



# CIRCULAR

18 November 2015

## INTRODUCTION OF EXCHANGE MESSAGING POLICY

### CATEGORY

Trading

### MARKET

Futures

This circular is to inform you of the intention of ICE Endex (“the Exchange”) to introduce Exchange Messaging Policy (“the Policy”) for ICE Endex futures products.

The Exchange Messaging Policy will be effective per Monday 23 November 2015.

### EXCHANGE MESSAGING POLICY

The level of computer-generated order-flow on the Exchange has progressively increased. In some circumstances, inefficient and excessive messaging can slow the performance of the ICE Platform and increase bandwidth and other operational requirements for Members.

The Policy is designed to discourage inefficient and excessive messaging without compromising market liquidity and sets out certain messaging thresholds which it expects market participants not to exceed. Most market participants’ trading activity operates well within the thresholds set out in this Circular. The Exchange will levy charges on those Members whose system usage per firm as configured on the ICE Platform (whether the firm is the Member itself or a client of the Member) exceeds certain thresholds.

### SCOPE OF THE POLICY

This Policy applies to such exchange contracts as shall be designated from time-to-time (“the Designated Contracts”). The initial Designated Contract is ICE Endex TTF Natural Gas Future. The Policy will apply to those firms who enter more than (i) 100,000 messages in the Designated Contract. For the purposes of the Policy, each order submission, revision, hold, cancel/replace and/or consummation constitutes a message.

### WEIGHTED VOLUME RATIO

The Weighted Volume Ratio (“WVR”) is defined as the total number of messages sent to the ICE Platform multiplied by a price-based weighting scale divided by the total number of lots traded. The result is a figure for weighted messages per executed contract.

Each message is weighted as shown below.

Price difference from best bid or offer	Price-based weighting multiplier		Description
	Outrights	Spreads	
None (best bid or offer)	0	0	If the price is the best bid or offer, it will not be counted.
At market bid or offer	0	0	If the price equals the best bid or best offer, it will be counted.

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1 tick off market	0.5	0.25	If the price is within one minimum price fluctuation (“tick”) of the best bid or offer <b>it will count as one half (0.5) of a message in an outright market and one quarter (0.25) of a message in a spread market.</b>
2 ticks off market	1.0	0.5	If the price is within two (2) ticks of the best bid or best offer <b>it will count as one (1) message in an outright market and half (0.5) a message in a spread market.</b>
3 to 5 ticks off market	2.0	1.0	If the price is between three (3) and five (5) ticks from the best bid or best offer <b>it will count as two (2) messages in an outright market and one (1) message in a spread market.</b>
More than 5 ticks off market	3.0	2.0	If the price is more than five ticks from the best bid or best offer <b>it will count as three (3) messages in an outright market and two (2) messages in a spread market.</b>

### WVR THRESHOLDS

Firms who exceed a WVR of 100:1 in a Designated Contract on a particular trading day will receive an electronic notification.

**Firms who equal or exceed a WVR of 100:1 in any Exchange contract or spread market for seven (7) or more trading days in any calendar month will be subject to a one thousand dollar (EUR 1000,-) charge for that calendar month.**

**Firms who equal or exceed a WVR of 500:1 in any Exchange contract or spread market on any trading day will be subject to a two thousand dollar (EUR 2000,-) surcharge per day for every day that the WVR of 500:1 has been exceeded.**

Firms with direct access may obtain information regarding their messaging at the ICE website, [www.theice.com](http://www.theice.com).

### RESTRICTION OR SUSPENSION OF ACCESS

In addition to the introduction of the charges, the Exchange retains the right to restrict or suspend access to Exchange markets listed on the ICE platform should the Exchange determine that the message usage associated with any Firm becomes capable of impairing the orderly conduct of business. Such determination will be made by the Exchange in its absolute discretion and may be made at any time and, of necessary, any consequent restriction or suspension may be implemented immediately and without notice.

Please ensure appropriate staff within your organisation are advised of the content of this Circular.

### FOR MORE INFORMATION, PLEASE CONTACT:

Laurent Pierre Virassamy | Head of Market Supervision | +31 20 305 5144 | [laurent.virassamy@theice.com](mailto:laurent.virassamy@theice.com)

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