

TRADING PROCEDURES

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**SECTION 0: DEFINITIONS**

These Trading Procedures are "Trading Procedures" as defined in the ICE Futures Abu Dhabi Limited Rules and are subject to the Rules of ICE Futures Abu Dhabi, including, without limitation, Rules A.1 and A.2.3. These Trading Procedures, and all non-contractual obligations arising out of or in connection with them as between the Exchange and the Members, or such other Persons Subject to the Rules, are governed by and shall be construed in accordance with the laws of Abu Dhabi Global Market.

In these Trading Procedures, the definitions in Rule A.1 will apply and, moreover, the words standing in the first column of the following table shall bear the meanings set opposite them in the second column thereof unless the context otherwise requires:

<b>TERM</b>	<b>DEFINITION</b>
"Closing Prices"	means the prices determined in accordance with Trading Procedure 2.5A for designated Futures Contracts;
"Marker Period"	has the meaning given to the term in Trading Procedure 2.4.12;
"Official Settlement Price"	means the prices determined by the Exchange in accordance with Trading Procedure 2.4.11;
"UTC"	means the Coordinated Universal Time issued and maintained by the timing centres listed in the latest International Bureau of Weights and Measures annual report on time activities; and
"Unofficial Settlement Price"	means the prices determined by the Exchange in accordance with Trading Procedures 2.4.4 to 2.4.10.

## SECTION 1: TRADING

### 1 ACCESS TO THE ELECTRONIC TRADING SYSTEM

- 1.1 Access by a Member to the ICE Platform may only be obtained during the Trading Hours determined by the Exchange from time to time in accordance with the Rules.
- 1.2 A Member may access the Trading Server by using the Front End Application provided by the Exchange or by using, where available, any other Front End Application developed by the Member or provided by an ISV which meets all the Conformance Criteria determined by the Exchange from time to time.
  - 1.2.1 A Member shall not enter orders into or make trades through the ICE Platform, or perform any supervisory role except through one or more individuals registered with the Exchange as Responsible Individuals pursuant to Trading Procedure 14.
  - 1.2.2 Trading may also be conducted by other individuals within the Member, provided such individuals are suitably and adequately trained, have any required permissions under Applicable Law in accordance with Rules A.11.1(c) and A.11.1(e) and are registered with the Exchange. These individuals may only submit orders under the ITM(s) of a Responsible Individual registered to the Member and under his supervision.
  - 1.2.3 Trading may also be conducted by a Member's clients (order routing) where access to the ICE Platform is granted by the Member to clients, provided the client orders are submitted under an ITM assigned to a Responsible Individual and under the relevant Responsible Individual's supervision.
- 1.3 In order to gain access to the ICE Platform for the purpose of entering an order, making a trade or performing a supervisory role, a Responsible Individual must:
  - (a) be registered by a Member with the Exchange as a Responsible Individual;
  - (b) use the ITM, log on and use the password allocated to him by the Exchange;
  - (c) be able to obtain the use of his Member's ICE Platform workstation and to enter orders, make trades or perform a supervisory role in accordance with the ICE Platform User Guide or where the Member uses any other Front End Application in accordance with that Front End Application user guide; and
  - (d) be registered as is required by Applicable Laws with any relevant Regulatory Authority and have any relevant Authorisation, if applicable.
- 1.4 [Not used.]
- 1.5 A Member shall:
  - (a) establish its trading arrangements such that each Responsible Individual is able to meet the requirements set out in Trading Procedure 1A and that all other relevant obligations contained in the Rules are complied with;
  - (b) implement suitable security measures such that only those individuals explicitly authorised to trade by the Member may gain access to passwords;
  - (c) keep the Exchange promptly informed of anything concerning the Responsible Individual which might reasonably be expected to be disclosed to the Exchange (it being noted that this duty shall arise as soon as the Member becomes aware, or has reasonable grounds for believing, that a matter requiring disclosure has arisen);
  - (d) ensure that any trading access granted to individuals (whether staff of the Member or otherwise), for example by way of order routing systems, is adequately controlled and supervised, including the ability to make appropriate checks before any orders are submitted to the Trading Server; and
  - (e) in respect of business conducted on the ICE Platform, only operate a Front End Application or order routing system, which complies with the Conformance Criteria determined by the Exchange from time to time, unless with the prior written approval of the Exchange.
- 1.6 A Member may also access the ICE Platform through individuals who are not Responsible Individuals for the purposes of viewing price data only.

### 1A THE RESPONSIBLE INDIVIDUAL

- 1A.1 A Responsible Individual may trade himself and/or be a trading supervisor.
  - 1A.1.1 [Not used.]

- 1A.1.2 [Not used.]
- 1A.2 Trading may also be conducted by other individuals within the Member, at the discretion of the Member, provided such individuals are fit and proper, suitable and adequately trained in accordance with Rule A.11.1(c). These individuals may only submit orders under the ITM(s) of a Responsible Individual registered to the Member and under his supervision.
- 1A.3 Where access to the ICE Platform is granted by the Member to clients (order routing) the Member must ensure that client orders are submitted under an ITM assigned to a Responsible Individual and under the relevant Responsible Individual's supervision.
- 1A.4 A Responsible Individual must:
- (a) pursuant to Rule A.11.1(c), be adequately trained and fully conversant with the Rules and the Contract Terms and Contract Procedures;
  - (b) be assigned at least one ITM, and a valid password for each, by the Exchange; and
  - (c) pursuant to Trading Procedure 3.1.4, conduct all telephone conversations on audio logged lines.
- 1A.5 [Not used.]
- 1A.6 In the normal course of events, the Exchange will direct all queries in relation to business submitted under his ITM(s) to the Responsible Individual concerned, whether or not the business was actually input directly by him. In this respect, the Responsible Individual must:
- (a) have the authority to adjust or withdraw any orders submitted under his ITM(s);
  - (b) satisfy himself of the competence, fitness, properness and suitability of any person conducting business under his ITM(s) (including and without limitation, whether such person has complied with all the requirements under Applicable Laws in order to trade in Futures and Options over the ICE Platform);
  - (c) ensure, as far as possible, that all business conducted under his ITM(s) is conducted in accordance with the Rules; and
  - (d) know, and be willing to disclose to the Exchange, the immediate source of all orders.
- 1A.7 Subject to paragraph (a) below, the Responsible Individual must be contactable by the Exchange while his ITM(s) is/are in use.
- (a) When a Responsible Individual is absent, and therefore not contactable, yet his ITM(s) is/are to continue to be used, the Member must nominate another Responsible Individual to fulfil his role in respect of the relevant ITM(s).

## **2 TRADING**

### **2.1 Pre-Trading Session for Products other than Options**

Prior to commencement of a trading session for a Product other than Options for such period as may be specified by the Exchange, a Member may enter new limit orders into, and may vary or cancel such orders, in the order book held on the ICE Platform workstation. Market orders may not be entered during this pre-trading session.

All limit orders which are designated as active are included in the opening match at the end of the pre-trading session.

Throughout the pre-open session for a Product other than an Option, an uncrossing algorithm will run at such periods as determined by the Exchange and will provide volume and indicative opening prices to all workstations of individuals logged on at that time.

Reasonability checks are performed on such Products other than Options as designated by the Exchange during this period.

#### **2.1A Opening Match for Products other than Options**

After the termination of the pre-trading session and before the commencement of the trading session, there will be a transitory state known as the opening match. During the opening match, all outright limit orders input and designated as active during the pre-trading session become active and, where appropriate, trades will result.

The price level and quantity of Products other than Options traded during the opening match are determined by an algorithm determined by the Exchange from time to time. No new orders may be input during the opening match.

### 2.2 Commencement of a Trading Session

2.2.1 The commencement of a trading session for a Product will be indicated by the display of the 'open' indicator in accordance with the ICE Platform User Guide or user guide of any Front End Application used by the Member.

### 2.3 Termination of a Trading Session

2.3.1 The termination of a trading session for a Product will be indicated by the display of the 'closed' indicator in accordance with the ICE Platform User Guide or user guide of any Front End Application used by the Member. No further orders can be entered or trades made until the commencement of the next pre-trading or trading session for such Product as the case may be.

### 2.3A Reasonability limits for Products

The Exchange shall set and may vary a reasonability limit within the Trading Server for each Product beyond which the Trading Server will not execute limit or market orders. The reasonability limit is the amount the price may change in one trading sequence from the last traded price of that Contract Month, or from a price determined by an algorithm in the Trading Server.

An order placed that is outside of the reasonability limit shall be rejected by the ICE Platform in full.

### 2.4 Determination of Settlement and Marker Prices

2.4.1 The Exchange shall determine Unofficial Settlement Prices for all Products in accordance with the settlement price procedures in this Trading Procedure 2.4. The Exchange may, in its discretion, exclude trades from the calculation of Unofficial Settlement Prices if it considers it to be in the best interests of the Market to do so.

2.4.2 Marker prices shall be determined by the Exchange from time to time in accordance with the Marker Price Procedures set out in Trading Procedures 2.4.12 to 2.4.19. The Exchange may, in its discretion, exclude trades from the calculation of Marker prices if it considers it to be in the best interests of the Market to do so.

2.4.3 Prices of EFP, EFS, Block Trades, Basis Trades, EFRPs, Asset Allocations and leg prices from spread trades ("S"), crack trades ("C") and volatility trades ("V") will not be used to determine Unofficial Settlement Prices or Marker prices.

#### Settlement Price Procedures

2.4.4 The Unofficial Settlement Prices for each Product will be determined from trades made during such period of time ("**designated settlement period**") as may be specified by the Exchange from time to time.

In determining whether the Unofficial Settlement Prices for Products are an accurate reflection of prevailing values the Exchange may take into account:

- (a) the number of lots and prices traded on the ICE Platform during the designated settlement period;
- (b) the price and volume of bids and offers made during the designated settlement period;
- (c) the conduct of trading during the designated settlement period;
- (d) observed and reported values of calendar spreads; and
- (e) any other factor the Exchange, in its discretion, considers relevant,

and may, in its discretion, disregard any trades, bids or offers in setting the Unofficial Settlement Prices.

2.4.5 In determining the Unofficial Settlement Prices for Options, the Exchange may also take into account any one or more of the following:

- (a) any trades in the Contract Month during the course of the Trading Day whether outright or strategy trades;
- (b) any bids or offers in the Contract Month during the day whether for strategies or otherwise;
- (c) any trades, bids, or offers in the designated settlement period;
- (d) assessment of the relevant strategies of previous Trading Days;
- (e) the implied volatility of any traded series during the day; and

- (f) any other factors they may consider relevant,  
and may, in its discretion, disregard any trades, bids or offers in setting the Unofficial Settlement Prices.

