

01 JUNE 2018

CIRCULAR 18/101 ICE FUTURES EUROPE ONE MONTH SONIA INDEX FUTURES LIQUIDITY PROVIDER PROGRAMME

CATEGORY

Trading

ATTACHMENTS

None

The purpose of this Circular is to invite applications for Liquidity Provider (“LP”) status in ICE Futures Europe One Month SONIA Index Futures (“SONIA Futures”).

The LP Programme will run for a 12 month period from 04 June 2018 to 31 May 2019 inclusive and will apply to both Central Order Book Trades and Block Trades.

Programme Obligations

LPs will be obliged to quote for 75% of the Liquid Trading Day, which is defined as being between 07:30-18:00 London time.

LPs will also be required to quote at a benchmark spread and size that promotes a liquid market across the front four outright Futures contracts and the front seven one month Calendar Spreads that have one month intervals. Please see the below table that outlines the quoting requirements:

Futures Contract	Qty	B/A Spread	Presence
SONIA Futures - (Contracts 1-3)	200	0.010	75%
SONIA Futures - (Contracts 4)	200	0.015	75%
One Month Calendar Spreads	Qty	B/A Spread	Presence
SONIA Cal Spread (front months 1-7)	200	0.010	75%

Commercial Terms

LPs will receive a fee rebate of £0.56 from the Exchange (£0.11 in respect of the Exchange Fee and £0.45 in respect of the Clearing Fee) in relation to LP traded volume.

In addition, in return for fulfilling the benchmark obligations, Programme participants will be eligible to share in a monthly performance-based pool of cash. Performance will be assessed based upon volume traded and the relative allocation will be awarded as follows: 35%, 25%, 20%, 10% and 10%. In the event that there are fewer than 5 participants, the unallocated cash will be distributed on a volume pro rata basis to participating LPs, subject to an individual cap of 85% per month.

For the purposes of ranking LP performance, each lot of volume in the respective “Contract Bucket”, as outlined in the below Table, shall have a weighting of 1. The Exchange reserves the right to adjust the weighting of lots within a Contract Bucket before the beginning of any month.

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Contract Bucket	Lot Weighting
SONIA Futures - (Contracts 1-3)	1
SONIA Futures - (Contracts 4-6)	1
SONIA Futures - (Contracts 7-9)	1
SONIA Futures - (Contracts 10+)	1

A total market-wide monthly volume threshold of a minimum of 5,000 lots of One Month SONIA Index Futures applies for the cash pool to be awarded for the month in question.

Participation

An LP is a company, or a trading desk within a company, whose primary function is to provide liquidity provision services by maintaining current, firm bid and offer prices for the relevant registered account(s). Specifically, appointed LPs in SONIA Futures will provide competitive two-way prices and order size throughout the trading session to attract customer order flow.

LPs will be selected by the Exchange on the basis of:

- i) The applicant's ability to provide liquidity provision services;
- ii) The applicant's previous liquidity provision experience.

The Exchange's decision with respect to the appointment of participants will be final. Furthermore, the Exchange reserves the right to suspend or withhold all or part payment of rebates and or cash.

The Exchange will be monitoring all activity executed on the ICE Platform and may instigate disciplinary procedures in the event that any transaction is subsequently found to have been made other than in compliance with the Regulations.

The Exchange requests Members and their customers with an interest in joining the Programme to contact the Exchange by emailing rates@theice.com or calling +44 (0)20 7429 4640.

Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:



Phil Redman
Senior Director, Market Oversight

FOR MORE INFORMATION, PLEASE CONTACT:

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