

SECTION A - GENERAL

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³ Amended IPE/ETS Implementation date 2002

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⁷ Amended 27 February 2003, 29 March 2006

⁸ Amended 27 February 2003, 7 December 2005

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¹² Deleted 27 February 2009

A.1 DEFINITIONS¹³

In these Regulations the words standing in the first column of the following table shall bear the meanings set opposite them in the second column thereof, if not inconsistent with the subject or context:-

WORDS	MEANINGS
“Administrative Procedures”	with regard to a product, administrative procedures for the time being adopted by the Directors under Rule I.1 in respect of Contracts for that product;
"Against Actuals Facility"	means the against actuals facility set out in Trading Procedures 16B;
"AAs"	the meaning set out in Trading Procedures 16B.1;
“API”	means the open application program interface and transport software;
“the Arbitration Rules”	that part of the Regulations which provides for the settlement of disputes by arbitration;
“the Articles”	the Articles of Association for the time being of the Exchange;
“Authorisation”	the meaning within the Financial Services and Markets Act 2000 in relation to future, contracts for differences, options and any other investment under the Financial Services and Markets Act 2000 which is traded on the Exchange, and shall include any exemption(s) and/or exclusion(s) from the requirement for authorisation which is permitted pursuant to the Financial Services and Markets Act 2000;
“the Authorisation, Rules and Conduct Committee”	the committee for the time being holding office under Rule C.10.1;
"Basis Trading Facility"	means the basis trading facility set out at Trading Procedures 16A;
"Basis Trades"	the meaning set out in the Trading Procedures 16A.1;
"Bclear Contracts"	means those contracts designated by the Exchange which may form the subject matter of a Contingent Agreement to Trade, pursuant to Section F;
"Bclear Service"	means the service operated by the Exchange which enables Members to report Contingent Agreements to Trade to the Exchange for acceptance and consequent creation of a Contract;
"Bclear Reporting Member"	means a Member holding the appropriate rights entitling him to report to the Exchange each of the legs of a Contingent Agreement to Trade;
“Block Trade”	means the transaction organised and executed in relation to Block Trade Contracts pursuant to the Rules;
“Block Trade Contracts”	means those contracts designated by the Exchange as contracts that may be traded as a Block Trade pursuant to the Rules (but excluding, for the avoidance of doubt, EFPs, EFSs, EFM, Basis Trades and AAs, notwithstanding that EFPs, EFSs, EFM, Basis Trades and AAs may be entered using ICE Block);
“Block Trade Facility”	means the facility established by the Exchange which permits Members to organise and execute transactions in relation to the trading of Block Trade Contracts, EFPs, EFSs and EFM pursuant to the Rules. This shall

¹³ Amended 28 April 1999, 3 April 2000, 4 September 2000, 1 February 2001, 3 August 2001, 13 August 2001, 11 October 2001, 4 January 2002, 27 May 2002, IPE/ETS Implementation date 2002, 30 September 2002, 27 February 2003, 17 July 2003, 6 October 2003, 25 October 2005, 7 December 2005, 7 February 2006, 29 March 2006, 27 April 2006, 17 July 2006, 13 October 2006, 27 May 2007, 12 February 2008, 14 March 2008, 17 October 2008, Launch of ICE Clear 2008, 4 December 2008, 4 April 2011, 7 June 2012, 15 October 2012, 15 May 2013, 01 November 2013, 29 January 2014, 4 June 2014, [2014](#), [2014](#)

	include the facilities used by Members connected to the Trade Registration API;
“Business Day”	a Trading Day which is not a public holiday in England;
<u>“Buyer”</u>	<u>in respect of a Contract means the Person or Persons, determined in accordance with Rule F.1, who is or are a party to such Contract as buyer and this term includes both or either of the relevant Sponsor and Sponsored Principal, in relation to a Contract recorded at the Clearing House in an Individually Segregated Sponsored Account. In respect of an Options Contract, the Buyer is the person(s) entitled to exercise the option. For further details on Individually Segregated Sponsored Accounts, please see Rule I.24;</u>
<u>“CFTC”</u>	<u>means the Commodity Futures Trading Commission of the United States of America, or any successor thereto;</u>
“clearing agreement”	an Agreement under which a clearing Clearing Member of the Clearing House undertakes on the terms of the Regulations to clear and accept liability for any Contract made on the Market pursuant to Rule B.10 by another Member;
<u>“Clearing Counterparty”</u>	<u>a Clearing Member (or in respect of an Individually Segregated Sponsored Account, a Sponsor and a Sponsored Principal, acting jointly as provided in the Clearing House Rules);</u>
“the Clearing House”	any clearing house which is for the time being appointed by the Directors as clearing house to the Exchange;
“Clearing Member”	a Member of the Exchange which means a Person which has entered into a clearing agreement with the Clearing House and which has been admitted <u>means a Member that has been authorised</u> as a clearing member pursuant to <u>by the Clearing House under</u> the Clearing House Rules;
“Clearing House Rules”	the regulations, default rules and <u>of the Clearing House, together with the procedures made thereunder, as interpreted in accordance with guidance and circulars</u> of the Clearing House <u>and as the same are amended in accordance with the Clearing House Rules</u> from time to time in force ;
“Coal Contract”	a contract containing the terms set out in Sections U, KK, WW, EEE and GGG of the Contract Rules and/or any other contract determined to be a Coal Contract by the Directors from time to time;
“Complaints Resolution Procedure”	the procedure issued by the Exchange from time to time setting out the procedures for the making of a complaint against the Exchange or its personnel by a complainant, and the investigation of such complaint;
“Cross Trade”	the meaning set out in Rule G.6A.1;
“the compliance officer”	the person or (if more than one) any of the persons for the time being holding office as compliance officer under Rule C.11.1;
“Conformance criteria”	means the criteria determined by the Exchange from time to time to which a front end application must conform;
“Contingent Agreement to Trade”	means an agreement between two parties to submit details to the Exchange with a view to creation of one or more Contracts pursuant to Section F. This agreement is contingent on acceptance by the Exchange and consequent creation of the Contract(s);
“Contract”	a contract containing the terms set out in the Contract Rules and the Clearing House Rules and, for the avoidance of doubt, a contract shall not be regarded as falling outside this definition solely by virtue of the fact that it contains additional terms which apply on the default of a party to

	such contract provided that such terms do not conflict with the terms of the default rules, where such rules apply, or contains terms which modify the terms of the Contract Rules to take account of the fact that the Clearing House is not a party to such contract;
“contract date”	the meaning given in Rule I.3;
“contract month”	the meaning given in Rule I.3;
“the Contract Rules”	with regard to a product, the contract rules for the time being applicable under the Regulations to Contracts for that product; and with regard to an option, the contract rules for the time being applicable under the Regulations to Contracts for options of that kind;
“Corresponding Contract”	a contract arising between a non-clearing Member and a clearing Member pursuant to Rule B.9.3 or between a client of a Member and a Member pursuant to the parties other than the Clearing House as set out in Rule F.1.4, F.1.7 and F.1.10, subject to Rule C.6 or and Rule F.2;
<u>"Customer-CM F&O Transaction Standard Terms"</u>	<u>means the "F&O Standard Terms" as defined in the Clearing House Rules;</u>
“default rules”	the rules set out in Section D of the Regulations as from time to time in force;
“Delivery Committee”	means the committee for the time being appointed under Rule C.13.2;
“the Directors”	the directors of the Exchange;
“EFMs”	the meaning given in Rule F.5.B;
“EFPs”	the meaning given in Rule F.5;
“Electricity Contract”	a contract containing the terms set out in Section W of the Contract Rules and/or any other contract determined to be an Electricity Contract by the Directors from time to time;
“Electronic User Agreement”	an agreement between a Member and the Exchange in a form prescribed by the Directors from time to time for the use of the ICE Platform by the Member;
“EFSs”	the meaning given in Rule F.5;
“Emission Contract”	means a contract containing the terms set out in Sections Y, EE, II, MM, OO and YY of the Contract Rules and/or any other contract determined to be an Emission Contract by the Directors from time to time;
“Emissions Trading Privilege”	means the status for which a Member, or applicant for membership may apply in accordance with Section B, which is a condition to the availability of the permissions described in Rule B.6 in relation to an Emission Contract;
"Energy Contract"	a Futures Contract or Options Contract containing the terms set out in any Section of the Contract Rules (excluding Sections AAAA, BBBB, CCCC and DDDD of the Contract Rules), and/or any other contract determined to be an Energy Contract by the Directors from time to time;
"Equity Shares Contract"	a contract containing the terms set out in Sections [] of the Contract Rules and/or any other contract determined to be an Equity Shares Contract by the Directors from time to time;
“the Exchange”, “ICE” or “ICE Futures”	means ICE Futures Europe;
“fair market value”	means in relation to any Block Trade price quoted by a Member to

another Member or to a client or in respect of a Block Trade entered into by a Member, a price which is considered by the Member, to be the best available for a trade of that kind and size;