2.4.5A [Not used.]

2.4.6 The Unofficial Settlement Price for Products shall be for the designated anchor expiry, the trade weighted average, as detailed in Trading Procedure 2.4.19, of all trades executed in the designated settlement period, subject to Trading Procedure 2.4.7(a) below. The designated anchor expiry shall be the qualifying contract expiry (which for these purposes shall include both Contract Months and Contract Dates) which has traded the highest volume in the designated settlement period, provided that the volume traded during the designated settlement period is equal to or exceeds a level determined by the Exchange from time to time. In the event that no qualifying contract expiry meets this threshold, Unofficial Settlement Prices shall be determined as described in Trading Procedure 2.4.7 below. Qualifying contract expiries are further explained below.

For ICE Futures Abu Dhabi Murban Futures Contract, qualifying contract expiries are the first two expiries.

2.4.7 Where the total number of lots traded during the designated settlement period is fewer than the level determined by the Exchange from time to time, the Unofficial Settlement Price for a Product shall be a price determined by the Exchange taking account of previous Trading Day's settlement prices, bids and offers, spread values during the ICE Platform trading session or provided by market participants, activity in other Products or groups of Products, and/or in a related market, and/or other prices that are recorded by the Exchange or any other factors considered relevant.

(a) If the prevailing bids and offers and trading activity throughout the day are such that using the prices determined in 2.4.6 above would undermine the integrity of the structure of the respective Contract, the Exchange in accordance with Trading Procedure 2.4.5, may, at its discretion, choose to disregard any trades, bids or offers when setting the Unofficial Settlement Prices.

(b) For Options, where no option trades are executed in the designated settlement period, or no option trade has taken place in a particular option series, the Exchange may apply Trading Procedure 2.4.8 below.

2.4.8 In the event Trading Procedure 2.4.7(b) applies, the Unofficial Settlement Prices for an Option shall be determined at the discretion of the Exchange as either:

(a) a price extrapolated from a pricing model (as approved by the Exchange from time to time) which may require the use of quotes provided by market participants; or

(b) a price determined by the Exchange taking account of any of the criteria listed in Trading Procedures 2.4.4 and 2.4.5 above.

2.4.9 If the Exchange is satisfied that the Unofficial Settlement Prices so determined are an accurate reflection of prevailing values for all Contract Months, these shall be displayed on the ICE Platform as the Unofficial Settlement Prices.

2.4.10 If the Exchange is not satisfied that the Unofficial Settlement Prices so determined are an accurate reflection of prevailing values of one or more Contract Months, it may consult market participants (who may or may not be Members) before the Unofficial Settlement Prices are displayed on the ICE Platform. The Exchange alone will make the final decision as to the determination of the Unofficial Settlement Prices.

2.4.11 After the display on the ICE Platform of the Unofficial Settlement Prices for a Product, or the corrected Unofficial Settlement Prices amended in accordance with Trading Procedures 2.4.17 and 2.4.18, and within such a period of time as may be published by the Exchange from time to time, such prices shall be communicated to the Clearing House forthwith and shall become the Official Settlement Prices or Exchange Delivery Settlement Prices for such Product.

### Marker Price Procedures

2.4.12 Marker prices for each Marker will be determined from trades made during such period of time ("**Marker Period**") as may be specified by the Exchange from time to time.

In determining whether the Marker price for each Marker is an accurate reflection of prevailing values the Exchange shall take into account:

(a) the number of lots and prices traded on the ICE Platform during the Marker Period;

(b) the price and volume of bids and offers made during the Marker Period;

- (c) the conduct of trading in the Marker Period; and
  - (d) any other factor the Exchange, in its discretion, considers relevant.
- 2.4.13 Subject to the Exchange's discretion in determining the Marker in accordance with Trading Procedure 2.4.12 above, the Marker price shall be:
- (a) where the total number of lots traded during the Marker Period is equal to or exceeds a level determined by the Exchange from time to time, the trade weighted average as detailed in Trading Procedure 2.4.19 below; or
  - (b) where the total number of lots traded during the Marker Period is fewer than the level determined by the Exchange from time to time, the Exchange may take into account prevailing spread values.
- 2.4.14 If the Exchange is satisfied that the Marker prices so determined are an accurate reflection of prevailing values for all Marker months, these shall be published as the Marker prices.
- 2.4.15 If the Exchange is not satisfied that the Marker prices so determined are an accurate reflection of prevailing values of one or more Marker months, it may consult market participants (who may or may not be Members) before the Marker prices are published. The Exchange alone will make the final decision as to the determination of the marker prices.
- 2.4.16 Subject to any objections or amendments made in accordance with Trading Procedures 2.4.17 and 2.4.18, the Marker prices, as published, are final.

### **Settlement or Marker Price Objections and Amendments for all Products**

- 2.4.17 Any objections to an Unofficial Settlement Price or Marker price must be made to the Exchange within a specified time period (as may be determined by the Exchange from time to time) after publication or on display on the ICE Platform. Any objections will be settled forthwith by the Exchange before confirming or amending the Unofficial Settlement Price or Marker price. The Exchange alone will make the final decision as to the determination of the Official Settlement Prices, Exchange Delivery Settlement Prices or Marker prices.
- 2.4.18 No amendment to an Official Settlement Price, Exchange Delivery Settlement Price or Marker price may be made without the express approval of the Exchange.

### **Trade Weighted Average Calculation**

- 2.4.19 The trade weighted average is calculated as follows:
- (a) multiply the number of trades at each price by that price;
  - (b) add together the resulting aggregate figures;
  - (c) divide the total from paragraph (b) by the total number of trades in paragraph (a); and
  - (d) round up or down to the nearest tick level (when exactly halfway, round up: e.g. \$592.375 would be rounded up to \$592.50) for Contracts with a tick of one dollar cent.

**Example:** if 60 Contracts at \$592.25 then, for Contracts with a tick of 25 dollar cents, 180 Contracts at \$594.00 and 40 Contracts at \$594.25, the trade weighted price will be \$593.66, which is then rounded up to \$593.75.

## **2.5 'Settlement' Trades**

- 2.5.1 The Exchange may, by Circular, determine from time to time those Products and Contract Months for which Members may execute trades at the settlement price determined by the Exchange or at a settlement (or closing) price provided by a price reporting agency (PRA) ("**settlement trade**"), and the trading hours of each Product during which Members may execute trades at the applicable settlement price.
- 2.5.2 The Exchange may also designate Products and Contract Months where Members may execute trades at a premium or discount to the settlement price determined by the Exchange or the settlement (or closing) price provided by a PRA, as applicable. When designating such Products and Contract Months the Exchange may limit the permissible trading range around the applicable settlement price within which trades may be executed. The Exchange may vary this trading range at any time with immediate effect.
- 2.5.3 Settlement trades are executed on the ICE Platform at a price of zero representing the settlement price. For those Products and Contract Months where it is permitted to trade at a premium or discount to the applicable settlement price, the price of such settlement trades will be prefixed by a plus or minus sign as appropriate. For example, settlement trades executed at +1 cent will be at a premium of 1 cent to the settlement price while those executed at -1 cent will be at a discount of 1 cent to the applicable settlement price.



- 2.5.4 Settlement trades appear in the ICE Clearing Systems with the previous Trading Day's settlement price as representing the settlement price for that Trading Day. These prices are replaced by the Exchange with the Official Settlement Prices, the Exchange Delivery Settlement Prices (once determined) or the settlement (or closing) price provided by the PRA (as applicable). In the event that the settlement (or closing) price provided by the PRA is not available, the price may be replaced by the Exchange with the Official Settlement Price. Prices will be adjusted appropriately where a trade has been executed at a premium or discount to the applicable settlement price.
- 2.5.5 Members may not amend the price of a settlement trade.
- 2.5A Closing Prices for Designated Futures Contracts**
- 2.5A.1 Following market close, the Exchange will declare Closing Prices for designated Futures Contracts, which will be determined by the ICE Platform, during the last thirty seconds of trading (known as the Closing Range). However, the Exchange will also monitor market activity in the time period after calculation of settlement prices, and throughout the Trading Day, and may correct or amend Closing Prices to ensure they are a fair reflection of the market. The Exchange shall designate by notice posted on the Market those Futures for which Closing Prices shall be determined.
- 2.5A.2 Once determined, Closing Prices will be transmitted to market participants. Closing Prices are not Unofficial Settlement Prices, Official Settlement Prices or Exchange Delivery Settlement Prices, which are transmitted at a different time.
- 2.6 [Not used.]
- 2.7 [Not used.]
- 2.8 [Not used.]

### **3 ORDERS**

#### **3.1 Order Slips and Records of Trades**

- 3.1.1 (a) A Member is responsible for ensuring that an order received from a client for execution or registration (including an order for Block Trades, EFPs, EFSs, Basis Trades, EFRPs and Asset Allocations) during a trading session for a Product on the ICE Platform (whether such order is received before or in the course of a trading session on the ICE Platform) is recorded on an order slip or entered into an electronic order system or submitted through an order routing system or Front End Application as soon as received.
- (b) Order slips must be time-stamped on a time-stamping machine unique to that Member or the time of all orders must be recorded electronically immediately upon receipt. The time-stamp or electronic recorder must be at all locations where orders are received.
- (c) In the case of entering orders into an order routing system or Front End Application the Member must ensure that there is an adequate audit trail of submission of orders to the Trading Server.
- 3.1.2 The written order slip or electronic record of an order must contain the following information:
- (a) Member identification;
  - (b) identity of individual submitting the order to the Trading Server and the ITM under which it is submitted;
  - (c) identity of the individual completing the order slip or electronic record of an order;
  - (d) client identification/reference (a code is sufficient);
  - (e) buy/sell;
  - (f) volume;
  - (g) contract code;
  - (h) put/call and exercise price (if applicable);
  - (i) delivery/expiry month;
  - (j) price, price limit, or price range;
  - (k) any special instructions (including, without limitation, whether the order is a Block Trade order, an EFP/EFS order, a Basis Trade order, an EFRP order or an Asset Allocation order);

- (l) strategy type indicator (if applicable);
- (m) order type (e.g. market; limit; stop); and
- (n) date and time stamp of order receipt; order entry and of every alteration.

