



# **ICE Futures Abu Dhabi Messaging Guidance**

February 2021

1. SCOPE OF GUIDANCE.....	2
2. WEIGHTED VOLUME RATIO .....	2
3. WVR THRESHOLDS.....	3
4. RESTRICTION OR SUSPENSION OF ACCESS.....	4

**Version Control**

Version	Date	Overview of amendments made
1.00	August 2020	New Guidance
1.01	February 2021	Reviewed for publication

## ICE Futures Abu Dhabi Messaging Guidance

The level of computer-generated order-flow on exchanges has progressively increased since the exchanges business became fully electronic. In some circumstances, inefficient and excessive messaging can slow the performance of the electronic trading system (“ETS”) and increase bandwidth and other operational requirements for Members. In order to address this concern, ICE Futures Abu Dhabi (“the Exchange”) implemented the Exchange Messaging Guidance (“the Guidance”).

The Guidance is designed to discourage inefficient and excessive messaging without compromising market liquidity and sets out certain messaging thresholds which it expects firms with Direct Market Access not to exceed. Most trading activity for firms with Direct Market Access operates well within the thresholds set out in this Guidance. The Exchange will levy charges on those firms with Direct Market Access whose system usage per firm as configured on the ETS exceeds certain thresholds.

### 1. SCOPE OF GUIDANCE

This Guidance applies to such Exchange contracts as shall be designated from time-to-time (“the Designated Contracts”). The initial Designated Contract Murban Crude Futures. The Guidance will apply to those firms with Direct Market Access who enter more than the number of messages specified in the table below in any Designated Contract market on a particular trading day. For the purposes of the Guidance, each order submission, revision, hold, cancel/replace and/or consummation constitutes a message.

Designated contracts	Message Threshold
<b>Murban Crude Futures</b>	100,000

### 2. WEIGHTED VOLUME RATIO

The weighted volume ratio (“WVR”) is defined as the total number of messages sent to the ETS 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 set out below.

Price difference from best bid or offer	Price based weighting multiplier		Description
	Outrights	Spreads	
<b>None (best bid or offer)</b>	0	0	If the price is the best bid or offer, it will not be counted
<b>At market bid or offer</b>	0	0	If the price equals the best bid or best offer, it will not be counted
<b>1 tick off market</b>	0.5	0.25	If the price is within one minimum price fluctuation ("tick") of the best bid or best offer <b>it will count as one half of a message for an outright market and one quarter of a message for a spread market</b>
<b>2 ticks off market</b>	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 for an outright market and half (0.5) a message for a spread market</b>
<b>3 to 5 ticks off market</b>	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 for an outright market and one (1) message for a spread market</b>
<b>More than 5 ticks off market</b>	3.0	2.0	If the price is more than five (5) ticks from the best bid or best offer <b>it will count as three (3) messages for an outright market and two (2) messages for a spread market</b>

### 3. WVR THRESHOLDS

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

**Firms with Direct Market Access who exceed a WVR of 100:1 in any Designated Contract or spread market for seven (7) or more electronic trading days in any calendar month will be subject to a one thousand dollar (\$1,000) surcharge for that calendar month.**

**Firms with Direct Market Access who meet or exceed a WVR of 500:1 in any Designated Contract or spread market on any electronic trading day will be subject to a two thousand dollar (\$2,000) surcharge per day for every day that the WVR of 500:1 has been met or exceeded.**

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

Firms with Direct Market Access who are enrolled in any official Exchange Liquidity Provider Program will be monitored under the guidelines set forth in this Messaging Guidance; however, such Liquidity Providers may be exempted from the surcharges listed below with such exemption to be determined on a case-by-case basis according to specific circumstances, which include but are not limited to, the liquidity of the particular market and the volume and number of trades by such Liquidity Provider in the particular market.

## **4. RESTRICTION OR SUSPENSION OF ACCESS**

In addition to the surcharges, the Exchange retains the right to restrict or suspend access to Exchange markets listed on the ETS should the Exchange determine that the message usage associated with any firm with Direct Market Access becomes capable of impairing the orderly conduct of business. Such determination will be made by the Exchange in its absolute discretion, such as in the event of a breach of article A.11A of the Exchange rules about systems and controls for members engaging in algorithmic trading, and may be made at any time and, if necessary, any consequent restriction or suspension may be implemented immediately and without notice.