<u>"FCA"</u>		<u>means the Financial Conduct Authority of the United Kingdom, or any successor thereto;</u>
<u>"FCM/BD"</u>		<u>means a Person registered as a futures commission merchant with the CFTC and/or as a broker-dealer with the SEC, as applicable;</u>
<u>"FCM/BD Clearing Member"</u>		<u>means a Clearing Member that is an FCM/BD;</u>
"Financials and Softs Contract"		means Securities Contracts, Soft Commodity Contracts, Interest Rate Contracts, Swapnote® Contracts and Bclear Contracts;
"Financials and Softs Trading Privilege"		means the status for which a Member or applicant for membership may apply in accordance with Section B, which is a condition to the availability of the permissions described in Rule B.6 in relation to a Financials and Softs Contract;
"front end application"		means a graphical user interface developed by a Member, or provided by an ISV to a Member, or the graphical user interface provided to a Member by the Exchange as part of the ICE Platform. A front end application must at all times meet the Exchange conformance criteria;
"Futures Contract"		a Contract whereby one Member purchases or sells any product for delivery in the future to another Member: (i) at a price that is determined at the initiation of the contract; (ii) that obligates each party to the contract to fulfil the contract at the specified price; (iii) that is used to assume or shift price risk; and (iv) that may be satisfied by delivery, cash settlement or offset, including for the avoidance of doubt, any "future" under article 84 of the FSMA Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or any similar Contract of a shorter duration or for commercial purposes;
"General Participant"		a Member of the category mentioned in Rule B.2.1(a);
"graphical user interface"		means the software which interfaces with the ICE Platform API and both determines the requirement for sending, and sends, order handling messages to the Trading Server without necessarily requiring the intervention of an individual;
"Grainstorekeeper"		means a grainstorekeeper who appears on the list of Registered Grainstorekeepers published from time to time by the Exchange by notice posted on the Market;
"Guaranteed Cross"		the meaning set out in Rule G.6A.1;
"ICE Block Member"		means an entity or individual which has been admitted to a category of membership for the purpose of (i) accessing the ICE Block facility to enter Block Trades and EFMs, EFPs, EFSs, Basis Trades and/or AAs (as the case may be), and/or (ii) accessing the ICE Platform for the purpose of entering Cross Trades, for own business purposes or on behalf of Members;
"ICE Block Facility" or "ICE Block"		means the facility for the entry of Block Trades, EFPs, EFSs, EFMs, Basis Trades and/or AAs by Members. This shall include the facilities used by Members connected to the Trade Registration API;
"the ICE Platform"		means the electronic trading system for the trading of such contracts as determined by the Directors from time to time and administered by the Exchange and, in the case of an ICE Block Member, the term "the ICE Platform" shall, where applicable, mean the ICE Block Facility and any other implied or explicit terms relating to the ICE Platform shall be

	construed accordingly;
“the ICE Platform central processing system”	means that part of the ICE Platform operated by or on behalf of the Exchange which performs the functions set out in documents from time to time published by the Exchange including controlling, monitoring and recording trading by Members and concluding transactions between Members;
“ICE Platform trading hours”	the hours during which Responsible Individuals may conduct Exchange business on the ICE Platform, such hours to be determined by the Directors in accordance with A.8;
“ICE Platform workstation”	a computer workstation connected to the ICE Platform for the purposes of conducting Exchange business by means of the ICE Platform;
“Individually Segregated Sponsored Account”	means an Individually Segregated Sponsored Account as defined in the Clearing House Rules;
“Individual Participant”	a Member of the category mentioned in Rule B.2.1(c);
“Interest Rate Contracts”	a Futures Contract or Options Contract containing the terms set out in Sections AAAA, BBBB, CCCC and DDDD of the Contract Rules and/or any other contract determined to be an Interest Rate Contract by the Directors from time to time;
“in writing”	written, printed or lithographed or partly one and partly another and any other mode of representing or reproducing words in a visible form;
“IPEH”	ICE Futures Holdings plc;
“ISV, Independent Software Vendor”	means the provider of graphical user interface software which interfaces with the ICE Platform API and both determines the requirement for sending, and sends, order handling messages to the Trading Server without necessarily requiring the intervention of an individual. Such ISV shall meet such conformance criteria as determined by the Exchange from time to time;
“ITM”	a unique individual trader mnemonic assigned by the Exchange to a Responsible Individual;
“Limit Order”	a Limit Order is an order to buy or sell a specified Contract at a specific price or a price higher or lower than the specific price, as appropriate. A buy Limit Order can only be executed at the limit price or lower, and a sell Limit Order can only be executed at the limit price or higher. A Limit Order is not guaranteed to execute. A Limit Order can only be filled if the market price of the specified Contract reaches the limit price;
“the Market”	the ICE Platform or any other means of trading determined by the Exchange from time to time;
“Matched Transaction”	a Platform Trade, a Block Trade or an EFP, EFS, EFM, Basis Trade or AA;
“Member”	an entity or a person who has been admitted to a category of membership referred to under Section B;
“the Membership Department”	the membership department of the Exchange;
“Member’s Representative”	any employee director, officer, partner, agent or representative of a Member (whether a natural person or corporation, including any employee, director, officer, partner, agent or representative of such a corporation);
“the Memorandum”	the Memorandum of Association of the Exchange;

“minimum volume thresholds”	means the thresholds as determined by the Exchange and published from time to time being the minimum number of lots in respect of each Block Trade Contract that can be traded as a Block Trade;
“Natural Gas Contract”	a contract containing the terms set out in Sections S, UU, AAA, CCC, III and KKK of the Contract Rules and/or any other contract determined to be a Natural Gas Contract by the Directors from time to time;
“Non-Business Day”	a Trading Day which is a public holiday in England;
<u>“non-Member Sponsored Principal”</u>	<u>a Sponsored Principal, for the purpose of clearing own business in accordance with Rule B.10.1(d), that is a client of a General Participant but is not a General Participant, a Trade Participant or an Individual Participant;</u>
“notice posted on the Market”	a notice in writing sent by post to Members, or a notice sent electronically to Members by e-mail (and/or if the context requires a notice sent via the ICE Platform) and having effect at the time;
"Oil and Utility Trading Privilege"	means the status for which a Member or applicant for membership may apply in accordance with Section B, which is a condition to the availability of the permissions described in Rule B.6 in relation to an Oil Contract or a Utility Contract;
“Oil Contract”	means a contract containing the terms set out in Sections J, J1, L, L1, N, Q, AA, CC, GG and RR of the Contract Rules and/or any other contract determined to be an Oil Contract by the Directors from time to time;
“Options Contract”	a Contract whereby one Member grants to another the right, but not the obligation, to buy, sell or enter into a Contract;
<u>"Permitted Cover"</u>	<u>means "Permitted Cover" as defined in the Clearing House Rules;</u>
"Person"	means any individual, partnership, firm, body corporate, association, trust, unincorporated organisation or other entity.
“person subject to the Regulations”	is each and all of the following: <ul style="list-style-type: none"> (a) a trader; (b) a Member; (c) the traders and other staff of the Member registered with the Exchange, (or who should have been registered with the Exchange), who have access to the premises or trading facilities of the Exchange; (d) a Responsible Individual registered with the Exchange, (or who should have been registered with the Exchange); (e) a Grainstorekeeper; and (f) a Warehousekeeper; <u>and</u> <u>(g) a non-Member Sponsored Principal.</u>
<u>“Platform Trade”</u>	<u>a trade arising from an order, which is not in relation to a Block Trade, EFP, EFS, EFM, Basis Trade or AA made by one Member being matched with an order of the same Member or another Member on the ICE Platform in respect of a product;</u>
“product”	the commodity in respect of which a Contract is made; but this definition does not detract from Rule J.3(a);
“Recognition Requirements”	means any of the requirements applicable to the Exchange under the Financial Services and Markets Act 2000 (Recognition Requirements for Investments Exchanges and Clearing Houses) Regulations 2001 (SI 2001/1995);

“the Regulations”	these regulations, rules and the Contract Rules as from time to time in force or any arrangements, directions and provisions made thereunder as the context may require;
<u>“Repository”</u>	<u>a trade repository (as defined in Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories) used by the Clearing House for the reporting of Contracts (which may also be used for the recording of Matched Transactions submitted for Clearing), or to which delegated reporting is provided by the Exchange or the Clearing House;</u>
“Responsible Individual”	an individual registered by a Member with the Exchange to conduct Exchange business on the ICE Platform for that Member;
"RFQ"	means request for quote;
<u>“SEC”</u>	<u>means the Securities and Exchange Commission of the United States of America, or any successor thereto;</u>
"Securities Contract"	a Futures Contract, Options Contract or Equity Shares Contract containing the terms set out in Sections 1.1 of the Contract Rules and/or any other contract determined to be a Securities Contract by the Directors from time to time;
<u>“Seller”</u>	<u>in respect of a Contract means the Person or Persons, determined in accordance with Rule F.1, who is or are a party to such Contract as seller and this term includes both or either of the relevant Sponsor and Sponsored Principal, in relation to a Contract recorded at the Clearing House in an Individually Segregated Sponsored Account. In respect of an Options Contract, the Seller is the person(s) against whom the option is exercised. For further details on Individually Segregated Sponsored Accounts, please see Rule I.24;</u>
"Soft Commodity Contract"	a Futures Contract or Options Contract containing the terms set out in Sections 1.1 of the Contract Rules and/or any other contract determined to be a Soft Commodity Contract by the Directors from time to time;
"Soft Commodity EOO"	has the meaning given in the Trading Procedures;
<u>“Sponsor”</u>	<u>means a Clearing Member that has been authorised to act as such by the Clearing House under the Clearing House Rules;</u>
<u>“Sponsored Principal”</u>	<u>means a person that has been authorised to act as such by the Clearing House under the Clearing House Rules;</u>
“swap” and “swap transaction”	a contract of the kind described in clause 19 part II of Schedule 2 to the Financial Services and Markets Act 2000, in respect of any product (other than a Contract as defined in this Rule);
“Stop Order”	a Stop Order, also referred to as a stop-loss order, is an order to buy or sell a specified Contract once the price of the specified Contract reaches a specified price, known as the stop price. When the stop price is reached, a Stop Order becomes a market order. A buy Stop Order is entered at a stop price above the current market price. A sell Stop Order is entered at a stop price below the current market price;
<u>“swap” and “swap transaction”</u>	<u>a contract of the kind described in clause 19 part II of Schedule 2 to the Financial Services and Markets Act 2000, in respect of any product (other than a Contract as defined in this Rule);</u>
"Swapnote® Contract"	a Futures Contract or Options Contract containing the terms set out in Sections 1.1 of the Contract Rules and/or any other contract determined to be a Swapnote® Contract by the Directors from time to time;