Records for electronic orders must include all of the above information, and also include the following:

- (o) Clearing Member identification;
- (p) Futures or Option indicator;
- (q) order identification;
- (r) deal identification;
- (s) authorised trader tags;
- (t) clearing account name or code;
- (u) if a reserve quantity order, the reserve quantity; and
- (v) memo field (to include additional account information where applicable).

Every alteration to the order (including withdrawal or cancellation) shall be time-stamped or recorded electronically. All time stamps must be recorded to the highest level of precision provided.

Members must also ensure that all trade records contain, at a minimum, the above information.

Additional information may be required to be recorded from time to time in accordance with Rule G.16.6.

Members must ensure that where they operate any electronic system which submits orders directly to the ICE Platform (e.g. order routing systems or Front End Applications) their systems arrangements are compatible with the Exchange requirements for orders and meet the Exchange's Front End Applications Conformance Criteria.

- 3.1.3 The order slip or electronic record of the order together with the relevant ICE Platform trade records must be retained by the Member for a minimum period of five years after the date of the transaction.
- 3.1.4 Without prejudice to any obligation applicable to a Member under Applicable Law, Members shall ensure that any telephone line used for the receipt or giving of orders is tape recorded and that all recordings are kept for a minimum period of six months, unless the Member can satisfy the Exchange that, given the nature and extent of its business conducted on the Exchange, compliance with these tape recording and storage obligations would be disproportionate and unduly burdensome.
- 3.1.5 In the case of Block Trades, Basis Trades, EFPs, EFSs, EFRPs and Asset Allocations, Members must record the time of verbal agreement of the terms of the trade between the parties to the trade and the name of the person who agreed the trade off-exchange (the cleared part of which being subject to a Contingent Agreement to Trade).

### 3.2 **Input, Cancellation and Variation of Orders**

- 3.2.1 All orders (except Block Trade orders) shall be entered into the ICE Platform in accordance with and in a form permitted by the Rules and in the manner set out in the ICE Platform User Guide, or user guide of any approved Front End Application used by the Member.
- 3.2.2 Orders entered into the ICE Platform may only be activated, (including reactivated), deactivated, cancelled, withdrawn or varied prior to the execution of the same in accordance with and in a form permitted by these Trading Procedures and the ICE Platform User Guide, or user guide of any Front End Application used by the Member, or in such other manner or circumstances as the Exchange may determine from time to time.
- 3.2.3 Activated orders will be held in a queue for execution in price and time priority in accordance with Trading Procedure 3.8.2.
- 3.2.4 The Exchange shall from time to time implement such systems and procedures as it considers appropriate to require that Responsible Individuals who have entered orders into the ICE Platform shall promptly advise the Exchange in the event that information relating to such orders or any trades resulting from the execution of any such order is not displayed or is displayed erroneously.
- 3.2.5 Where a Member is experiencing technical difficulties, the Exchange may delete orders in the order book held in the ICE Platform at the relevant Member's request, on a best endeavours basis and at the Exchange's discretion.

3.2.6 The Exchange shall have the power to impose the following arrangements in order to prevent disorderly trading and breaches of capacity limits:

- (a) limits per Member of the number of orders sent per second;
- (b) mechanisms to manage volatility; and
- (c) pre-trade controls.

### 3.2A Pre-trade Controls

3.2A.1 The Exchange shall have the power to set the following pre-trade controls adapted for each financial instrument traded on the Exchange:

- (a) price collars, which automatically block orders that do not meet pre-set price parameters on an order-by-order basis;
- (b) maximum order value, which automatically prevents orders with uncommonly large order values from entering the order book by reference to notional values per financial instrument; and
- (c) maximum order volume, which automatically prevents orders with an uncommonly large order size from entering the order book.

3.2A.2 Such limits and controls may be adjusted at any time. Orders may be rejected if a limit or control is breached, unless agreed otherwise by the Exchange upon the request of a Member.

### 3.3 Validity of Orders

3.3.1 A Member's order entered in the ICE Platform will remain valid:

- (a) until accepted in full in accordance with these Trading Procedures (in the event of acceptance of part of an order, the size of the order will be correspondingly reduced);
- (b) until deactivated or withdrawn by the Member;
- (c) until the price, volume or contract date of such order is varied by the Member creating a new order; (Note: an increase in volume will constitute a new order; a decrease in volume will retain the time and price priority of the original order.)
- (d) if it is entered under the ITM of an individual registered as a Responsible Individual authorised to conduct business on the ICE Platform;
- (e) until the order is deactivated at the end of the trading session for a Product or the order is cancelled as a result of a condition attached to the order;
- (f) unless it is cancelled by the Exchange under Trading Procedures 3.9 or 3.11; and
- (g) unless it is an order for a Product for which the Member is not the holder of the necessary Trading Privilege.

### 3.4 Types of Orders

3.4.1 Bids and offers may be entered into the ICE Platform. The ICE Platform recognises and processes "limit" and "market" orders as set out in the ICE Platform User Guide, or user guide of any Front End Application used by the Member and any other order type as advised by the Exchange from time to time. Where no order type is specified, the order is treated as a Limit Order.

### 3.5 Disclosure of Size (Reserve Quantity)

3.5.1 Any person with access to the Market may specify a maximum disclosure volume to be shown to the Market for an order enabling the order to be released gradually without revealing the full size. The unrevealed part of the order is released only when the first part of such order is completely filled. When each portion of the order is released it is placed in its entirety at the end of the order priority queue.

### 3.6 Restrictions of Orders

3.6.1 Where a Member receives from a single client matching or partly matching orders (which are not Block Trade, EFP, EFS, Basis Trade, EFRP or Asset Allocation orders) to both buy and sell a number of contracts at the same price level, the Member shall immediately enter both bid and offer orders but cannot guarantee that the orders will both be executed as other orders in the system may have time priority. The Exchange is not a 'held'

market and Members cannot be called upon to provide an execution for their clients merely on the basis that market prices reached or surpassed the level of an order.

3.6.2 Members are required to enter matching orders in accordance with Rule G.6A.

### 3.7 **Priority of Orders**

3.7.1 Any person with access to the Market, including a Member, must at all times and in the best interests of his clients, treat his clients fairly and act fairly as between his clients.

### 3.8 **Order Execution and Recording of Trades**

3.8.1 Every trade made on the ICE Platform shall be executed in accordance with and in a form permitted by the Rules, as set out in the ICE Platform User Guide, or user guide of any Front End Application used by the Member, and any direction, order or other procedure issued or implemented by the Exchange from time to time.

3.8.2 A trade is executed in the ICE Platform on the basis of price/time priority, i.e.:

- (a)
  - (i) one order is a bid and the other an offer;
  - (ii) the two orders are for the same Product and Contract Date;
  - (iii) the price of the bid (offer) order equals or is greater (lesser) than the price of the offer (bid); and
  - (iv) all orders entered and activated are queued by time of entry or amendment and matched on a first-in-first-out price and time priority basis.

(b) [Not used.]

3.8.3 Should orders entered by either a single Responsible Individual of a Member or different Responsible Individuals registered to the same Member match and a trade results, then that Member shall be deemed to have transacted a Cross Trade.

3.8.4 Details of each trade made on the ICE Platform by a Member will be recorded by the Exchange and confirmation of the trade will be displayed on the ICE Platform for each Member party to the trade and such trade shall be transmitted to the ICE Clearing Systems.

3.8.5 The Exchange shall from time to time implement, in consultation with the Clearing House, procedures to ensure that trades which are made on the ICE Platform are reported to the Clearing House for clearing.

3.8.6 Failure of the ICE Platform to broadcast any message in respect of an order book, order or any part thereof, or a trade made on the ICE Platform shall not invalidate any trade recorded by the Exchange.

3.8.7 In the event that the ICE Platform or any part of the ICE Platform fails, the Exchange's determination that a trade has or has not been made on the ICE Platform shall be conclusive and binding. Such determination shall be made by the Exchange. This is without prejudice to the right of the Clearing House to treat a Contract as void or voided or to take other actions pursuant to the Clearing House Rules.

### 3.9 **Cancellation of Trades**

3.9.1 The Exchange may, on the suspension of a Product from trading on the Market under the Rules, cancel or amend any executed trades for such Product which were made on the ICE Platform. The Exchange may, in accordance with Section D of the Rules, cancel any order for a Product in the ICE Platform which is awaiting execution or cancel any trade in respect of a Product made on the ICE Platform. The Clearing House may take similar action under the Clearing House Rules in respect of any affected Contract.

3.9.2 The Exchange may cancel immediately, as an emergency measure, any order for a Contract in the ICE Platform which is awaiting execution or cancel any trade in respect of a Contract made on the ICE Platform in the following circumstances:

- (a) upon request of a Member, or of the Sponsored Access client where the Member or Sponsored Access client is technically unable to delete its own orders;
- (b) upon request of the clearing member used by the Member;
- (c) upon request of the Clearing House;
- (d) where the order book contains erroneous duplicated orders;
- (e) following a suspension of the Member initiated by either the Exchange or a Regulatory Authority; or

- (f) in case of malfunction of the Exchange's mechanisms to manage volatility or of the operational functions of the ICE Platform.

3.9.3 In exceptional circumstances, the Exchange may cancel, vary or correct any transaction.

3.9.4 Once a bid or offer has been matched in whole or in part and gives rise to a trade there is no right of withdrawal subject to Trading Procedure 3.11 below.

3.9.5 Where one or more legs of a strategy trade are deemed to have taken place at an unrepresentative price the Exchange may adjust the prices of the entire strategy trade.

**3.10 Spread and Strategy Trading**

If a Person with access to the Market wishes to quote or trade a spread, or in the case of an Option, if a trader wishes to quote or trade a strategy, he must do so in accordance with the ICE Platform User Guide, or user guide of any Front End Application used by the Member, and adhere to the Rules.

Members may execute strategies comprising combinations of Contracts (including, without limitation, a combination of Options and Futures). A separate market will be created for each strategy where one or more RFQs have been submitted to the ICE Platform and, with regard to delta neutral strategy orders, for each order with a different option price(s) or delta details. All strategy trades, unless otherwise specified, must, for each side, comprise a single order or aggregate of orders which result in the same client or account trading each element of the relevant strategy.

A Member is not permitted to create a new delta neutral strategy market unless there is a genuine need to do so. For the avoidance of doubt, a Member must not create a new delta neutral strategy market in order to avoid his order(s) being entered to, and thereby interacting with, a delta neutral strategy market with almost identical characteristics which has already been created. Furthermore, a Member must not submit orders to the delta neutral market with the intention of securing a non-delta neutral transaction.

