



ICE Futures Europe and ICE Endex

MiFID II Best Execution Disclosures Guide

June 2018

Version 1.05.

MiFID II Best Execution Disclosures Guide

June 2018

1. Introduction

The MiFID II regulations require trading venues such as ICE Futures Europe and ICE Endex Markets B.V. to make quarterly disclosures in detail on the operation of the trading venue and trading details relating to quotes, orders and executions in financial instruments.

The disclosures are detailed in [EU Delegated Regulation 2017/ 575](#) and are required quarterly.

The disclosures are split into nine tables covering general trading venue information, detailed trading operations, and quote information. ICE Futures Europe and ICE Endex are large diverse exchanges. At any point in time there are over four hundred thousand contracts available to trade and on an average day the exchanges may receive eighty million orders which then result in four million trades in over twenty thousand separate contracts. Consequently, ICE is publishing large amounts of information complying with the regulation. To avoid producing overly large files with little actual data the files will only have a row of information where there is data to publish. So for example where we publish the volume traded in each ISIN for each day a row will only be created for ISINs that have a trade that day. If an ISIN did not trade then we have not created a row in the file. This has avoided including 23 million empty rows in this table and has a major beneficial impact on the size and readability of the files published.

2. Disclosure Structure

Due to the very large number of financial instruments available to trade Ice Futures Europe has grouped its disclosures in a standardised structure that reflects the classes of instruments list on the Exchange. At the highest level the Exchange has four market segments;

- IFEU - Energy and emission allowance products
- IFLX - Agricultural products ("Softs")
- IFLL - Financial products including equity indices
- IFLO - Equity products

Similarly, ICE Endex has three market segments. However, two of these segments are spot markets in physical power, gas transmission and storage. These products are not financial instruments and are therefore not subject to MiFID. The third segment does contain financial products namely listed options and futures;

- NDEX - Energy products

Within each market segment there are then Base Products such as FRGT for freight, and then Sub Products such as COAL for coal and finally in a number of instances Further Sub Products such as BRNT for Brent. ICE has produced the files following these groupings, which are in Appendix 1 of this document. Where possible ICE has included all the business days to be reported in a single file to permit the reader to see all the activity the table requires to be disclosed for the quarter for a particular instrument and closely related products in the same file. To save space the CSV files have been zipped into a single zip file for the table. This structure has been followed for all the tables where individual contract information has been disclosed.

ICE has followed the formats provided in the ANNEX of the delegated regulation where possible. Complying with the requirement to publish an easily machine readable file has been prioritised over precisely following the format to make it as easy as possible for the data to be read by a user with a spreadsheet. Regardless all the required information has been published.

3. Traded Value and Quantities

In many of the disclosures the exchanges are required to disclose the value traded. For futures this has been interpreted as the notional value traded. For consistency this approach has also been applied to the option disclosures. This is consistent with the transparency information collected by ESMA used in the Large in Scale (LIS) and Size Specific to the Financial Instrument (SSTI) thresholds applied in Table 3. It should be noted that the notional for a difference or spread contract is computed as the difference between the respective notionals. This is proportionate to the relative risk in such contracts and may be a much smaller figure than the notional for a contract which takes an outright position in a single product.

Where the disclosures require a quantity ICE has reported this as the number of lots.

4. Table 1 Market Availability

The exchanges monitors their on-line performance very closely. Where an outage affects all or a significant part of an exchange's markets it has been included for disclosure.

The Ice Futures Europe is the organiser of auctions of emission allowance certificates for the UK Government. These certificates are financial instruments under MiFID but are not listed on ICE. The Exchange only organises the auction for their initial purchase, there is no subsequent trading in these products on ICE. The auctions organised by Endex are not in financial instruments and so outside the scope of these disclosures.

The exchanges cancel trades where;

- 1) Participants succeed in executing business outside the price range which the Exchange has determined as acceptable.
- 2) Participants succeed in executing trade types which are not supported under the rules of the Exchange.

The percentage of the value of cancelled trades has been computed as the percentage of the total value traded that day in the relevant market segment of the exchange.

5. Table 3 Traded Price Disclosures

Where a contract did not trade in the two minute window commencing at 15:30.00 UTC the period of time within which the next trade would be reported should it have occurred is from 15:32.00 until the end of the trading session for that contract.