“the ICE Post Trade and Clearing Systems” or “the ICE Systems”	the post trade registration and clearing processing hardware and software used by the Exchange, Clearing House and Members from time to time, as further described in these Regulations or Clearing House Rules, as appropriate;
“Trade Participant”	a Member of the category mentioned in Rule B.2.1 (b);
Trade Registration API	means the open application program interface and transport software available allowing certain designated trades in eligible contracts to be electronically reported to the Exchange;
“trader”	a Responsible Individual registered with the Exchange;
“Trading Day”	a day on which the Market is open to trade determined by the Exchange from time to time. A Trading Day may be a Business Day or a Non-Business Day;
“trading facilities”	the ICE Platform or such other facilities for the trading of Contracts as the Directors may determine from time to time;
"Trading Privilege"	means the Emissions Trading Privilege, Oil and Utility Trading Privilege and Financials and Softs Trading Privilege;
“Trading Server”	means the ICE Platform central processing system;
“Utility Contract”	an Electricity, Coal or Natural Gas Contract containing the terms as set out in the Contract Rules and/or any other contract determined to be a Utility Contract by the Directors from time to time; and
"Warehousekeeper"	means a warehousekeeper who appears on the list of nominated warehouses and warehousekeepers published by the Exchange from time to time by notice posted on the Market.

Any words importing the singular number only shall include the plural number and vice versa. Words importing persons (except the word 'individual') shall include corporations and firms. The masculine shall include the feminine and the neuter and the singular shall include the plural and vice-versa as the context shall admit or require. Words and expressions defined in the Memorandum or in the Articles shall bear the same meanings herein.

References to a time of day are references to that time in London.

References to a statutory provision include a reference to the statutory provision as modified or re-enacted from time to time and to any subordinate legislation made under such statutory provision and shall include references to any repeated statutory provisions which have been so re-enacted (whether with or without modification).

The invalidity, illegality or unenforceability of any Rule does not affect or impair the continuation in force of the remaining Rules.

A.2 SPIRIT OF THE RULES¹⁴

A.2.1 The Articles and the Regulations shall at all times be observed, interpreted and given effect in the manner most conducive to the promotion and maintenance of:-

- (a) recognition of the Exchange as a recognised investment exchange under the Financial Services and Markets Act 2000 and the good reputation of the Exchange (and Members);
- (b) an orderly market, free of undesirable situations or practices;

¹⁴Amended 28 April 1999, 1 February 2001, IPE/ETS Implementation date 2002, 27 April 2006, Launch of ICE Clear ~~2008~~2008, ~~1~~ 2014

- (c) high standards of integrity and fair dealing in accordance with the Principles for Businesses issued by the ~~Financial Services Authority~~[FCA](#) or any successor thereto; and,
- (d) proper protection for all persons interested in the performance of transactions entered into under the auspices of the Exchange.

A.2.2 Each of the Regulations shall, unless the context otherwise requires, be construed as an independent provision and shall be in addition and without prejudice to any other provision of the Regulations.

A.2.3 Where there is a provision that the Directors (or a committee appointed for the purpose) may make further directions upon or in relation to the operation of a Rule (or may make or authorise any arrangement, direction or procedure thereunder) then the Directors or such committee may make such direction or make or authorise such arrangement or procedure in relation to or under the whole or any part of the Rule and may make or authorise different directions, arrangements or procedures in relation to different categories of Member, or as between Members and traders and others and may make or authorise such directions, arrangements or procedures generally or in relation to a particular Member or particular occasion and in all cases subject to such conditions as they may think fit.

A.2.4 Where there is a provision to the effect that an action may be taken or power exercised by the Directors or a committee appointed by them for this purpose, the appointment by the Directors of, and any action taken or power exercised by, such committee shall be without prejudice to the right of the Directors themselves to exercise such powers and take such steps (or not as the case may be) as they may think fit upon that or any other occasion.

A.2.5 Where there is no express provision made in the Regulations, the Directors (or any committee with appropriate powers) may from time to time implement such procedures as they think fit in relation to any aspect of the management of the Exchange and the conduct of business on the Exchange.

A.2.6 The Directors, the Authorisation, Rules and Conduct Committee or the Compliance Officer may agree with a Member or a concerned person to waive or vary particular requirements of these Regulations in such circumstances and subject to such conditions as the Exchange thinks fit providing that the Directors, the Committee or the Compliance Officer are satisfied that compliance with the relevant requirements would be unduly burdensome to the Member or person concerned or that compliance with the relevant requirement would not be in the interests of the Exchange, and waiver or variation of the requirements does not disadvantage other Members or create unacceptable risks for the Exchange. Waivers or variations of requirements may be publicised at the discretion of the Exchange.

A.2.7 The Regulations shall, unless the context otherwise requires, be construed in such a way as to impose responsibility on Members for all acts, omissions, conduct or behaviour of the Member's Representatives in accordance with Rule A.9.

A.3 RELATIONS WITH OTHER REGULATORY AUTHORITIES¹⁵

A.3.1 With a view to maintaining recognition as an investment exchange under the Financial Services and Markets Act 2000 the Exchange may:-

- (a) make arrangements with any person for monitoring compliance with and investigating alleged breaches of the Regulations (and arrangements, procedures and directions made, authorised or given thereunder); and
- (b) co-operate generally with any other person, agency or authority having responsibility for the regulation of investment or any other financial business or the enforcement of law.

Without prejudice to the generality of the foregoing:-

¹⁵ IPE/ETS Implementation date 2002

- (i) this may include making arrangements for the sharing of information in accordance with Rule A.4.3; and
 - (ii) the Exchange may, where appropriate, at any time refer a complaint or any other matter coming to its attention to one or more investment exchanges, clearing houses or other regulatory bodies, agencies or persons for its or their comment or investigation and may, pending the result of such reference, either suspend or continue with (in whole or in part) its own investigations, proceedings or other actions.
- A.3.2 (a) The Directors may at any time make additional Regulations, or amend or revoke the Regulations or part of them, to the extent they consider necessary or desirable for the continued recognition of the Exchange as an investment exchange under the Financial Services and Markets Act 2000. Any Rule so made, and any such amendment or revocation, shall be announced by circular to Members and shall take effect at such time and in such manner as the Directors may determine.
- (b) In a case considered by the Chairman to be one of urgency, the Directors' powers and authority under this Rule may be exercised by a committee consisting of the Chairman and the Chief Executive provided that such committee shall report the circumstances, and particulars of the Rules so made, amended or revoked, as soon as possible to the Directors.

A.4 CONFIDENTIALITY¹⁶

- A.4.1 Save as the Regulations otherwise provide, the Exchange shall keep confidential all information concerning a Member's affairs (including information concerning its clients and Responsible Individuals) acquired by it in the course of its operations or investigations unless the Member (or client or Responsible Individual, as the case may be) agrees otherwise, or the information is or becomes published or generally known otherwise than through a breach by the Exchange of the provision of this Rule.
- A.4.2 The Exchange shall take reasonable steps to require its officers, employees and agents (including persons appointed to assist or advise the Exchange in investigations or other of its operations) to comply with Rule A.4.1.
- A.4.3 The Exchange may disclose such information to such persons, agencies or authorities having responsibility for or in connection with the regulation of investment or any other financial business (and this shall include without limitation the Secretary of State or his designated agency and investment exchanges, clearing houses and self regulating organisations recognised under the Financial Services and Markets Act 2000 or with the enforcement of law as the Exchange thinks fit (but without prejudice to any other right to disclosure given to it in the Regulations) or as required by applicable laws.
- A.4.4 [~~Rule A.4.4—deleted with effect from Deleted~~ 7 June 2012]
- A.4.5 The Exchange may disclose information to a Member concerning the user ID and contact details of the Member's clients granted access to the ICE Platform by such Member through the front end application provided by the Exchange. In the event that the Exchange discloses client details to a Member, the Exchange may simultaneously notify relevant clients of such disclosure.

