

06 DECEMBER 2018

CIRCULAR 18/217

ICE FUTURES EUROPE MSCI INDEX FUTURES: CHANGE TO RULES AND PROCEDURES FOR MSCI INDEX FUTURES IN THE EVENT OF AN UNEXPECTED MARKET CLOSURE EVENT AS DEFINED BY MSCI INC.

CATEGORY

Trading

ATTACHMENTS

Attachment 1: Rules Sections MMMMMM and NNNNNN

Attachment 2: Rules Sections OOOOOO and PPPPPP

As a result of Member feedback following the market consultation set out in [Circular 18/121](#) dated 10 July 2018, the Exchange has decided to implement the MSCI Unexpected Market Closure Indexes methodology from 01 March 2019, ready for the March 2019 expiry. The purpose of this Circular is to advise Members of proposed changes to be made to the process for establishing the Exchange Delivery Settlement Price (“EDSP”) of the MSCI Index Futures¹ in the event of an Unexpected Market Closure Event as defined by MSCI Inc. (“MSCI”).

The MSCI Unexpected Market Closure Indexes methodology can be found [here](#).

In the event that MSCI declare an Unexpected Market Closure event, as defined in the MSCI Unexpected Market Closure Indexes methodology, on the Last Trading Day (“LTD”) of an expiring MSCI Index Futures contract, the EDSP for the affected MSCI Index Futures contract will be derived from the new Unexpected Market Closure Index as calculated by MSCI and not the Closing Index Value on the LTD as is the case today. The LTD for the affected expiring MSCI Index Futures contract will remain unchanged. However, the final settlement process for the affected contract maybe delayed for up to five business days, in order to accommodate for the re-opening of the affected market(s) that underwent the Unexpected Market Closure Event. The EDSP for the affected expiring contracts will be published on the business day after MSCI publish the new Unexpected Market Closure Index.

Contract Rules

Members are advised of the proposed amendments to the Contract Rules MMMMMM and Contract Rules OOOOOO to reflect the changes described above. In addition, there are proposed amendments to Contract Rules NNNNNN and Contract Rules PPPPPP for the purposes of clarification and avoidance of doubt. The Rules Amendments are set out in the attachments to this Circular.

I therefore give formal notice, on behalf of the Board, in accordance with the Code of Practice that it proposes the change to the Exchange Regulation set out in the attached. The Code of Practice provides that any written request for the Board to consider whether the Code of Practice has been adhered to must be received by the Secretary within fourteen days of the date of this Circular. In the absence of any such request the proposed change will come into effect on 01 March 2019.

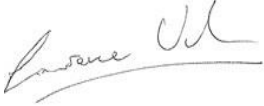
Should you have any questions in relation to this Circular or require further information, please contact the Equity Derivatives team by phone on +44 (0)20 7429 4635 or email equities@theice.com.

¹ With the exception of the MSCI Min Volatility MSCI Europe Index Future (MVE), MSCI Min Volatility MSCI Emerging Markets Index Future (MVM), MSCI Min Volatility MSCI World Index Future (MVW), MSCI EQL WEIGHT MSCI Europe Index Future (EWE), MSCI EQL WEIGHT MSCI Emerging Markets Index Future (EWM), MSCI EQL WEIGHT MSCI USA Index Future (EWS), MSCI EQL WEIGHT MSCI World Index Future (EWW), MSCI EMU 100% Hedged to USD Index Future (MHE), MSCI Japan 100% Hedged to EUR Index Future (MHI), MSCI World 100% Hedged to EUR Index Future (MHN), the EDSP for these contracts will continue to be the Closing Index Value.

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

Signed:



Laurence Walton
Head of Regulation and Compliance

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