**3.11 Validity of Trades**

**3.11.1 Invalid Trade**

Notwithstanding the reasonability limit, where applicable, a Contract made or purported to be made on the ICE Platform may be declared invalid by the Exchange in the circumstances set out below.

**(a) Unrepresentative price**

Where the Exchange determines that a trade has taken place at an unrepresentative price, it may declare that trade invalid at its discretion.

Criteria which may be taken into account when determining whether a trade should be invalidated include, without limitation the following:

- (i) price movement in other contract periods of the same Product;
- (ii) current market conditions, including levels of activity and volatility;
- (iii) time period between different quotes and between quoted and traded prices;
- (iv) information regarding price movement in related Products, the release of relevant news just before or during an ICE Platform trading session;
- (v) manifest error; or
- (vi) proximity of the trade to the close of the trading session.

**(b) Breach of the Rules**

Where the Exchange determines that a trade has been made in breach of the Rules, it may declare that trade invalid.

**(c) Disputes**

A trade may be declared invalid pursuant to Rule G.15 and Trading Procedure 11.

**(d) Exceeding volume and price thresholds**

A trade may be declared invalid if it exceeds pre-determined volume and price thresholds, as set by the Exchange from time to time, or is clearly erroneous.

**3.11.2 Deletion of a Trade**

An invalid trade will be removed from the ICE systems, may be removed from the Trading Server and may be displayed in the ICE Platform as a deleted trade. As regards the Clearing House, an invalid trade takes effect as a Contract of opposite effect to the original Contract arising as a result of the invalid trade, if that original Contract has already been accepted for clearing.

### 3.11.3 Notification to Member

When a trade is declared by the Exchange to be an invalid trade and is deleted from the ICE systems, the parties to the trade will be notified by the Exchange of that fact and a message will be broadcast on the ICE Platform announcing the Contract, Contract Date and price level of the invalid trade.

3.12 [Not used.]

## 4 ICE PLATFORM MARKET NOTICES AND DISPLAY OF OTHER MESSAGES

4.1 An ICE Platform Market Notice shall be broadcast on the ICE Platform.

4.2 Members may be notified of other Market related information by electronic display of a message on the ICE Platform or by Circular. Any such information displayed on the ICE Platform shall have effect at the time it is transmitted by the Exchange or at such time as may be stated in the message. The validity and effect of such information shall not be diminished or delayed solely by it being temporarily deleted from display on one or more ICE Platform workstations or delayed, whether by reason of any equipment, communications or otherwise.

4.3 Members will be notified of the price and volume of a Block Trade by electronic display of a message on the ICE Platform.

## 5 RESPONSIBILITIES OF THE EXCHANGE

5.1 The Exchange shall be entitled to:

- (i) monitor the activity on the ICE Platform to ensure that trading is carried out in accordance with these Trading Procedures;
- (ii) input corrections as specified in Trading Procedure 3.9 or pursuant to Trading Procedure 8.5;
- (iii) activate/deactivate login permissions and IT systems access of Members or any of their Responsible Individuals;
- (iv) report potential breaches of the Rules to the ARC Committee or Regulatory Authorities;
- (v) calculate, correct or amend the settlement prices;
- (vi) determine, delete and notify Members in respect of an invalid trade in accordance with Trading Procedure 3.11;
- (vii) determine whether the price of a trade executed at an unrepresentative price may be adjusted and notify Members of such action in accordance with Trading Procedure 3.11; and
- (viii) exercise any other right or responsibility as may be prescribed from time to time by the Exchange.

## 6 THE ICE PLATFORM BACK UP FACILITIES

6.1 In the event of a failure of one or more of a Member's ICE Platform workstations or failure of the supply of the ICE Platform to one or more of the Member's ICE Platform workstations for any reason, the Member should consider taking appropriate steps to trade via another Member who has access to the ICE Platform to execute business which it would have conducted on the ICE Platform had it been able to use its own ICE Platform workstation. Members shall be responsible for ensuring that appropriate back-up arrangements are established for such purposes, should they become necessary.

Note: A Trade Participant may not provide this service for another Member.

## 7 AUTHORISED CORRECTION AND ADJUSTMENT OF TRADES

7.1 In exceptional circumstances, trades which are the subject of a trading dispute or otherwise, may be processed through the ICE Clearing Systems directly by Exchange staff following the directions of the Exchange.

## SECTION 2: GENERAL PROVISIONS

### 8 TRADING CONDUCT

#### 8.1 Withholding Client Orders

- 8.1.1 A Member, or Person Subject to the Rules, as appropriate, must neither withdraw nor withhold (except in accordance with Trading Procedure 3.5 above and Rule G.8) a client's order in whole or in part. A Member, or Person Subject to the Rules, as appropriate, shall not procure another Member to act in contravention of this procedure.
- 8.1.2 A Member, or Person Subject to the Rules, as appropriate, shall not deliberately delay the reporting of an executed trade to a client.
- 8.1.3 It shall be an offence for a Member to represent to a client that it has entered into a Contract executed otherwise than in accordance with the Rules.

#### 8.2 Execution of Client Orders

- 8.2.1 A Person with access to the Market, Member or Person Subject to the Rules, as appropriate, shall not inform a client that it has executed a Corresponding Contract unless he has already made on the Market a matching Contract as set out in Rule C.6.2(a).

#### 8.3 Pre-Arranged Trades

- 8.3.1 A Member or Person Subject to the Rules shall not pre-arrange a trade unless it is an EFP or EFS (including, for the avoidance of doubt, an EFP or EFS entered on ICE Block by an ICE Block Member) posted in accordance with Rule F.5, and Section 3 of these Trading Procedures, a Basis Trade or EFRP (including, for the avoidance of doubt, a Basis Trade or EFRP entered on ICE Block by an ICE Block Member) posted in accordance with Rule F.5C and Section 3 of these Trading Procedures, an Asset Allocation (including, for the avoidance of doubt, an Asset Allocation entered on ICE Block by an ICE Block Member) posted in accordance with Rule F.5D and Section 3 of these Trading Procedures or a Block Trade registered and posted in accordance with Rule F.7 and Section 4 of these Trading Procedures.

#### 8.4 Abuse of Client Orders

- 8.4.1 A Member must not take advantage of a client's order for its own benefit, the benefit of another Member or the benefit of a Member's Representative.

#### 8.5 Error Correction Facility

- 8.5.1 Where there has been an error in the execution of a client order or in the reporting thereof by a Member, the Exchange may make available to the Member an error correction facility (the "**Error Correction Facility**") in order to resolve the error and ensure that the interests of the client are protected. The Clearing House may take similar action under the Clearing House Rules in respect of any affected Contract.
- 8.5.2 In order to obtain Exchange authorisation of a trade to correct the error ("**error correction**"), the Member must deliver to Market Operations an error correction declaration form signed by a Member's Representative duly authorised for this purpose (the "**Error Correction Declaration Form**"). The Error Correction Declaration Form shall confirm the details of the error and, where applicable, confirm that any improvement in price has been offered to the client.
- 8.5.3 The Member may also be required to provide further information to demonstrate to the satisfaction of the Exchange that:
- (a) a client order was received and an attempt made, or the intention existed, to execute the order on the ICE Platform; and
  - (b) the client was erroneously informed that the order has been successfully executed (in whole or in part) (i.e. either there was a mistaken belief that a trade had been executed which satisfied the client order or a trade had been executed but it differed from that reported to the client).
- 8.5.4 An error correction may be submitted for authorisation in circumstances where:
- (i) a trade has been executed at a better price than that reported to the client, but the client has declined the improvement (in part or in full) (if the Member had originally traded a wrong Contract Month or exercise price, only the net improvement, if any, would need to be offered to the client);
  - (ii) a trade has been executed at a worse price than that reported to the client; or

- (iii) a trade has been executed in the wrong direction, (i.e. an order to buy has been erroneously executed as a sell trade (or vice versa)), Contract Month, exercise price or Product, but were a correct trade to be executed at the current market price it would be at a worse price than that reported to the client.

If either no trade has been executed, or a trade has been executed in the wrong direction, Contract Month or Product, but were a correct trade to be executed at the current market price it would be at a better price than that reported to the client, such a trade must be executed on the ICE Platform.

- 8.5.5 Authorisation of an error correction is at the discretion of the Exchange.
- 8.5.6 Authorisation of an error correction by the Exchange does not preclude the Exchange from instigating disciplinary proceedings in the event that the trade is subsequently found to have been executed other than in compliance with the Rules or related requirements.

## 9 REGISTRATION OF BUSINESS

- 9.1 An EFP or EFS registered pursuant to Rule F.5 and Section 3 of these Trading Procedures, a Basis Trade or EFRP registered pursuant to Rule F.5C and Section 3 of these Trading Procedures, an Asset Allocation registered pursuant to Rule F.5D and Section 3 of these Trading Procedures, a Block Trade registered pursuant to Rule F.7 and Section 4 of these Trading Procedures and a Contract made on the ICE Platform, must be assigned to an account, claimed or allocated to another Member within thirty minutes of receipt in the ICE systems.
- 9.2 Allocations and account assignments on the ICE systems must be promptly attended to in order that any discrepancies may be resolved shortly after the trade is received. The processing of the trade, including allocation, claim and assignment should be completed within thirty minutes of trade execution on the ICE Platform or direct input of a matched EFP, EFS, EFRP, Basis Trade, Asset Allocation, Contingent Agreement to Trade or Block Trade into the ICE systems.

The Exchange may, at its discretion, vary the time by which Members must complete the processing set out in Trading Procedure 9.1 and/or above where the closure of the ICE systems is less than thirty minutes after the close of trading on the ICE Platform. In such an event, the variance and the circumstances leading to the variance will be notified in advance to Members.

- 9.3 Members must ensure that at least one Member of staff with authority to resolve misallocations or deal with other registration, trading, clearing or settlement issues remains on duty until thirty minutes after the close of trading of a Product on the ICE Platform for that Trading Day.

## 10 [NOT USED.]

## 10A [NOT USED.]

## 11 TRADE INVESTIGATIONS

### Commencement of Investigation

- 11.1 The Exchange may, in its discretion, investigate a Matched Transaction or a Contract (for the purposes of Trading Procedure 11, "**trade**") where:
  - (a) a market participant (who may or may not be party to the trade) disputes the price of a trade made or alleged to have been made on the ICE Platform, and has notified the dispute to the Exchange within such period of time as published by the Exchange from time to time in accordance with Rule G.15; or
  - (b) the Exchange determines that a trade may have been made on the ICE Platform at an unrepresentative price, and where no such notification has been received from a market participant.
- 11.2 These investigation procedures may be varied at the Exchange's discretion depending on the circumstances under which an investigation of a trade made or alleged to have been made on the ICE Platform is commenced.
- 11.3 The Exchange shall not investigate a trade when a dispute has been notified by a market participant in respect of the volume only. In such an event, the trade may be referred to the Exchange, which may, in accordance with Rule C.12, make such further enquiries as to the validity of the trade or refer the matter to the ARC Committee if it forms the provisional conclusion or determines that there has been a breach of the Rules, or under exceptional circumstances, such trade may, at the discretion of the Exchange, be cancelled.