A.5 GENERAL POWERS OF DIRECTORS¹⁷

- A.5.1 The Directors shall have the power to declare any day a non-Trading Day on giving notice thereof to Members.
- A.5.2 [~~Rule A.5.2—deleted, with effect from Deleted~~ 17 January 1994]

¹⁶ Amended 28 April 1999, IPE/ETS implementation date 2002, 8 April 2005, inserted 10 April 2008, Launch of ICE Clear 2008, 7 June 2012, 24 September 2012

¹⁷ Amended 28 April 1999, IPE/ETS implementation date 2002, 27 February 2003, 17 July 2003, 8 April 2005, 7 December 2005, 29 March 2006, Launch of ICE Clear 2008

- A.5.3 A dispute between Members as to whether a Contract has been made (other than a dispute falling within Rule G.15) shall be referred to arbitration under the Arbitration Rules unless the parties consent to the dispute being referred to the Directors in accordance with this Rule. A dispute between Members arising from or in connection with market procedure or to matters of honour or etiquette, which do not come within the scope of the Arbitration Rules or the rules of any other association for dealing with ordinary trade disputes, shall be referred to the Directors. The Directors' decision concerning any dispute referred to them for resolution under this Rule shall be final, conclusive and binding on the Members party to such dispute, and the Directors may direct that a fee not exceeding £10,000 shall be paid to the Exchange by the Member against whom its decision is given.
- A.5.4 If any Member shall default in the performance of any Contract it shall be liable to be suspended from membership or expelled under Rule B.7.1, notwithstanding that it complied with any requirement as to the settlement of such default.
- A.5.5 The Regulations and all additions and amendments thereto may from time to time be printed and circulated amongst Members or others interested therein in such manner as the Directors shall think fit.
- A.5.6 The Directors may from time to time alter the Regulations by notice circulated to the Members. Any such alteration shall have immediate effect unless otherwise notified by the Directors.
- A.5.7 In respect of any automated trading system administered by the Exchange, the Directors may from time to time determine the rights and obligations to be conferred on any Member entitled to use and access such automated trading system, including without limitation, the ICE Platform.

A.6 FINANCIAL POWERS¹⁸

- A.6.1 The Directors may impose contract levies of such amounts, and payable to the Exchange in such manner and on such occasions, as they shall from time to time determine. Unless otherwise provided such levies shall be payable on all Contracts registered with the Clearing House. Different rates of levy may be imposed in respect of different contracts and different categories of Member.
- A.6.2 [~~Rule A.6.2 deleted with effect from Deleted~~ 3 April 2000]

A.7 EXCLUSION OF LIABILITY¹⁹

- A.7.1 The Exchange wishes to draw to the attention of Members and clients that business on the Market or through any other facility provided by the Exchange may from time to time be suspended or restricted or such facilities (including, without limit, the Market) may from time to time be closed for a temporary or longer period. Without limit, this may occur as a result of the occurrence of one or more events which require action to be taken by the Exchange under the Regulations in the interests of, inter alia, maintaining a fair and orderly market. Any such action may result in the inability of one or more Members and through such Member one or more clients to enter into contracts on the Market in accordance with the Regulations. Furthermore, a Member and through the Member one or more clients may from time to time be prevented from or hindered in entering into contracts on the Market as a result of failure or malfunction of communications equipment or trading facilities including but not limited to the ICE Platform, or front end application supplied to the Member by the Exchange or any other person. Unless otherwise expressly provided in the Regulations or in any other agreement to which the Exchange is party, neither the Exchange nor its officers, employees, agents or representatives shall be liable to any Member or client for any loss, damage, injury or delay (including any indirect or consequential loss, including without limitation, any loss of profit) arising from or in connection with the trading facilities including but not limited to the ICE Platform or the occurrence of a temporary or longer suspension, restriction or closure of business on the Market or the trading facilities including but not limited to the ICE Platform or any act or omission of the Exchange, its officers, employees, agents or representatives under the Regulations or pursuant to the Exchange's obligations under statute or from any breach of contract by or any negligence howsoever arising of the Exchange, its officers, employees, agents or representatives which may prevent or hinder a Member or, through a Member, a client from entering into or closing out a Contract or otherwise affect a Member or client.

¹⁸ Amended 3 April 2000, 17 July 2003

¹⁹ Amended 28 April 1999, IPE/ETS implementation date 2002, 27 February 2003, 17 July 2003, 29 March 2006

A.7.2 Rule A.7.1 shall be without prejudice to the provisions of the Electronic User Agreement regarding liability of the Exchange. Nothing in Rule A.7.1 shall operate to exclude the Exchange's liability for death or personal injury resulting from negligence or for fraud.

A.8 TRADING HOURS AND DAYS²⁰

- (a) The Market shall, subject to (b) below, be open from Monday to Friday of each week between the hours each day and for such Contracts as decided by the Exchange from time to time. The trading times for each Contract, subject to the closures required below, shall be determined by the Exchange from time to time.
- (b) The Market shall be open on such Saturdays, Sundays and public holidays in England for the trading of such Contracts on those Saturdays, Sundays and public holidays as the Exchange determines from time to time. The Exchange shall issue from time to time a list of the public holidays on which the Market shall be open, the Contracts which shall be open to trade on such public holidays and the public holidays on which the Market shall not be open.
- (c) The Market shall be closed on: Saturdays; Sundays; public holidays in England, subject to (b) above; any day on which trading is suspended under the Banking and Financial Dealings Act 1971; and on a temporary basis on any other day for such hours that the Exchange shall from time to time decide is necessary or appropriate in the circumstances.

A.9 MEMBER RESPONSIBILITY²¹

A.9.1 In this Rule A.9, "conduct" means any act, omission, conduct or behaviour in relation to the Regulations.

A.9.2 For the purposes of determining a Member's liability to be sanctioned for any conduct (referred to in this Rule A.9 as a "disciplinary matter"), a Member shall be responsible for:

- (a) all conduct of that Member's Representatives; and
- (b) conduct by a Member's client when placing orders under the ITM of a Responsible Individual registered to that Member,

as if that conduct were the conduct of the Member itself. For the avoidance of doubt, all conduct referred to in (a) and (b) shall, for the purposes of this Rule A.9, be attributed to that Member and be treated as the conduct of that Member. However, it is understood that, notwithstanding the attribution of such conduct to the Member, the identified Responsible Individual or Member's Representative responsible for such conduct might also be liable to be sanctioned for such conduct. [Until a Contract is recorded in an Individually Segregated Sponsored Account, a non-Member Sponsored Principal will be deemed to be acting both for its own account and as a Member Representative.](#)

A.9.3 Notwithstanding Rule A.9.2, no sanction shall be imposed on a Member in respect of:

- (a) conduct by a trader registered to that Member;
- (b) conduct by a Member's Representative placing orders under the ITM of a Responsible Individual registered to that Member; or
- (c) conduct by a Member's client placing orders under the ITM of a Responsible Individual registered to that Member,

where it is established to the satisfaction of the Disciplinary Panel or other person or body determining the disciplinary matter that the Member had taken all reasonable steps to prevent any conduct of the kind in question.

²⁰ Inserted 28 April 1999; amended 3 April 2000, IPE ETS implementation date 2002, 27 February 2003, 8 April 2005. 7 December 2005

²¹ [Inserted 27 April 2006, amended 12 April 2014](#)

A.9.4 The provisions of this Rule A.9 shall apply:

- (a) without prejudice to the liability of any other person subject to the Regulations for the same conduct;
- (b) in the case of inconsistency with any other provision of the Regulations, in priority to that other provision;
- (c) whether or not the Member's Representative is a person subject to the Regulations;
- (d) whether or not the Member and/or Member's Representative is/are exercising rights to use the Exchange's facilities; and
- (e) whether or not the individual Member's Representative can be conclusively identified (provided that it is established that the relevant conduct was in fact carried out by a Member's Representative, albeit an unidentified Member's Representative).

A.10 RESPONSIBLE INDIVIDUAL RESPONSIBILITY

A.10.1 A Responsible Individual shall be responsible for trading activity conducted under his ITM(s).

A.10.2 Where trading is also conducted, pursuant to Trading Procedure 1.2.2 by other individuals within the Member under the ITM(s) of a Responsible Individual registered to the Member, such trading shall be under the supervision of the relevant Responsible Individual.

A.10.3 Where access is granted by the Member to clients (order routing) and, pursuant to Trading Procedure 1.2.3, the client orders are submitted under an ITM assigned to a Responsible Individual, the submission shall be under the relevant Responsible Individual's supervision.

A.10.4 Notwithstanding Rule A.9.2 or A.10.1, no sanction shall be imposed on a Responsible Individual in respect of:

- (a) conduct of, or trading activity conducted under his ITM(s), by an individual of the Member with whom that Responsible Individual is registered;
- (b) conduct by a Member's Representative placing orders under the ITM of that Responsible Individual; and
- (c) conduct by a Member's client placing orders under the ITM of that Responsible Individual, where it is established to the satisfaction of the Disciplinary Panel or other person or body determining the disciplinary matter (as referred to in Rule A.9) that the Responsible Individual had taken all reasonable steps to prevent any conduct of the kind in question.

A.11 SYSTEMS AND CONTROLS²¹²²

A.11.1 Without prejudice and in addition to any other specific requirement in these Regulations regarding systems and controls, ~~each~~ Member and non-Member Sponsored Principal shall be responsible for making adequate arrangements, systems and controls for ensuring that:

- (a) its internal affairs are organised and controlled in a responsible and effective manner with adequate risk management systems;
- (b) its internal record-keeping is adequate;
- (c) all of its Responsible Individuals and Member's Representatives involved in the conduct of business on the Market are fit and proper, suitable, adequately trained and properly supervised;
- (d) all business conducted on the Market including individual transactions complies with the Member's and Responsible Individual's obligations under the Regulations;

²¹²² Amended 4 April ~~2014~~²⁰¹¹, ²⁰¹⁴

- (e) any business conducted by it, or by or through any of its Member's Representatives shall not cause the Member, any Member's Representative or the Exchange to be in breach of any applicable laws and regulations; ~~and~~
- (f) a Responsible Individual does not enter orders into or make trades on the ICE Platform in or from a jurisdiction where the Exchange does not have the relevant regulatory status (if such regulatory status is required) if to do so would bring the Exchange into disrepute with the regulatory authority within such jurisdiction or put the Exchange in breach of any regulatory obligations to which it might be subject within that jurisdiction; ~~and~~ and
- (g) any hardware, information technology or any online services provided to it, or any of its Member Representatives, or made available to it, or any of its Member Representatives, pursuant to its membership of the Exchange shall only be used for the purposes of conducting its business and activities as a Member of the Exchange in accordance with these Regulations.

