responses provided above in the event that ICE should request such documentation.

I hereby confirm on behalf of (insert firm name) that the above responses are correct to the best of my knowledge and belief.

Authorized Firm Signatory: (Officer, Executive, etc.)

Name: _____ Title: _____

Date: _____ Email: _____

Please return this questionnaire, no later than **March 31, 2012**, to any one of the following:

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