### Final determination by the Exchange

- 11.4 On conclusion of an investigation where the Exchange determines that the trade under investigation, or any such consequential trades, were executed at an unrepresentative price, the Exchange may, in its discretion:



- (a) adjust the price of the trade under investigation and consequential trades to a price that the Exchange evaluates as fair market value at the time of execution, plus or minus the No Cancellation Range (as defined in Trading Procedure 11.6) for that Contract;
- (b) cancel the trade under investigation and any such consequential trades; or
- (c) let the trade under investigation and any such consequential trades stand.

If the Exchange determines that the price of the trade under investigation or any such consequential trades is to be adjusted, the adjusted price may be:

- (i) outside the terms of the Limit Order for which the trade under investigation or any such consequential trades were executed, and, in such instances, the adjusted price shall be applied to the Limit Order despite being outside the order terms; or
- (ii) below the stop price of a buy Stop Order or above the stop price of a sell Stop Order, and, in such instances, the adjusted price shall be applied to the Stop Order despite the fact that the trade price sequence after any price adjustments would not have elected the Stop Order.

11.5 As soon as reasonably possible on making such a determination, the Exchange will notify:

- (a) the Market, which may be via a notice on the ICE Platform or by Circular;
- (b) the counterparties to the trade under investigation;
- (c) the party disputing the price of the Contract;
- (d) the Clearing House, with a request of how to adjust or cancel any cleared Contracts; and
- (e) any other counterparty (who may or may not be a Member or a Member's Representative).

#### **Defined No Cancellation Range**

11.6 The Exchange shall publish from time to time parameters above or below an Exchange set anchor price or reasonability limits for each Contract between which a trade under investigation, under normal circumstances, may not be cancelled or the price of such trade under investigation may not be adjusted. Such parameters shall be termed a 'No Cancellation Range'. The Exchange may, in exceptional circumstances and at its discretion, determine that a trade under investigation which falls within the No Cancellation Range shall be cancelled.

#### **Factors Considered when Investigating a Trade**

11.7 When determining whether a trade under investigation has been made at an unrepresentative price, the Exchange may take into account criteria which include but are not limited to:

- (a) price movement in other contract months of the same contract;
- (b) current market conditions, including levels of activity and volatility;
- (c) time period between different quotes and traded prices;
- (d) information regarding price movement in related contracts;
- (e) the release of economic data or other relevant news just before or during electronic trading hours;
- (f) manifest error;
- (g) number of parties potentially impacted by the investigation;
- (h) whether another market participant relied on the price; or
- (i) any other factor that the Exchange, in its discretion, considers relevant.

The Exchange, in its discretion, may consult with market participants, which are not party to the trade under investigation or party to any consequential trades, when determining whether the trade has been made at an unrepresentative price.

#### **Consequential Trades**

11.8 The Exchange may also determine:

- (a) whether any trades resulting from the triggering of contingent orders, or resulting in spread trades, should be cancelled; or whether the price of such trades should be adjusted; and

- (b) whether a market participant relied on the price of the trade to execute subsequent orders, and whether such trades should be cancelled or the price of such trades be adjusted.

The Exchange shall consider situations involving consequential trades on a case by case basis.

- 11.9 Where trades are executed after the Market has been notified that a trade is under investigation which is subsequently cancelled, or the price of the trade under investigation is adjusted, such trades, under normal circumstances shall not be cancelled nor shall the prices be adjusted. However, if the price of the trades in such instance is disputed or the Exchange determines that the trades have been made at an unrepresentative price, the Exchange will investigate the trades in accordance with these investigation procedures.
- 11.10 Nothing in this Trading Procedure 11 shall preclude the Exchange from instigating disciplinary proceedings in the event that a trade is found to have been executed other than in compliance with the Rules or related requirements.

## 12 [NOT USED.]

## 13 EMERGENCY PROCEDURES

- 13.1 In the event of a failure of the ICE Platform or any part thereof the Exchange shall be entitled to activate certain emergency procedures, including, without limitation, as set out in Rule G.14 and Rule I.15.

## 14 RESPONSIBLE INDIVIDUAL REGISTRATION PROCEDURES

### Number of ICE Platform Trading Staff

- 14.1 A Member must register at least one Responsible Individual with the Exchange in order to access the ICE Platform to conduct Exchange business.
- 14.2 A Member must ensure it has a sufficient number of Responsible Individuals for the nature and scale of business conducted.

### General Registration

- 14.3 A Member must register with the Exchange all staff that are required to work as Responsible Individuals.
- The compliance officer of a Member, or other appropriate Member's Representative, wishing to register a Responsible Individual must no later than three Business Days before the intended starting day:

- (i) submit a completed Responsible Individual Registration Form; and
- (ii) confirm in writing any Authorisation of the individual (if applicable) and the Member firm to which he is registered,

to the Exchange.

The Exchange will notify the compliance officer of the Member (or other appropriate Member's Representative) when the individual has been registered as a Responsible Individual. The Member must notify the Responsible Individual of his password, ITM (s) and login details and the date from which he may access the ICE Platform to conduct Exchange business.

### 14.4 De-registration

A Member must de-register all staff who are no longer required to work as Responsible Individuals or who leave their employment.

The compliance officer of a Member (or other appropriate Member's Representative) who wishes to de-register a Responsible Individual must:

- (a) before the intended de-registration day give prior written notice of the de-registration to the Exchange; and
- (b) in the event that a Member requires immediate de-registration of a Responsible Individual, (other than under Trading Procedure 14.5) and prevention of that Responsible Individual's access to the ICE Platform to conduct Exchange business, the compliance officer of the Member (or other appropriate Member's Representative) requiring such action must notify the Exchange in writing of such request.

The Exchange will advise the Member of the de-registration being completed, who must then take all necessary steps to prevent such Responsible Individuals access to the ICE Platform to conduct Exchange business, as soon as reasonably practicable.

### **Transfer of Registered Responsible Individual**

- 14.5 Where an individual is registered as a Responsible Individual but wishes to transfer from one Member to another, the individual will not be permitted to work as a Responsible Individual for the new Member until:
- (a) his former Member has de-registered him in accordance with Trading Procedure 14.4 above; and
  - (b) the new Member has provided the information set out in Trading Procedure 14.3 above to the Exchange no later than two Business Days before the proposed transfer date.

## **15 QUALIFICATION TO TRADE**

- 15.1 Individuals who wish to conduct business on the ICE Platform must be registered as Responsible Individuals in accordance with the Responsible Individual Registration Procedures pursuant to Trading Procedure 14 or be under the supervision of a Responsible Individual.

Members must have adequate arrangements to ensure that all staff involved in the conduct of business on the ICE Platform are adequately trained and fully conversant with the Rules.

The Exchange may institute such examination in such form as it sees fit and may require that the passing of such exam shall be a pre-condition to the registration or continued registration of a Responsible Individual.

### **15A [NOT USED.]**

### **15B BUSINESS CLOCK SYNCHRONISATION**

- 15B.1 All Members shall synchronise the business clocks or systems they use to record the date and time of all trading activities and transactions with UTC.
- 15B.2 If a Member elects to synchronise its business clock or systems with UTC disseminated by a satellite system, it shall ensure that any offset from UTC is accounted for and removed from all timestamps.
- 15B.3 Business clocks or systems used to record the time of trading activities must be accurate.
- 15B.4 Each Member shall establish a system of traceability to UTC which enables it to:
- (a) demonstrate traceability to UTC by documenting the system design, functioning and specifications;
  - (b) identify the exact point at which a timestamp is applied; and
  - (c) demonstrate that the point within the system where the timestamp is applied remains consistent.

Members shall conduct a review of its traceability system at least once a year.

### **15C PRE-TRADE TRANSPARENCY**

- 15C.1 Details reported to the Exchange in relation to intended Block Trades, EFPs, EFSs, EFRPs, Basis Trades or Asset Allocations shall not be made publicly available by the Exchange except as provided in the Rules. For the avoidance of doubt, parties to Block Trades, EFPs, EFSs, EFRPs, Basis Trades or Asset Allocations are not required by the Exchange to make public current bid and offer prices and the depth of trading interests at those prices, with regards to the details reported to the Exchange in relation to those transactions.
- 15C.2 Parties to EFSs, EFRPs or Basis Trades shall comply with all applicable pre-trade transparency requirements under Applicable Laws in relation to a transaction or a leg of a transaction which is not a Contract made on or reported to the Exchange.