A.11.2 The Exchange may publish guidance from time to time on what arrangements, systems and controls it considers appropriate in the context of this Rule A.11.

A.12 [DELETED] ~~22~~ 27 FEBRUARY 2009 ²³

²²~~23~~ Deleted 27 February 2009

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GENERAL

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Total changes	112

SECTION B - MEMBERSHIP

- B.1 General Provisions¹
- B.2 Categories of Membership²
- B.3 Membership Criteria³
- B.4 Application for Membership⁴
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¹ Amended 8 April 2005, 22 April 2005, 29 March 2006, 4 June 2014

² Amended 8 June 2005, 29 March 2006, 17 October 2008, 29 January [2014](#), [4 June 2014](#), [11](#) 2014

³ Amended 22 April 2005, 29 March 2006, 27 April 2006, 17 October 2008, Launch of ICE Clear 2008, 29 January 2014, 4 June [2014](#), [11](#) 2014

⁴ Amended 22 April 2005, 29 March 2006, 17 July 2006, 17 October 2008, Launch of ICE Clear 2008, 7 June 2012, 15 October 2012, 29 January 2014, 4 June [2014](#), [11](#) 2014

⁵ Amended 22 April 2005, 29 March 2006, 17 October 2008, 15 October 2012, 29 January 2014, 4 June 2014

⁶ Amended 22 April 2005, 8 June 2005, 29 March 2006, 17 July 2006, 17 October 2008, Launch of ICE Clear 2008, 7 June 2012, 15 October 2012, 29 January 2014, 4 June [2014](#), [11](#) 2014

⁷ Inserted 22 April 2005, [amended](#) 29 March 2006, Launch of ICE Clear 2008, 4 June [2014](#), [11](#) 2014

⁸ Inserted 4 June [2014](#), [amended](#) [11](#) 2014

⁹ Inserted 4 June [2014](#), [amended](#) [11](#) 2014

¹⁰ Amended 22 April 2005, 29 March 2006, 29 May 2007

¹¹ Amended Launch of ICE Clear 2008, 29 January 2014, 4 June [2014](#), [11](#) 2014

¹² Amended 15 April 2005, 22 April 2005, 29 March 2006, 17 October 2008, 29 January [2014](#), [11](#) 2014

¹³ Amended 27 April 2006

¹⁴ Inserted 29 May 2007

¹⁵ [Inserted](#) [11](#) 2014

B.1 GENERAL PROVISIONS⁴⁵¹⁶

- B.1.1 A person may be a Member by virtue of being admitted to membership under a category referred to in this Section B. Section B will govern a Member's permissions in relation to the ICE Platform. A separate application will be necessary if a person seeks to acquire a new category of membership.
- B.1.2 Every Member shall pay such annual subscription as the Directors may from time to time determine in respect of its category of membership and any trading/clearing permission(s) or privilege(s). The subscription shall be due each year on such date as the Directors may from time to time determine. A failure to pay the subscription by the due date may be punished by the Directors or the Authorisation, Rules and Conduct Committee by any sanction listed in Rule E.4.11 subject to the rights of reconsideration and appeal set out in Rule B.8.
- B.1.3 The annual subscription, and every other fee, charge, levy or impost charged to Members under the Regulations or otherwise, shall be exclusive of any value added tax which may be or become payable thereon.
- B.1.4
- (a) A Member shall at all times satisfy the criteria from time to time set out in or under the Regulations for admission to a category of membership, save as may otherwise be provided in or under the Regulations. A Member and any person subject to the Regulations (including any Responsible Individual or any trader acting through the Member) shall be bound by the Memorandum, the Articles and the Regulations and any arrangement, provision or direction made, authorised or given thereunder.
 - (b) Any failure by a Member or any such other person (including any Responsible Individual or any trader acting through the Member) to observe or comply with the Articles, Regulations or any such arrangement, provision or direction may lead to steps, including without limit disciplinary proceedings, being taken by the Exchange in respect of the Member or such other person under the Regulations.
 - (c) References in the Regulations to a Member being prohibited from engaging in a course of action shall, in the case of activities in respect of the ICE Platform, infer a like prohibition upon any person accessing the ICE Platform by or on behalf of the Member (including any Responsible Individual or any trader acting through the Member).
- B.1.5 Every person admitted to membership of the Exchange shall sign a member statement as part of its application to a category of membership under Rule B.4, for the time being prescribed by the Directors, agreeing to be bound by the Memorandum, the Articles and the Regulations in so far as they relate to its category of membership and to accept as binding any decision made by the Directors under the Articles or the Regulations or by the Exchange in general meeting, subject to such rights of review or appeal as may be contained in the Regulations.
- B.1.6 A dispute concerning the status, rights or obligations of a Member or any other person under the Memorandum, the Articles or the Regulations, or any question in such connection which is not provided for therein, shall be referred to the Directors whose decision shall be final, subject to such rights of review and appeal as may be contained in the Regulations.
- B.1.7 Provided that a Member satisfies all outstanding obligations to the Exchange, that Member may resign from membership of the Exchange by one month's notice in writing to the Membership Department. Provided that:
- (a) if the Member has been declared a defaulter under Rule D.4 before the expiry of its notice of resignation (whether the declaration is made before or after its giving of such notice) its membership shall continue until the completion of default proceedings (within the meaning of the default rules); and
 - (b) notwithstanding the expiry of its notice of resignation a former Member shall remain subject to the jurisdiction of the Exchange for one year after such expiry, or such other period as is required for the determination of any proceedings including any appeal, as if continuing to be a Member, in respect of:
 - (i) things done or omitted by the Member before the expiry of its notice of resignation, and
 - (ii) steps taken by the Exchange or other person or body under Sections D (Default), E (Disciplinary), H (Arbitration) and I.18 (Delivery Committee) of the Regulations in respect of things so done or omitted.

⁴⁵¹⁶ Amended 8 April 2005, 22 April 2005, 29 March 2006, 4 June 2014

B.1.8 In the event of the death of an individual Member the Directors may permit his personal representatives to retain his membership and, if applicable, any relevant Trading Privilege for a period of up to six months following the date of his death in order to complete arrangements for the orderly closing out of open positions of the Member, provided that such personal representatives may not exercise any trading rights or permissions relating to the membership and must, where necessary to close out open positions of the Member, use the services of another Member for trading purposes.

B.2 CATEGORIES OF MEMBERSHIP⁴⁶¹⁷

B.2.1 Subject to Rule B.2.1A below any person seeking access to trading on the ICE Platform as a Member must elect and apply for one of the following categories of membership:

- (a) General Participant - to transact own business and business for clients (whether such clients are other Members or non-Members);
- ~~(b)~~ Trade Participant - to transact own business or affiliate business only;
- (c) Individual Participant - to transact own business and business for other Individual Participants (provided such business is only allocated to the relevant Individual Participant requesting the execution).
- ~~(d)~~ General Participant ICE Block - to transact own business and business for clients (whether such clients are other Members or non-Members) and report through ICE Block;
- ~~(e)~~ Trade Participant ICE Block - to transact own business or affiliate business only and report through ICE Block; and
- ~~(f)~~ Individual Participant ICE Block – to transact business for clients (where the Individual Participant has the permission from its client's Clearing Member(s) to execute business on the client's behalf).

"Own business" for the purposes of this Rule B.2.1 means business for its own account or for the account of a subsidiary, wholly-owned subsidiary or holding company of the relevant Member. For the purposes of this Section B of the Regulations the terms "subsidiary", "wholly-owned subsidiary" and "holding company" shall have the meanings applied to them by section 736 of the Companies Act 1985 as such section is supplemented by section 736A of the Companies Act 1989. "Own business" will not include transactions concluded for the benefit of a client of a third party.

B.2.1A Any person seeking access to ICE Block as an ICE Block Member must make an appropriate election confirming its intention to act as an ICE Block Member in its application for Exchange membership.

B.2.2 Each category of membership confers the permissions set out in Rule B.6. Only certain categories of membership are eligible to be Clearing ~~Members~~ Counterparties for the purposes of the Regulations, on the basis set out in Rule B.10 below.

