

NOTICE

July 20, 2018

UPDATE AND REMINDER ON OPERATIONAL ISSUES RE: ICE FUTURES CANADA CANOLA CONTRACTS TRANSITION TO ICE FUTURES U.S.

Effective with the start of trading for Monday July 30, 2018, the ICE Futures Canada (“IFCA”) Canola futures and options contracts will transition to ICE Futures U.S., Inc. (“IFUS”). With that migration to IFUS, these contracts will become subject to IFUS Rules and procedures which, in some cases, are different from the IFCA Rules and procedures for these contracts. The purpose of this Notice is to provide information on several of these issues in advance of the migration of the contracts to IFUS.

I. GTC and GTD Orders

All Good Till Cancelled (“GTC”), Good Till Date (“GTD”) and Good Till Date & Time (“GTD&T”) orders for Canola futures and options which are resting on the IFCA electronic trading system as of the close of business on July 27, 2018 will be cancelled. Resting orders will not be transferred, and must be re-entered on the IFUS electronic trading system for the open of trading on July 30, 2018. (This may also be the case for orders managed by front end systems; please contact your front end system provider with any questions on how they are handling resting orders in the migration from IFCA to IFUS.)

II. Order Types

Each of the following order types are and will continue to be supported for the contracts before and after the transition to IFUS on the ICE ETS: Market Orders; Limit Orders; Stop Orders (including Stop Limit Orders and Stop Orders With Protection); Calendar Spread Orders; User Defined Spreads; and Trade at Settlement Orders.

In addition, each of these functionalities are and will continue to be supported for the contracts before and after the transition: Reserve Quantity; Good ‘Till Cancelled; Good Till Date; Good Till Date and Time; Good After Logout; Fill and Kill; and Fill or Kill. IFUS Rule 4.17 - Acceptable Orders listing these order types and functionalities can be found [here](#).

The Negotiated Option Strategy (“NOS”) for Canola options contracts as provided in IFCA Rule 8D.14 will not be supported on IFUS. Alternatively, after the transition, both Canola futures and options orders and trades resulting from pre-trade discussions will be subject to the provisions of IFUS Rule 4.02 which permits pre-execution communications. Information on permitted pre-trade communications and orders resulting from them can be found [here](#).

Also, while the current IFCA No Cancellation Range (“NCR”) and Reasonability Limit (“RL”) levels of \$6.00 and \$8.00 respectively will be in place after the transition, there is one change to the use of these levels

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with regard to Market Orders. Under the IFCA Rules, a market order will not trade outside the NCR; after the transition to IFUS, a canola market order will not trade outside the RL. This change will provide for the same treatment of market orders for canola contracts that is already in place for the existing IFUS agricultural contracts. Information on the IFUS NCR and RL levels and procedures can be found [here](#).

III. Exchange and Clearing Fees

Effective with the transition to IFUS, Exchange and Clearing Fees for the Canola futures and options contracts (per side) will be charged in U.S. dollars and will be:

Screen Trades - \$0.80
EFRP Trades - \$1.36
Crossing Order Trades - \$0.96

The full listing of Exchange and Clearing Fees for all ICE Futures U.S. contracts can be found [here](#).

IV. Margins

With the transition of these products to IFUS, the Canola futures and options contracts will be cleared by ICE Clear U.S. Inc. ("ICUS"). Under ICUS policy, the only acceptable initial margin will be U.S. dollars and U.S. Treasuries. Canadian dollars and Treasuries will not be acceptable for this purpose. (Variation margin will continue to be paid and collected in Canadian dollars.) Additional information on clearing issues can be found in [ICUS Notices](#).

V. Position Limits, Hedge Exemptions and Large Trader Reporting

With the transition of these products to IFUS, the Canola futures and options contracts will be subject to IFUS position limit and position accountability Rules and procedures, including the granting of position limit exemptions pursuant to IFUS Rule 6.29. Guidance on these Rules and procedures can be found [here](#). Pending regulatory review, the Spot Month Position Limit for Canola futures will be 3,000 contracts, and the Single Month and All Months Combined Position Accountability level for Canola Futures and Options contracts will be 6,000 futures equivalent contracts.

Clearing Members, Carrying Members and foreign brokers are required to submit daily large trader reports to the Exchange for positions at or above a reportable threshold, which for Canola futures and options contracts shall be 25 contracts. Large trader positions in Canola contracts must be reported daily under Exchange Code 06 before 9:00 a.m. Eastern Time.

Upon the first instance an account exceeds an Exchange reportable threshold, Clearing Members, Carrying Members and foreign brokers must submit OCR information related to the account to Market Regulation within 3 business days of the position or account becoming reportable. All Clearing Members and reporting firms must update any OCR information reported to the Exchange when such information changes or becomes inaccurate. Please see Exchange guidance dated [April 26, 2016](#) and [September 27, 2017](#) related to OCR.

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VI. Open Interest Reporting

The current “two day rule” for position offsets under IFCA Rule 8A.03 will not apply when the contracts transition to IFUS. Under IFUS and ICUS Rules, Clearing Members must apply any position offsets by the ICUS position adjustment deadline, which is 9 am NY Time on the Business Day following each trading day.

VII. Audit Trail Requirements

Effective with the transition of the contracts to IFUS, the recordkeeping and audit trail requirements of IFUS Rules 4.19, 6.07 and 6.08 will be applicable to these contracts. The full set of IFUS Rules can be found [here](#).

VIII. 2018 Holiday Calendar

As previously announced, there will be no trading of IFUS Canola futures and options contracts on each of the following days in 2018:

Monday, August 6, 2018 - Terry Fox Day
Monday, September 3, 2018 - Labour Day
Monday, October 8, 2018 - Thanksgiving Day
Monday, November 12, 2018 - Remembrance Day (observed)
Tuesday, December 25, 2018 - Christmas Day
Wednesday, December 26, 2018 - Boxing Day

The Canola holiday calendar for 2019 can be found [here](#).

FOR MORE INFORMATION:

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