Activity in strategy markets has been disclosed as transactions in the individual contracts (that have ISINs as the strategies themselves do not have ISINs).

6. Table 5 Cost disclosures

The exchanges are not able to allocate all their cost and rebates to individual ISINs. Accordingly this analysis has only been prepared at a market segment level. Where costs are applied at an exchange level they have been apportioned evenly across the market segments.

7. Table 6 Daily activity summaries

The number of orders received disclosed in the table includes modifications to orders and therefore represents the total number of instructions to deal that the venue received from market participants.

For clarity, the number of market makers refers only to firms who have or are executing a market making agreement with the exchanges in compliance with Article 1 of EU Delegated Regulation 2017/578 on market making agreements. Readers should note that a trade executed in accordance with the exchanges' Block rules will be included in this table but there will be no matching screen order or quote recorded as these transactions are privately negotiated off screen. Similarly, trades that have been executed as part of a strategy (a combination of transactions on a set of financial instruments quoted and executed as a single deal) are included in this table. The corresponding strategy orders are not included as strategies do not have an ISIN by which they can be identified and included.

8. Table 7 Intra-day trading activity

The table shows the main continuous quote order book trading activity. Non-standard order classes such as TAS (trade at settlement) have been excluded from this disclosure to ensure consistency of disclosure. Where the table discloses the speed of execution of an order, orders that were placed and made visible in the pre-market period of time have been excluded from the analysis again to provide a consistent view of the time between an order being placed on the Exchange and visible to participants and an execution occurring.

Article 7 (k) of the delegated regulation requires the disclosure of the number and value of transactions that are Large in Scale (LIS) pursuant to Article 4 or 9 of Regulation (EU) No 600/2014. These articles are the pre-trade transparency provisions within MiFIR. For ICE these represent off-screen on exchange negotiated Block trades dealt in accordance with the exchanges' Block trade rules. MiFIR sets different levels for LIS and SSTI for pre-trade transparency and post-trade transparency. The definitions section of the Best Execution regulation states that the LIS to be used in these disclosures should be the post-trade value.

The exchanges are required to suspend certain equity derivative contracts at the direction of its regulator, usually when there is a corporate action in the underlying equity. Best Execution requires the disclosure of suspensions made "as a result of a decision by the venue". As the exchange makes no decision in the suspension of equity derivative contracts such suspensions have not been included in these disclosures.

9. Table 9 Request For Quote Activity

To provide the reader with information that is pertinent to the Request For Quote (RFQ) market activity the information in this table excludes quotes and executed transactions that were not as a result of an RFQ. In order to identify the impact of RFQ activity there must be no live quotes present in the market at the point when a market participant issues the RFQ. RFQs that were submitted during the pre-market period have also been excluded from this analysis to enable the reader to view consistent information on the time period between the publication of an RFQ and a responding quote.

If you have any further specific queries please contact;

Greg Stevens greg.stevens@theice.com
ICEFuturesEurope-MiFID@TheIce.com

Appendix I

The following table shows how the products traded on the exchanges are divided into market segments and further graduations. These classifications are also included in the specific contract ISIN disclosure in Table 2 and should enable the reader to determine in which file a specific ISIN can be found if that contract has activity requiring disclosure.

Mic	Base Product	Sub Product	Further Sub Product	
IFEU	ENVR	EMIS	CERE	
			EUAA EUAE	
	FRGT	DRYF	DBCR	
		WETF	TNKR	
	METL	NPRM	IRON	
	NRGY	COAL	(blank)	
		ELEC	BSLD PKLD	
		NGAS	LNGG NBPG	
		OILP	BDSL BRNT DSEL DUBA ESPO ETHA FOIL GOIL GSLN HEAT JTFL KERO NAPH URAL WTIO	
	IFLL	INTR	BOND	(blank)
			INRT	3MNTH 1MNTH 2YEAR 3YEAR 5YEAR 7YEAR

Mic	Base Product	Sub Product	Further Sub Product
			10YEAR 30YEAR
		STIX	(blank)
		10YEAR	(blank)
IFLO	EQTY	DVSE	(blank)
		SHAR	(blank)
		STIX	(blank)
IFLX	AGRI	GROS	FWHT
		SOFT	CCOA ROBU WHSB
NDEX	NRGY	ELEC	BSLD PKLD
		NGAS	(blank) GASP TTFG