B.3 MEMBERSHIP CRITERIA⁴⁷¹⁸

B.3.1 An applicant for access to trading on the ICE Platform as a Member must, at the time of its application and at all times thereafter:

- (a) be able to demonstrate, to the satisfaction of the Exchange, that the applicant is fit and proper to be a Member;
- (b) be able to demonstrate, to the satisfaction of the Exchange, that the applicant has sufficient systems and controls in place to ensure that all the Member's Representatives who may act on its behalf or in its name in the conduct of business on the ICE Platform are fit and proper, suitable, adequately trained and properly supervised to perform such functions;

⁴⁶¹⁷ Amended 8 June 2005, 29 March 2006, 17 October 2008, 29 January 2014, 11 2014

⁴⁷¹⁸ Amended 22 April 2005, 29 March 2006, 27 April 2006, Launch of ICE Clear 2008, 17 October 2008, 4 June 2014, 11 2014

- (c) maintain a properly established office (in a location which is acceptable to the Directors as they may determine in their absolute discretion) for the conduct of its business on the ICE Platform;
- (d) satisfy the minimum financial standing requirements for the time being stipulated by the Directors in relation to the relevant category of membership, supporting its claim to do so by copies of its last three years of audited accounts (or in the case of an ICE Block Member, a copy of its last audited accounts) and by a copy of its latest audited accounts from time to time as they become available, or such other evidence as the Directors may require;
- (e) be party to an Electronic User Agreement, which is in full force and effect, in the form prescribed by the Directors from time to time for use by the Member of the ICE Platform at the address(es) notified to the Exchange;
- (f) be able to access the Trading Server via a front end application which meets the Exchange's conformance criteria;
- (g) if it is to transact business (i) in respect of its own account, be a Clearing ~~Member of the Clearing House (or be accepted for such membership), where permitted by the Regulations, or Counterparty;~~ (ii) in respect of the account of a client which is not a Sponsored Principal, be a Clearing Member; (iii) in respect of the account of a client which is a Sponsored Principal, be a Sponsor or ensure appropriate arrangements are in place between it and the relevant Sponsor; or (iv) if it is not a Clearing Counterparty in the case of (i) or a Clearing Member in the case of (ii), be a party to or satisfy the Directors that it will become a party to a clearing agreement with a Clearing Member, in either case in respect of all types of Contract covered by its trading and/or clearing permissions or privilege under Rule B.6 from time to time, in each case as permitted by the Regulations;
- (h) hold all necessary licences, authorisations and consents, or benefit from available exemptions, so as to allow it to carry on business as a Member on the ICE Platform, including the ICE Block Facility, in accordance with all applicable laws and regulations; and
- (i) be able to demonstrate, to the satisfaction of the Exchange, that the applicant is permitted under applicable laws and regulations, these Regulations and any notices posted on the Market, to engage in transactions in relevant Contracts, in particular, in respect of restrictions or requirements imposed by the Exchange in respect of activities in specific jurisdictions.

B.3.2 In addition to meeting the general criteria above:

- (a) an applicant to be an Individual Participant (other than an Individual Participant ICE Block Member) must, at the time of its application and at all times thereafter:
 - (i) where the applicant is a company with share capital, confirm that nine-tenths of its issued share capital is beneficially held by a single individual or, where the applicant is a company without share capital, nine-tenths of the votes exercisable at its general meetings are exercisable by a single individual or, in any other case, that the applicant is an individual; and
 - (ii) confirm that the single individual identified in Rule B.3.2(a)(i) above is/will be the Responsible Individual representing the applicant;
- (b) an applicant to be a General Participant or Trade Participant must, at the time of its application and at all times thereafter, be a body corporate;
- (c) an applicant to be a General Participant, Trade Participant or an Individual Participant must satisfy any other specific criteria or other requirements stipulated by the Directors from time to time in relation to the particular category of membership applicable to it, supplying such documents in support thereof as they may require;
- (d) an applicant for any category of membership, or an existing Member, which seeks a permission to trade and/or clear Oil Contracts, Utility Contracts, Emission Contracts or Financials and Softs Contracts must obtain an Oil and Utility Trading Privilege, Emissions Trading Privilege or Financials and Softs Trading Privilege, respectively, prior to carrying on such activities.

B.4 APPLICATION FOR MEMBERSHIP¹⁸¹⁹

- B.4.1 An applicant for membership under any of the above categories (other than an entity applying to be an ICE Block Member), shall complete such form of application as the Exchange may prescribe, specifying: (1) which category of membership it is seeking; (2) whether it wishes to: ~~(1a)~~ trade and/or clear Oil Contracts by virtue of holding an Oil and Utility Trading Privilege; ~~(2b)~~ trade and/or clear Utility Contracts by virtue of holding an Oil and Utility Trading Privilege; ~~(3c)~~ trade and/or clear Emission Contracts by virtue of holding an Emissions Trading Privilege; (4d) trade and/or clear Financials and Softs Contracts by virtue of holding a Financials and Softs Trading Privilege; ~~and: (3)~~ whether it is to be a Clearing Member ~~or non-Clearing Member as applicable.~~ non-Clearing Member or a Sponsored Principal, and if a Sponsored Principal or non-Clearing Member, details of its Sponsor or Clearing Member, respectively; and (4) if it is a Clearing Member, details of the Members it will clear for. In the case of an entity applying to be an ICE Block Member, the applicant shall complete such form of application as the Exchange may prescribe, electing whether it wishes to enter (i) Block Trades and EFM on ICE Block and/or (ii) EFPs and EFSs on ICE Block; (iii) Basis Trades or AAs on ICE Block and/or (iv) the ICE Platform for the purpose of entering Cross Trades, and specifying the Contracts for which it wishes to have access.
- B.4.2 Any application must be submitted to the Membership Department and shall then be referred to the Directors for determination. An applicant must satisfy the Directors that it meets the criteria for the time being for the category of membership being sought (further particulars of which may, at any time, be obtained from the Membership Department, including particulars of any other criteria or requirements stipulated by the Directors under Rule B.3.2 and any guidance or requirements as to how certain criteria may be satisfied). Admission to membership of the Exchange shall not confer any right or obligation of membership in or right to attend or vote at meetings of, or any right to any share in, or any liability in respect of, the Exchange or any affiliate of the Exchange.
- B.4.3 The Directors shall have absolute discretion, subject to the applicant's rights in respect of reconsideration and appeal under the Regulations, whether to approve the application. If they refuse the application, the Directors shall give the applicant a written statement of their reasons.
- B.4.4 A successful applicant shall be notified in writing by the Membership Department of the approval of its application. The applicant shall be admitted to the category of membership applied for and details of the contracts it may trade (or in the case of an ICE Block Member, the Contracts for which it may have access to ICE Block) will be confirmed, and where appropriate, it will be further confirmed that the applicant has been granted the relevant Trading Privilege. The membership shall become effective at the point in time notified by the Membership Department to the applicant. Membership and Trading Privileges shall not be transferable.
- B.4.5 A Member may, at any time, apply to vary its category of membership and/or its clearing status. Such an application shall be made in the manner prescribed by the Directors from time to time and shall be processed by reference to the criteria set out in this Section B.
- B.4.6 Subject to B.4.7 a Member may, at any time, apply to vary the Contracts it wishes to trade and/or clear, and in the case of an ICE Block Member, may vary its election to access ICE Block for Block Trades and EFM, EFPs, EFSs, Basis Trades and/or AAs (as applicable) and/or the ICE Platform for the purpose of entering Cross Trades or the Contracts for which it may have access. Such an application shall be made in the manner prescribed by the Exchange from time to time.
- B.4.7 A Member (other than a Member who is an ICE Block Member) may, at any time, apply to hold an Emissions Trading Privilege or cancel an existing one. Such an application/cancellation shall be made in the manner prescribed by the Exchange from time to time.

B.5 ONGOING NOTIFICATION REQUIREMENTS¹⁹²⁰

- B.5.1 Every Member shall notify the Exchange forthwith in writing of:

¹⁸¹⁹ Amended 22 April 2005, 29 March 2006, 17 July 2006, 17 October 2008, Launch of ICE Clear 2008, 7 June 2012, 15 October 2012, 29 January 2014, 4 June 2014,  2014

¹⁹²⁰ Amended 22 April 2005, 29 March 2006, 17 October 2008, 15 October 2012, 4 June 2014

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- (a) any change or anticipated change in circumstances applicable to the Member, of which the Member is aware, which will, or is likely to, result in the Member being unable to continue to satisfy any one or more of the membership criteria applicable to it;
 - (b) any alteration in other business information which the Member may be required to furnish to the Exchange;
 - (c) such information as the Exchange may stipulate from time to time with respect to trading on, or access to the ICE Platform, including without limitation, location of screens used, details and location of user interfaces employed and order-routing arrangements put, or to be put, in place by or on behalf of the Member; and
 - (d) any other information specified by the Directors from time to time.

B.5.1A Every Member shall seek the consent of the Exchange in relation to:

- (a) (in the case of a firm or a company) any proposed change in the nature of business or legal status of the Member, any proposed change in legal or beneficial ownership of the equity or partnership capital of the Member or any other circumstance that to the directors' or partners' belief would or might have the effect of changing the control of the Member;
- (b) any proposed change in the identity of the Responsible Individuals registered on behalf of the Member and any proposed change in the location from which any such Responsible Individual will access the ICE Platform (where the new location is in a different jurisdiction from that previously notified to the Exchange);
- (c) any other material change in the way in which the Member accesses and uses the ICE Platform.

B.5.2 In the case of a change in a partnership, the continuing and new partners shall sign and deliver to the Exchange a form of undertaking under which they jointly and severally agree to be bound as a Member of the relevant category by the Memorandum, the Articles and the Regulations.