### SECTION 3: EXCHANGE FOR PHYSICALS ("EFP"), EXCHANGE FOR SWAPS ("EFS"), BASIS TRADING, EXCHANGE FOR RELATED POSITIONS ("EFRP") AND ASSET ALLOCATIONS

#### 16 EFP AND EFS PROCEDURES

- 16.1 EFPs and EFSs may take place in respect of any of the Products and Contract Months as determined by the Exchange from time to time and are not subject to Trading Procedures other than this Section 3 unless specifically referred to.
- (a) EFPs and EFSs must be reported to the Exchange through ICE Block by:
- (i) the Member itself:
    - (aa) where a General Participant Member or ICE Block Member registers an EFP or EFS transaction with or on behalf of a client who is not a Member or an ICE Block Member of the Exchange, it must comply with all Applicable Laws, including in relation to suitability and appropriateness as regards the Contingent Agreement to Trade or underlying transaction;
    - (bb) in the case of a Trade Participant (including Trade Participant ICE Block Members transacting own business), the EFP or EFS must be in respect of business for its own account and the proposed counterparty to the EFP or EFS pursuant to the Contingent Agreement to Trade must be another Member or ICE Block Member;
  - (ii) a Member's Representative; where they have been authorised by the Member they represent, and have been granted permission by the Exchange to access ICE Block, having completed such form of enrolment as may be prescribed by the Exchange from time to time; or
  - (iii) an ICE Block Member; where the ICE Block Member has the permission from its own Clearing Member or its client's Clearing Member(s) to register business on its own account or on the client's behalf.
- (b) Members may also report the details of EFP or EFS transactions to the ICE Helpdesk for entry into ICE Block in the Member's name or in the name of the Clearing Member with whom its client on whose behalf the Member is registering business, has a clearing account. The Member must have been appropriately permissioned to enter EFP or EFS transactions by the Clearing Member.
- (c) EFPs and EFSs may also be reported to the Exchange through any other means determined by the Exchange from time to time in accordance with the reporting requirements in Trading Procedure 16.
- 16.2 Where the EFP or EFS is agreed between two separate Members (for the purposes of this Section 16, "**Non-crossed Trades**") and unless agreed otherwise under the Contingent Agreement to Trade or underlying transaction between the two Members party to the Non-crossed Trade, the buying Member shall enter the details of the Non-crossed Trade into ICE Block and such details shall be confirmed/accepted by the selling Member party to the Non-crossed Trade. Details must be confirmed/accepted within the period of time prescribed by the Exchange.
- 16.3 The EFP or EFS, if accepted by the Exchange, will flow from ICE Block into the ICE systems and be identified as an EFP or EFS, as appropriate, with a specific trade type as prescribed by the Exchange.
- 16.4 Where details of a Non-crossed Trade have been submitted to ICE Block by one of the Members party to the Non-crossed Trade, but not confirmed/accepted in ICE Block by the other Member party to the Non-crossed Trade within the prescribed period of time, it is the responsibility of both Members (or the Clearing Member with whom the Member submitting the Non-crossed Trade is party to a clearing agreement) to discuss and resolve the matters preventing the confirmation/acceptance of the transaction submitted to ICE Block, through the Contingent Agreement to Trade or otherwise.
- 16.5 The Exchange may check the EFP or EFS details submitted to ICE Block and, if the Exchange is not satisfied that all such details are valid, it may, in its discretion, void or refuse to accept the EFP or EFS. A decision by the Exchange, to void or refuse to accept an EFP or EFS is final. The registering Member will then receive confirmation of the details of the trade.
- 16.6 Recording by the Exchange of a transaction does not preclude the Exchange from instigating disciplinary proceedings in the event that the transaction is subsequently found to have been made other than in compliance with the Rules, nor does it preclude the Clearing House from voiding or taking other action in relation to an EFP or EFS.

16.7 The Exchange shall not be responsible for complying with any reporting or post-trade transparency requirements under Applicable Laws in relation to the leg or legs of an EFP or EFS that are not a Contract or Contracts registered pursuant to the Rules.

#### 16A BASIS TRADING

16A.1 The Exchange provides a Basis Trading Facility ("**Basis Trading Facility**") on ICE Block. The Basis Trading Facility allows Members to register, subject to this Trading Procedure 16A, transactions involving a combination of an approved basis trade instrument and an appropriate number of offsetting Futures. For the purposes of these Trading Procedures, such transactions are called "Basis Trades".

16A.2 Any Member is permitted to register Basis Trades, subject only to the Member having in place arrangements for the registration of the Futures or Options leg of a Basis Trade via a Member holding a relevant Trading Privilege ("**Basis Trade registering Member**") to trade such Product.

16A.3 A Basis Trade may be registered only during the Trading Hours of the Products concerned, as published by the Exchange from time to time by Circular.

16A.4 Basis Trades may be transacted only in Products which have been designated by the Exchange from time to time for that purpose. Such designations are published, from time to time, by notice posted on the Market. Basis Trades are not permitted in a delivery month or expiry month of a designated Product which has never traded. The Basis Trading Facility can be used in respect of a delivery month for Futures or an expiry month for Options on any Trading Day up to and including the last Trading Day of that delivery month or expiry month.

16A.5 The Basis Trade registering Member is responsible for assigning the price of the Futures or Options leg(s) of a Basis Trade.

16A.6 [Not used.]

16A.7 When a Member accepts a Basis Trade order, he must record the details prescribed by paragraphs (a) to (c) below, on a record slip. Where a Member employs an electronic system for order routing, such details must be recorded electronically:

- (a) time of order receipt;
- (b) identity of individual organising the Basis Trade; and
- (c) date and time stamp (at time of organisation).

Without prejudice to Applicable Laws, all information required to be retained by the Basis Trade registering Member, pursuant to this Trading Procedure 16A.7, must be retained by the Member for a minimum period of five years.

After a Basis Trade has been organised by the Member, or where the Basis Trade has been agreed between two Members off-exchange (the cleared part of which being subject to a Contingent Agreement to Trade), the Member who will be the seller of the Futures or Options leg of the Basis Trade must register the Futures or Options leg of the Basis Trade as a cross transaction, or must procure that the Futures or Options leg of the Basis Trade is so registered by another appropriately authorised Member.

16A.8 [Not used.]

16A.9 [Not used.]

16A.10 [Not used.]

16A.11 [Not used.]

16A.12 [Not used.]

16A.13 [Not used.]

16A.14 [Not used.]

16A.15 [Not used.]

16A.16 [Not used.]

16A.17 [Not used.]

16A.18 The Basis Trades details must be reported to the Exchange through ICE Block by the Basis Trade registering Member as soon as practicable. In any event, details of the Basis Trade must be reported to the Exchange by

the Basis Trade registering Member and accepted within fifteen minutes of the time at which the Basis Trade was agreed. Members must not delay submission of a Basis Trade.

- 16A.19 Basis Trades may take place in respect of any of the Products and Contract Months as determined by the Exchange from time to time and are not subject to Trading Procedures other than this Section 3 unless specifically referred to.
- (a) Basis Trades must be reported to the Exchange through ICE Block by:
    - (i) the Member itself:
      - (aa) where a General Participant Member or ICE Block Member registers a Basis Trade with or on behalf of a client who is not a Member or an ICE Block Member of the Exchange, it must comply with all Applicable Laws, including in relation to suitability and appropriateness as regards the Contingent Agreement to Trade or underlying transaction;
      - (bb) in the case of a Trade Participant (including Trade Participant ICE Block Members transacting own business), the Basis Trade must be in respect of business for its own account and the proposed counterparty to the Basis Trade pursuant to the Contingent Agreement to Trade must be another Member or ICE Block Member;
    - (ii) a Member's Representative; where they have been authorised by the Member they represent, and have been granted permission by the Exchange to access ICE Block, having completed such form of enrolment as may be prescribed by the Exchange from time to time; or
    - (iii) an ICE Block Member; where the ICE Block Member has the permission from its own Clearing Member or its client's Clearing Member(s) to register business on its own account or on the client's behalf.
  - (b) Members may also report the details of Basis Trades to the ICE Helpdesk for entry into ICE Block in the Member's name or in the name of the Clearing Member with whom its client on whose behalf the Member is registering business has a clearing account. The Member must have been appropriately permissioned to enter Basis Trades by the Clearing Member.
  - (c) Basis Trades may also be reported to the Exchange through any other means determined by the Exchange from time to time in accordance with the reporting requirements in Trading Procedure 16A.
- 16A.20 Where the Basis Trade is agreed between two separate Members (for the purposes of this Section 16A, "**Non-crossed Trades**") and unless agreed otherwise under the Contingent Agreement to Trade or underlying transaction between the two Members party to the Non-crossed Trade, the buying Member shall enter the details of the Non-crossed Trade into ICE Block and such details shall be confirmed/accepted by the selling Member party to the Non-crossed Trade. Details must be confirmed/accepted within the period of time prescribed by the Exchange.
- 16A.21 The Basis Trade, if accepted by the Exchange, will flow from ICE Block into the ICE Clearing Systems and be identified as a Basis Trade with a specific trade type as prescribed by the Exchange.
- 16A.22 Where details of a Non-crossed Trade have been submitted to ICE Block by one of the Members party to the Non-crossed Trade, but not confirmed/accepted in ICE Block by the other Member party to the Non-crossed Trade within the prescribed period of time, it is the responsibility of both Members (or the Clearing Member with whom the Member submitting the Non-crossed Trade is party to a clearing agreement) to discuss and resolve the matters preventing the confirmation/acceptance of the transaction submitted to ICE Block, through the Contingent Agreement to Trade or otherwise.
- 16A.23 The Exchange may check the Basis Trade details submitted to ICE Block and, if the Exchange is not satisfied that all such details are valid, it may, in its discretion, void or refuse to accept the Basis Trade. A decision by the Exchange to void or refuse to accept a Basis Trade is final. The Basis Trade registering Member will then receive confirmation of the details of the trade.
- 16A.24 The following information with respect to the Futures leg of a Basis Trade will be broadcast on the ICE Platform:
- (a) Futures and delivery month(s);
  - (b) Futures price(s); and
  - (c) volume of Futures traded.

In addition, these details will be distributed to quote vendors, marked with the ICE Platform market data update type 4 (for Basis Trade).

For each Product, the cumulative volume of Futures traded as the Futures leg of Basis Trades/Asset Allocations during the day will also be published.

- 16A.25 Recording by the Exchange of a transaction does not preclude the Exchange from instigating disciplinary proceedings in the event that the transaction is subsequently found to have been made other than in compliance with the Rules, nor does it preclude the Clearing House from voiding or taking other action in relation to a Basis Trade.
- 16A.26 [Not used.]
- 16A.27 The Exchange shall not be responsible for complying with any reporting or post-trade transparency requirements under Applicable Laws in relation to the leg or legs of a Basis Trade that are not a Contract or Contracts registered pursuant to the Rules.