B.5.3 If the Directors decline to approve any change notified under Rule B.5.1 above which requires their consent, the Member shall be informed accordingly, and if the change nonetheless becomes effective, the Member's permission to trade on the Market, to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable) (or any one or more of such permissions) (or in the case of an ICE Block Member, the Member's permission to enter Block Trades and EFPs, EFSs, Basis Trades and/or AAs (as applicable) on ICE Block and/or Cross Trades on the ICE Platform), may be suspended by the Directors until the Directors are willing, by agreement with the Member on such terms as they think fit, to lift the suspension.

B.5.4 In addition to the requirements of Rule B.5.1, every Member shall promptly (and thereafter upon demand or with such regularity as may be prescribed) notify the Exchange's compliance officer in writing of such information and of any changes thereto in respect of such of the Member's directors, partners, Responsible Individuals, traders, representatives, staff and other persons as the Directors or the Authorisation, Rules and Conduct Committee may from time to time prescribe. Without limitation, such information may include details of all types of investment with which such person deals or has dealt, all previous employers, the reason for changing employment (including details of any allegation, investigation or suspicion prompting the person's resignation), all exchanges (whether or not in the United Kingdom) upon which the person is or has in the past been permitted to trade, whether such permission has at any time been withdrawn and if so the reason therefor, any disciplinary proceedings of any exchange or other regulatory authority commenced against the person and the outcome thereof.

B.5.5 If the Directors consider that there has been a failure to notify the Exchange fully in accordance with this Rule B.5 or if a Member has failed to obtain the Exchange's consent to the change in its circumstances or arrangements as required by the Regulations, the Member's permission to trade on the Market, to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable), or in the case of an ICE Block Member, the Member's permission to enter Block Trades and EFPs, EFSs, Basis Trades and/or AAs (as applicable) on ICE Block and/or Cross Trades on the ICE Platform (or any one or more of such permissions) may be suspended for such time as the Directors see fit. Suspension under this

paragraph shall not prejudice the power of the Directors or the Authorisation, Rules and Conduct Committee to commence disciplinary proceedings in respect of the failure.

B.6 SCOPE OF PARTICIPANT ACTIVITIES²⁰²¹


B.6.1 A General Participant, other than an ICE Block Member shall, in accordance with the elections it has communicated to the Exchange in respect of the Contracts it wishes to trade and/or clear as required under Rules B.4.1 or B.4.6, be permitted to:

- (a) trade :
 - (i) Oil and/or Utility Contracts available for trading on the ICE Platform, provided that the General Participant is the holder of an Oil and Utility Trading Privilege;
 - (ii) Emission Contracts available for trading on the ICE Platform, provided that the General Participant is the holder of an Emissions Trading Privilege; and/or
 - (iii) Financials and Softs Contracts available for trading on the ICE Platform, provided that the General Participant is the holder of a Financials and Softs Trading Privilege,
 - as appropriate, for own business and in connection with client business in conformity with the Regulations;
- (b) register any number of Responsible Individuals;
- (c) in the case of a General Participant who is also a Clearing ~~Member of the Clearing House~~Counterparty, become counterparty to the Clearing House in accordance with the Clearing House Rules in respect of:
 - (i) Oil and/or Utility Contracts made by the General Participant on the ICE Platform, provided that the General Participant is the holder of an Oil and Utility Trading Privilege;
 - (ii) Emission Contracts made by the General Participant on the ICE Platform, provided that the General Participant is the holder of an Emissions Trading Privilege;
 - (iii) Financials and Softs Contracts made by the General Participant on the ICE Platform, provided that the General Participant is the holder of a Financials and Softs Trading Privilege; and/or
 - (iv) by agreement, any Contract made on the ICE Platform by another Member provided that if the Contract is an Oil and/or Utility Contract, Emission Contract or a Financials and Softs Contract, the General Participant is a holder of an Oil and Utility Trading Privilege, Emissions Trading Privilege or Financials and Softs Trading Privilege, respectively; and
- (d) accept allocations of Contracts made on the ICE Platform by other General Participants provided that if the Contract is an Oil and/or Utility Contract, Emission Contract or a Financials and Softs Contract, the General Participant is a holder of an Oil and Utility Trading Privilege, Emissions Trading Privilege or Financials and Softs Trading Privilege, respectively; and
- (e) in the case of a General Participant who is also a Clearing Member, apply to the Clearing House to act as a Sponsor in accordance with the Clearing House Rules in respect of its clients which are Sponsored Principals for the relevant Contracts set out in Rule B.6.1(c).

B.6.1A [Deleted 29 January 2014]²⁴

B.6.2 A Trade Participant, other than an ICE Block Member shall, in accordance with the elections it has communicated to the Exchange in respect of the Contracts it wishes to trade and/or clear as required under Rules B.4.1 or B.4.6, be permitted to:

- (a) trade:
 - (i) those Oil and/or Utility Contracts available for trading on the ICE Platform, provided that the Trade Participant is the holder of an Oil and Utility Trading Privilege;

²⁰²¹ Amended 22 April 2005, 8 April 2005, 29 March 2006, 17 July 2006, Launch of ICE Clear 2008, 7 June 2012, 15 October 2012, 29 January 2014, 4 June 2014,  2014

²⁴ Deleted 29 January 2014

- (ii) those Emission Contracts available for trading on the ICE Platform, provided that the Trade Participant is the holder of an Emissions Trading Privilege; and/or
 - (iii) those Financials and Softs Contracts available for trading on the ICE Platform, providing that the Trade Participant is the holder of a Financials and Softs Contract Privilege,
- as appropriate, for own business in conformity with the Regulations;
- (b) register any number of Responsible Individuals;
 - (c) in the case of a Trade Participant who is also a Clearing ~~Member of the Clearing House~~Counterparty, become counterparty to (or arrange for another person to become counterparty to) the Clearing House in accordance with the Clearing House Rules in respect of:
 - (i) Oil and/or Utility Contracts made by the Trade Participant on the ICE Platform, provided that the Trade Participant is the holder of an Oil and Utility Trading Privilege;
 - (ii) Emission Contracts made by the Trade Participant on the ICE Platform, provided that the Trade Participant is the holder of an Emissions Trading Privilege; and/or
 - (iii) Financials and Softs Contracts made by the Trade Participant on the ICE Platform, provided that the Trade Participant is the holder of a Financials and Softs Trading Privilege; and
 - (d) accept allocations of Contracts made on the ICE Platform by a General Participant provided that such Contracts are own business of the Trade Participant and provided that if the Contract is an Oil and/or Utility Contract, Emission Contract or a Financials and Softs Contract, the Trade Participant is a holder of an Oil and Utility Trading Privilege, Emissions Trading Privilege or Financials and Softs Trading Privilege, respectively.

B.6.3 An Individual Participant, other than an ICE Block Member shall, in accordance with the elections it has communicated to the Exchange in respect of the Contracts it wishes to trade as required under Rules B.4.1 or B.4.6 be permitted to:

- (a) trade:
 - (i) all Oil and/or Utility Contracts available for trading on the ICE Platform, provided that the Individual Participant (and the Clearing Member through whom it clears) is the holder of an Oil and Utility Trading Privilege;
 - (ii) Emission Contracts available for trading on the ICE Platform, provided that the Individual Participant (and the Clearing Member through whom it clears) is the holder of an Emissions Trading Privilege; and/or
 - (iii) Financials and Softs Contracts available for trading on the ICE Platform, provided that the Individual Participant (and the Clearing ~~member~~Member through whom it clears) is the holder of a Financials and Softs Trading Privilege,

as appropriate, for own business and in connection with give-up business for other Individual Participants in conformity with the Regulations; and

- (b) accept allocations of Contracts made on the ICE Platform by General or Individual Participants provided that such Contracts are own business of the Individual Participant and further provided that if the Contract is an Oil and/or Utility Contract, Emission Contract or a Financials and Softs Contract, the Individual Participant accepting the allocation trade is a holder of an Oil and Utility Trading Privilege, Emissions Trading Privilege or Financials and Softs Trading Privilege, respectively; and
- (c) register one Responsible Individual, which must be the individual identified in Rule B.3.2(a)(i).

B.6.4 The Trading Procedures shall apply to all Members who trade on the ICE Platform (and to any Responsible Individual or any trader acting in the name of a Member).

B.6.5 A General, Trade or Individual Participant which is an ICE Block Member shall, in accordance with the elections it has communicated to the Exchange in respect of the Contracts it wishes to enter into ICE Block for own business purposes or on behalf of Members (trading and/or clearing in accordance with Rules B.4.1 or B.4.6), only be permitted to access ICE Block to enter Block Trades and EFPs, EFPs, EFPs, Basis Trades and/or AAs, and/or the ICE Platform for the purpose of entering Cross Trades for such communicated

Contracts, as appropriate.

B.6A ~~Emissions Trading Privilege~~²²EMISSIONS TRADING PRIVILEGE²²

B.6A.1 Pursuant to Rules B.4.1 or B.4.7 a General, Trade or Individual Participant may, at the time of application of membership or at any time thereafter, apply to hold an Emissions Trading Privilege and, once obtained, may at any time cancel it. Such an application/cancellation shall be made in the manner prescribed by the Exchange from time to time.

B.6A.2 The holder of an Emissions Trading Privilege is permitted to:

- (a) trade the Emission Contracts where the holder is a party to an Electronic User Agreement;
- (b) ~~(b)~~ clear the Emission Contracts where the holder is a ~~member of the~~ Clearing ~~House~~Counterparty;
- (c) ~~(c)~~ where the holder is a member of the Clearing House, clear Emission Contracts for a non Clearing Member with whom it has a clearing agreement provided that non Clearing Member is also the holder of an Emissions Trading Privilege.