## **16B EXCHANGE FOR RELATED POSITIONS**

- 16B.1 The Exchange provides an Exchange for Related Positions Facility ("**EFRP Facility**") on ICE Block. The EFRP Facility allows Members to register, subject to this Trading Procedure 16B, the following types of transactions:
- (a) EFP, which is a transaction between two parties involving the purchase or sale of a Product and either:
    - (i) the simultaneous price fixing of a directly related and specifically identifiable contract for sale or purchase of the same or similar physical commodity, which expressly contemplated price fixing; or
    - (ii) the hedging of a directly related and specifically identifiable contemporaneous contract for sale or purchase of the same or similar physical commodity;
  - (b) EFS, which is a transaction between two parties involving the purchase or sale of a Futures and an appropriate number of related Options or swaps; and
  - (c) EOO, which is a transaction between two parties involving the purchase or sale of an Option and an appropriate number of related Options,
- (together, "**EFRPs**").
- 16B.2 Any Member is permitted to register EFRPs, subject only to the Member having in place arrangements for the registration of the Contract leg of the EFRP via a Member holding a relevant Trading Privilege ("**EFRP registering Member**") to trade such Product.
- 16B.3 An EFRP may be registered only during the Trading Hours of the Product concerned, as published by the Exchange from time to time by Circular.
- 16B.3A Members must calculate hedge ratios for EFPs and EOOs, using a method which is based on the quantity of the commodity or a direct product of such commodity underlying the OTC, swap or Options position relative to the quantity of the commodity underlying the Futures Contract (for EFS) or Options Contract (for EOO).
- 16B.3B Where a hedge ratio differs from the relevant method stipulated in Trading Procedure 16B.3A, the Member who is reporting the trade is required to seek approval from the Exchange and to justify the method in advance of submission.
- 16B.4 EFRPs may be transacted only in Products which have been designated by the Exchange from time to time for that purpose. Such designations are published, from time to time, by notice posted on the Market. EFRPs are not permitted in a delivery month or expiry month of a designated Product which has never traded.
- 16B.5 The EFRP registering Member is responsible for assigning the price of the individual legs of the EFRP.
- 16B.6 When a Member accepts an EFRP order, he must record the order details set out in Trading Procedure 16B.7 and, in addition, the details prescribed by paragraphs (a) to (c) below, on an order record. Where a Member employs an electronic system for order routing, such details must be recorded electronically:
- (a) time of order receipt;
  - (b) identity of individual organising the EFRP; and
  - (c) date and time stamp (at time of organisation).

Without prejudice to Applicable Laws, all information required to be retained by the EFRP registering Member, pursuant to this Trading Procedure 16B.6, must be retained by the Member for a minimum period of five years.

16B.7 In relation to EFPs, the following details must be submitted via the ICE Platform by the EFRP registering Member:

- (a) Product in which the EFP is being transacted;
- (b) delivery month(s);
- (c) agreed Futures price(s);
- (d) number of lots of each Product; and
- (e) counterparty Member mnemonic.

In addition, and subject to Rule F.5C(c), the EFRP registering Member must retain, in an easily accessible form that can be audited by the Exchange, documentary evidence of the following information:

either

- (i) a copy of the physical contract itself, if this was transacted at a specific outright price, where the date of the physical contract must be the same as the date of registration of the Futures leg;

or

- (ii) a copy of a price-fixation confirmation, together with a copy of the directly related contract which shows the price differential or ratio at which the contract was transacted, where the date of the price-fixation confirmation must be the same as the date of registration of the Futures leg;

and

- (iii) the price (plus premium, less discount, or multiplied by any applicable volume ratio), which must equate to the price at which the EFP was transacted;
- (iv) the Futures delivery month referred to in the physical contract or price-fixation confirmation, which must be the same as that for which the EFP was registered; and
- (v) the physical contract or price-fixation confirmation, which must relate to at least the equivalent amount of the underlying commodity or a related commodity.

16B.7A In relation to EFSs, the following details must be submitted via the ICE Platform by the EFRP registering Member:

- (a) Futures in which the EFS is being transacted;
- (b) delivery month;
- (c) agreed Futures price; and
- (d) number of lots of each Futures.

16B.7B In relation to EOOs, the following details must be submitted via the ICE Platform by the EFRP registering Member:

- (a) Option in which the EOO is being transacted;
- (b) Option expiry month;
- (c) agreed strike price and premium; and
- (d) number of lots of each Option.

In addition, the EFRP registering Member must retain, in an easily accessible form that can be audited by the Exchange, a copy of the relevant ISDA Agreement or the master or other agreement under which the transaction took place and the relevant confirmation which forms part of that agreement.

The following information should be contained in the documentary evidence:

- the price formulae of the OTC Option;



- the termination date;
  - the start date;
  - the quality of the position relating to the underlying commodity or the direct product of such commodity; and
  - the referenced Options expiry month,
- 16B.8 EFRP transaction details must be reported to the Exchange through ICE Block by the EFRP registering Member as soon as practicable. In any event, details of the EFRP must be submitted to the Exchange by the EFRP registering Member within a period of time published by the Exchange from time to time. Members must not delay submission of an EFRP.
- 16B.9 The Exchange may check the EFRP transaction details submitted to ICE Block and, if the Exchange is not satisfied that all such details are valid, it may, in its discretion, void or refuse to accept the EFRP transaction. A decision by the Exchange to void or refuse to accept the EFRP transaction is final. The EFRP registering Member will then receive confirmation of the details of the trade.
- 16B.10 EFRPs may take place in respect of any of the Products and Contract Months as determined by the Exchange from time to time and are not subject to Trading Procedures other than this Section 3 unless specifically referred to.
- (a) EFRPs must be reported to the Exchange through ICE Block by:
- (i) the Member itself:
    - (aa) where a General Participant Member or ICE Block Member registers an EFRP with or on behalf of a client who is not a Member or an ICE Block Member of the Exchange, it must comply with all Applicable Laws, including in relation to suitability and appropriateness as regards the Contingent Agreement to Trade or underlying transaction;
    - (bb) in the case of a Trade Participant (including Trade Participant ICE Block Members transacting own business), the EFRP must be in respect of business for its own account and the proposed counterparty to the EFRP pursuant to the Contingent Agreement to Trade must be another Member or ICE Block Member;
  - (ii) a Member's Representative; where they have been authorised by the Member they represent, and have been granted permission by the Exchange to access ICE Block, having completed such form of enrolment as may be prescribed by the Exchange from time to time; or
  - (iii) an ICE Block Member; where the ICE Block Member has the permission from its own Clearing Member or its client's Clearing Member(s) to register business on its own account or on the client's behalf.
- (b) Members may also report the details of EFRPs to the ICE Helpdesk for entry into ICE Block in the Member's name or in the name of the Clearing Member with whom its client on whose behalf the Member is registering business, has a clearing account. The Member must have been appropriately permissioned to enter EFRPs by the Clearing Member.
- (c) EFRPs may also be reported to the Exchange through any other means determined by the Exchange from time to time in accordance with the reporting requirements in Trading Procedure 16B.
- 16B.11 Where the EFRP is agreed between two separate Members (for the purposes of this Section 16B, "**Non-crossed Trades**") and unless agreed otherwise under the Contingent Agreement to Trade or underlying transaction between the two Members party to the Non-crossed Trade, the buying Member shall enter the details of the Non-crossed Trade into ICE Block and such details shall be confirmed/accepted by the selling Member party to the Non-crossed Trade. Details must be confirmed/accepted within the period of time prescribed by the Exchange.
- 16B.12 The EFRP, if accepted by the Exchange, will flow from ICE Block into the ICE Clearing Systems and be identified as an EFRP with a specific trade type as prescribed by the Exchange.
- 16B.13 Where details of a Non-crossed Trade have been submitted to ICE Block by one of the Members party to the Non-crossed Trade, but not confirmed/accepted in ICE Block by the other Member party to the Non-crossed

Trade within the prescribed period of time, it is the responsibility of both Members (or the Clearing Member with whom the Member submitting the Non-crossed Trade is party to a clearing agreement) to discuss and resolve the matters preventing the confirmation/acceptance of the transaction submitted to ICE Block, through the Contingent Agreement to Trade or otherwise.

16B.14 The following information with respect to the Contract leg of an EFRP will be broadcast on the ICE Platform:

- Futures and delivery month(s) or Options and expiry months; and
- volume of such Product traded.

In addition, these details will be distributed to quote vendors, marked with the ICE Platform market data update type E (for EFPs), S (for EFSs) or Q (for EOOs).

For each Contract, the cumulative volume traded as the Contract leg of EFRPs posted during the day will also be published.

16B.15 Recording by the Exchange of a transaction does not preclude the Exchange from instigating disciplinary proceedings in the event that the transaction is subsequently found to have been made other than in compliance with the Rules, nor does it preclude the Clearing House from voiding or taking action in relation to an EFRP.

16B.16 Without prejudice to Applicable Laws, all information required to be retained by the EFRP registering Member, pursuant to Trading Procedures 16B.7, 16B.7A and 16B.7B, must be retained by the Member for a minimum period of five years. If the EFRP registering Member is not directly responsible for the registration of the physical leg of the EFRP, he must have appropriate arrangements in place with the party submitting/registering the physical leg such that the information in Trading Procedures 16B.7(i) – (v) above can be provided promptly to the Exchange.

16B.17 The Exchange shall not be responsible for complying with any reporting or post-trade transparency requirements under Applicable Laws in relation to the leg or legs of an EFRP that are not a Contract or Contracts registered pursuant to the Rules.

## 16C ASSET ALLOCATIONS

16C.1 The Exchange provides an Asset Allocation Facility ("**Asset Allocation Facility**") on ICE Block. The Asset Allocation Facility allows Members to register, subject to this Trading Procedure 16C, transactions involving a specified combination(s) of two Contracts in an appropriate ratio. For the purposes of these Trading Procedures, such transactions are called "Asset Allocations".

16C.2 Any Member is permitted to register Asset Allocations, subject only to the Member having in place arrangements for the registration of the individual legs of the Asset Allocation via a Member holding the relevant Trading Privilege ("**Asset Allocation registering Member**") to trade the Products.

16C.3 An Asset Allocation may be registered only during the Trading Hours of the Products concerned, as published by the Exchange from time to time by Circular.

16C.4 Asset Allocations may be transacted only in Products which have been designated by the Exchange from time to time for that purpose. Such designations are published, from time to time, by notice posted on the Market. The Asset Allocation Facility can be used in respect of a delivery month for Futures or an expiry month for Options on any Trading Day up to and including the Business Day preceding the last Trading Day of that delivery month or expiry month.

16C.5 The Asset Allocation registering Member is responsible for assigning the price of the individual legs of an Asset Allocation. Prices of the individual legs must be at the level trading on the ICE Platform at the time the Asset Allocation is submitted for registration or within the price parameters as defined by the Exchange from time to time. In the event that no trade has occurred in the relevant delivery month or expiry month on that day at the time the Asset Allocation is submitted for registration, the price of the individual legs of the Asset Allocation must be within the price parameters as defined by the Exchange from time to time.

16C.6 [Not used.]

16C.7 Members must calculate hedge ratios for Asset Allocations, using either:

- (a) for contracts of similar duration or asset class: nominal value for nominal value (currency converted if applicable); or
- (b) for Futures of different duration along the same yield curve or different yield curve: a method based upon the ration of the relative value of basis point shifts in the yield curve for, the two Futures; or

- (c) for strips of contracts versus longer duration contracts: a method based upon the ratio of the relative aggregate value of basis point shifts in the yield curve of the two sides of the Asset Allocation; or
- (d) for Options contracts with different contract codes along the same yield curve or different yield curve: a method based upon relative delta value of the two Options legs.

Where a hedge ratio differs from such methods, the Member who is reporting the trade (see Trading Procedure 16C.11) is required to seek approval from the Exchange and justify the method employed in advance of such submission.

- 16C.8 In respect of each Asset Allocation submitted, the Member accepting the Asset Allocation order must record the order details prescribed by Trading Procedure 3.1.2 and where a Member employs an electronic system for order routing, details prescribed in Trading Procedure 3.1.2 must also be recorded electronically.
- 16C.9 Without prejudice to Applicable Laws, all information required to be retained by the Asset Allocation registering Member, pursuant to Trading Procedure 3.1.2, must be retained by the Member for a minimum period of five years.
- 16C.10 The Asset Allocation details set out in Trading Procedure 3.1.2 must be submitted to the Exchange through ICE Block as soon as practicable. The period of time for the submission of an Asset Allocation to the Exchange commences as soon as verbal agreement on the terms of the Asset Allocation is reached between the parties to the Asset Allocation. In any event, details of the Asset Allocation must be submitted to the Exchange by the Asset Allocation registering Member within fifteen minutes of the time at which the Asset Allocation was agreed off-exchange (the cleared part of which being subject to a Contingent Agreement to Trade). Members must not delay submission of an Asset Allocation.
- 16C.11 The Exchange may check the Asset Allocation details submitted to ICE Block and, if the Exchange is not satisfied that all such details are valid, it may, in its discretion, void or refuse to accept the Asset Allocation. A decision by the Exchange to void or refuse to accept an Asset Allocation is final. The Asset Allocation registering Member will then receive confirmation of the details of the trade.
- 16C.12 Asset Allocations may take place in respect of any of the Products and Contract Months as determined by the Exchange from time to time and are not subject to Trading Procedures other than this Section 3 unless specifically referred to.
- (a) Asset Allocations must be reported to the Exchange through ICE Block by:
    - (i) the Member itself:
      - (aa) where a General Participant Member or ICE Block Member registers an Asset Allocation with or on behalf of a client who is not a Member or an ICE Block Member of the Exchange, it must comply with all Applicable Laws, including in relation to suitability and appropriateness as regards the Contingent Agreement to Trade or underlying transaction;
      - (bb) in the case of a Trade Participant (including Trade Participant ICE Block Members transacting own business), the Asset Allocation must be in respect of business for its own account and the proposed counterparty to the Asset Allocation pursuant to the Contingent Agreement to Trade must be another Member or ICE Block Member;
    - (ii) a Member's Representative; where they have been authorised by the Member they represent, and have been granted permission by the Exchange to access ICE Block, having completed such form of enrolment as may be prescribed by the Exchange from time to time; or
    - (iii) an ICE Block Member; where the ICE Block Member has the permission from its own Clearing Member or its client's Clearing Member(s) to execute business on its own account or on the client's behalf.
  - (b) Members may also report the details of Asset Allocations to the ICE Helpdesk for entry into ICE Block in the Member's name or in the name of the Clearing Member with whom its client on whose behalf the Member is registering business has a clearing account. The Member must have been appropriately permissioned to enter the Asset Allocation by the Clearing Member.
  - (c) Asset Allocations may also be reported to the Exchange through any other means determined by the Exchange from time to time in accordance with the reporting requirements in Trading Procedure 16C.

- 16C.13 Where the Asset Allocation is agreed between two separate Members (for the purposes of this Section 16C, "Non-crossed Trades") and unless agreed otherwise under the Contingent Agreement to Trade or underlying transaction between the two Members party to the Non-crossed Trade, the buying Member shall enter the details of the Non-crossed Trade into ICE Block and such details shall be confirmed/accepted by the selling Member party to the Non-crossed Trade. Details must be confirmed/accepted within the period of time prescribed by the Exchange.
- 16C.14 The Asset Allocation, if accepted by the Exchange, will flow from ICE Block into the ICE Clearing Systems and be identified as an Asset Allocation with a specific trade type as prescribed by the Exchange.
- 16C.15 Where details of a Non-crossed Trade have been submitted to ICE Block by one of the Members party to the Non-crossed Trade, but not confirmed/accepted in ICE Block by the other Member party to the Non-crossed Trade within the prescribed period of time, it is the responsibility of both Members (or the Clearing Member with whom the Member submitting the Non-crossed Trade is party to a clearing agreement) to discuss and resolve the matters preventing the confirmation/acceptance of the transaction submitted to ICE Block, through the Contingent Agreement to Trade or otherwise.
- 16C.16 Upon request by the Exchange the Asset Allocation registering Member must produce satisfactory evidence that the Asset Allocation has been registered in accordance with the Rules. Asset Allocation registering Members must, therefore, be in a position to supply documentary evidence in connection with an Asset Allocation.
- 16C.17 Recording by the Exchange of an Asset Allocation does not preclude the Exchange from instigating disciplinary proceedings in the event that the transaction is subsequently found to have been made other than in compliance with the Rules, nor does it preclude the Clearing House from voiding or taking other action in relation to an Asset Allocation.
- 16C.18 The following information with respect to the individual legs of the Asset Allocation will be broadcast on the ICE Platform:
- (a) Futures and delivery month(s) or Options and expiry month(s);
  - (b) Futures prices or Option premia;
  - (c) volume of Futures or Options traded; and
  - (d) any Futures reference and delta with respect to volatility trades.

In addition, these details will be distributed to quote vendors, marked with the ICE Platform market data update type AA (for Asset Allocation trades).

For each exchange contract, the cumulative volume of Futures and Options traded as Asset Allocations during the day will also be published.

**SECTION 4: BLOCK TRADE PROCEDURES****17 BLOCK TRADE PROCEDURES**

17.1 Block Trades are not subject to these Trading Procedures other than in this Section 4 or where specifically referred to.

17.2 Block Trades may take place:

- (a) in respect of Products designated by the Exchange from time to time by Circular as Products that may be registered as Block Trades pursuant to the Rules;
- (b) only during such Trading Hours of the Block Trade Contract concerned and on such Trading Days as the Exchange may from time to time prescribe; and
- (c) [Not used.]
- (d) only when agreed and reported in accordance with Rule F.7 and these Trading Procedures, and when price, volume and aggregation Rules are met.

17.3 [Not used.]

17.4 Block Trades may take place in respect of any of the Products and Contract Months as determined by the Exchange from time to time and are not subject to Trading Procedures other than this Section 4 unless specifically referred to.

- (a) Block Trades must be reported to the Exchange through ICE Block by:
  - (i) the Member itself:
    - (aa) where a General Participant Member or ICE Block Member registers a Block Trade with or on behalf of a client who is not a Member or an ICE Block Member of the Exchange, it must comply with all Applicable Laws, including in relation to suitability and appropriateness as regards the Contingent Agreement to Trade or underlying transaction;
    - (bb) in the case of a Trade Participant (including Trade Participant ICE Block Members transacting own business), the Block Trade must be in respect of business for its own account and the proposed counterparty to the Block Trade pursuant to the Contingent Agreement to Trade must be another Member or ICE Block Member;
  - (ii) a Member's Representative; where they have been authorised by the Member they represent, and have been granted permission by the Exchange to access ICE Block, having completed such form of enrolment as may be prescribed by the Exchange from time to time; or
  - (iii) an ICE Block Member; where the ICE Block Member has the permission from its own Clearing Member or its client's Clearing Member(s) to register business on its own account or on the client's behalf.
- (b) Members may also report the details of Block Trades to the ICE Helpdesk for entry into ICE Block in the Member's name or in the name of the Clearing Member with whom its client on whose behalf the Member is registering business has a clearing account. The Member must have been appropriately permissioned to enter Block Trades by the Clearing Member.
- (c) Block Trades may also be reported to the Exchange through any other means determined by the Exchange from time to time in accordance with the reporting requirements in Trading Procedure 17.

Each instance of submission set out above must be done in accordance with the reporting requirements in this Trading Procedure 17.

Block Trades details must be reported without delay to the Exchange and accepted/confirmed within a period of time prescribed by the Exchange from time to time.

17.5 The period of time for the submission of a Block Trade to the Exchange commences as soon as verbal agreement on the terms of the Block Trade is reached between the parties to the Block Trade, and must be completed by such reporting deadline as the Exchange may prescribe from time to time.

17.6 Such time of commencement shall be recorded by the Members agreeing the Block Trade off-exchange (the cleared part of which being subject to a Contingent Agreement to Trade) on the order slip or electronic record of an order in accordance with the Rules.

- 17.7 Members must not delay reporting the Block Trade to the Exchange.
- 17.8 Where the Block Trade is agreed between two separate Members (for the purposes of this Section 17, "**Non-crossed Trades**") and unless agreed otherwise under the Contingent Agreement to Trade or underlying transaction between the two Members party to the Non-crossed Trade, the buying Member shall enter the details of the Non-crossed Trade into ICE Block and such details shall be confirmed/accepted by the selling Member party to the Non-crossed Trade. Details must be confirmed/accepted within the period of time prescribed by the Exchange.
- 17.9 The Block Trade, if accepted by the Exchange, will flow from ICE Block into the ICE Clearing Systems and be identified as a Block Trade with a specific trade type as prescribed by the Exchange.
- 17.10 Where details of a Non-crossed Trade have been submitted to ICE Block by one of the Members party to the Non-crossed Trade, but not confirmed/accepted in ICE Block by the other Member party to the Non-crossed Trade within the prescribed period of time, it is the responsibility of both Members (or the Clearing Member with whom the Member submitting the Non-crossed Trade is party to a clearing agreement) to discuss and resolve the matters preventing the confirmation/acceptance of the transaction submitted to ICE Block, through the Contingent Agreement to Trade or otherwise.
- 17.11 The Exchange may check the Block Trade details submitted to ICE Block and, if the Exchange is not satisfied that all such details are valid, it may, in its discretion, void or refuse to accept the Block Trade. A decision by the Exchange to void or refuse to accept a Block Trade is final. The registering Member will then receive confirmation of the details of the trade.
- 17.12 Publication arrangements for Block Trades shall be prescribed by the Exchange from time to time. These may include deferred publication and non-publication in defined circumstances. Different arrangements may be prescribed for different Contracts and different sizes of Block Trade.
- 17.13 Recording by the Exchange of a transaction does not preclude the Exchange from instigating disciplinary proceedings in the event that the transaction is subsequently found to have been made other than in compliance with the Rules, nor does it preclude the Clearing House from voiding or taking other action in relation to a Block Trade.