B.6A.3 No person shall engage in the activities set out in Rule B.6A.2 unless he holds an Emissions Trading Privilege.

B.6A.4 An Emissions Trading Privilege is not transferable and a Member may not hold more than one Emissions Trading Privilege.

B.6A.5 An application fee and an annual fee shall be payable pursuant to Rule B.1.2.

B.6B ~~Oil and Utility Trading Privilege~~²³OIL AND UTILITY TRADING PRIVILEGE²³

B.6B.1 Pursuant to Rules B.4.1 or B.4.7 a General, Trade or Individual Participant may, at the time of application of membership or at any time thereafter, apply to hold an Oil and Utility Trading Privilege and, once obtained, may at any time cancel it. Such an application/cancellation shall be made in the manner prescribed by the Exchange from time to time.

B.6B.2 The holder of an Oil and Utility Trading Privilege is permitted to:

- (a) trade the Oil Contracts and Utility Contracts where the holder is a party to an Electronic User Agreement;
- (b) clear the Oil Contracts and Utility Contracts where the holder is ~~a member of the~~ Clearing ~~House~~Counterparty; and
- (c) where the holder is a member of the Clearing House, clear Oil Contracts and Utility Contracts for a non Clearing Member with whom it has a clearing agreement provided that non Clearing Member is also the holder of an Oil and Utility Trading Privilege.

B.6B.3 No person shall engage in the activities set out in Rule B.6B.2 unless he holds an Oil and Utility Trading Privilege.

B.6B.4 An Oil and Utility Trading Privilege is not transferable and a Member may not hold more than one Oil and Utility Trading Privilege.

B.6B.5 An additional application fee and an annual fee may be payable pursuant to Rule B.1.2.

B.6C ~~Financials and Softs Trading Privilege~~²⁴FINANCIALS AND SOFTS TRADING PRIVILEGE²⁴

B.6C.1 Pursuant to Rules B.4.1 or B.4.7 a General, Trade or Individual Participant may, at the time of application of membership or at any time thereafter, apply to hold a Financials and Softs Trading Privilege and, once

²² Inserted 22 April 2005, 29 March 2006, Launch of ICE Clear 2008, 29 January 2014, 4 June [2014](#), [11](#) 2014

²³ Inserted 4 June [2014](#), [amended](#) [11](#) 2014

²⁴ Inserted 4 June [2014](#), [amended](#) [11](#) 2014

obtained, may at any time cancel it. Such an application/cancellation shall be made in the manner prescribed by the Exchange from time to time.

- B.6C.2 The holder of a Financials and Softs Trading Privilege permitted to:
- (a) trade the Financials and Softs Contract where the holder is a party to an Electronic User Agreement;
 - (b) clear the Financials and Softs Contract where the holder is a ~~member of the~~ Clearing ~~House~~ Counterparty; and
 - (c) where the holder is a member of the Clearing House, clear Financials and Softs Contracts for a non Clearing Member with whom it has a clearing agreement provided that non Clearing Member is also the holder of a Financials and Softs Trading Privilege.
- B.6C.3 No person shall engage in the activities set out in Rule B.6C.2 unless he holds a Financials and Softs Trading Privilege.
- B.6C.4 A Financials and Softs Trading Privilege is not transferable and a Member may not hold more than one Financials and Softs Trading Privilege.
- B.6C.5 An additional application fee and an annual fee may be payable pursuant to Rule B.1.2.

B.7 SUSPENSION AND EXPULSION²⁵

- B.7.1 The Directors may, upon the recommendation of a Disciplinary Panel under Rule E.4.11 or in the exercise of any other power conferred on the Directors by the Regulations:
- (a) expel a Member from membership of the Exchange (or any part of the Market) or, in the case of other persons subject to the Regulations, permanently remove their right to access the ICE Platform; or
 - (b) in the case of a Member, suspend any or all of the membership permissions of the Member including its permission to trade on the ICE Platform (or any part of it), to accept allocation of any Contracts made on the ICE Platform by another Member and to clear Contracts made on the ICE Platform (as applicable) (or any one or more of such permissions) for such term as the Directors may determine.

The Directors may give the person subject to the Regulations a brief account of reasons for their action, and shall promptly do so at his request.

- B.7.2 If a Member fails to satisfy the requirements of Rule B.3 or fails to comply with the terms of the Electronic User Agreement, the Directors may suspend any or all membership permissions of that Member including its permission to trade on the Market (or any part of it), to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable) (or any one or more of such permissions) for such term as the Directors may determine. Without prejudice to the generality of the foregoing the Directors may permit a Member to continue to exercise any or all of its permissions to clear Contracts for such period and on such terms (including but not limited to any agreement to be bound by the Regulations) as the Directors may in their discretion think fit.
- B.7.3 If a Member shall:
- (a) suspend payment of its debts;
 - (b) call a meeting of its creditors;
 - (c) (in the case of an individual or all the members of a partnership) have a bankruptcy, administration or winding-up petition presented against him or all of them;
 - (d) (in the case of a firm or company) have an administrative receiver or administrator appointed of all or any of its assets or go into liquidation (except a voluntary liquidation for the purposes of amalgamation or reconstruction);

²⁵ Amended 22 April 2005, 29 March 2006, 29 May 2007

- (e) fail to comply with relevant Applicable Requirements under Rule B.12.1;
- (f) be declared a defaulter under the default rules; or
- (g) an analogous event occurs in respect of the Member under the laws of any other jurisdiction;

then its membership permissions (including trading permissions and its permission to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable)) shall be suspended (without any prior decision of the Directors being required but subject to any contrary determination under the default rules) or at the discretion of the Directors shall be terminated from the date of such occurrence, save that where the Member is declared a defaulter under the default rules, its membership shall continue until the completion of default proceedings (within the meaning of such rules). The suspension shall continue until the Member has settled with all its creditors to the satisfaction of the Directors, or complied with Applicable Requirements, as the case may be.

- B.7.4** A Member whose permissions are suspended shall remain liable in respect of all its obligations of membership including, without limitation, its obligation to pay an annual subscription or any other fees, levies or charges in respect of the relevant category of membership and its obligations in respect of any steps taken with regard to him under the default rules. A Member whose trading permissions have been suspended under Rule B.7.3 shall not, during the period of such suspension, be entitled to clear new Contracts, subject to any contrary determination under the default rules.
- B.7.5** Subject to any applicable provision of the default rules, the expulsion of a Member or the suspension of any or all of its permissions shall not affect the right of any party to pursue either a matter or dispute which has been referred to the Delivery Committee under Rule I.18 or to arbitration under the Arbitration Rules in respect of any Contract entered into by the Member.
- B.7.6** Upon the expulsion of a Member taking effect it shall forfeit all rights and privileges of membership of the Exchange including its trading permissions.
- B.7.7** Where, upon the suspension of a Member's rights of membership (including its permission to trade on the Market, to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable) (or any one or more of such permissions)) under Rule B.7.3, the Member is not declared a defaulter under and within the meaning of the default rules, any other Member holding open positions on the Market on its behalf shall be entitled to close the same without prior notice. Where, upon the suspension of a Member's permissions under Rule B.7.3, the Member is declared a defaulter under and within the meaning of the default rules, any other Member holding on its behalf an open position on the Market which is not discharged under the default rules may, upon the completion of default proceedings (within the meaning of the default rules) in respect of the suspended Member, close such open position without prior notice.
- B.7.8** Upon the expulsion of a Member or the suspension of its trading permissions and/or its permission to accept the allocation of any Contracts made on the Market by another Member and/or (if applicable) its entitlement to clear Contracts taking effect, the Secretary shall give notice of the expulsion or suspension to all Members and to the Clearing House.

B.8 RECONSIDERATION AND APPEAL²⁶

- B.8.1** If the Directors refuse an application for membership or refuse to approve a change in business particulars notified to the Exchange under Rule B.5.1, impose sanctions on a Member under Rule B.1.2, make a decision under Rule B.1.6 in respect of status, rights or obligations of a Member or suspend a Member's permission to trade for more than seven days or expel a Member, (otherwise than pursuant to a recommendation made by a Disciplinary Panel under Rule E.4.11) the applicant or Member may, within fourteen days of receiving notice of such decision, request the Directors in writing to reconsider the matter. The applicant or Member may make such representations and supply such information as it may consider relevant and may, if it desires, attend a meeting of the Directors for that purpose. No request or representation may be made under this Rule in respect of any determination made or step taken under the default rules.
- B.8.2** The Directors shall within 28 days of receiving the applicant or Member's written request for reconsideration consider any representations and information placed before them and shall confirm, amend or revoke the

²⁶ Amended 29 March 2006

decision in respect of which the request has been received. The Secretary shall forthwith notify the applicant or Member of the outcome.

- B.8.3 Within fourteen days of receiving such notice from the Secretary the applicant or Member may serve notice on the Exchange of its intention to appeal against the Directors' determination. With such notice it shall lodge with the Exchange the sum of £2,000 towards the costs of the appeal, which sum shall be returned to the applicant or Member if its appeal is successful.
- B.8.4 The appeal will be to an Appeals Panel appointed in accordance with the provisions of Rule E.4.14.
- B.8.5 The Appeals Panel may adopt such procedure as it deems appropriate in hearing the appeal but shall give both the appellant and the Directors reasonable opportunity to make representations to it. The Appeals Panel may as it thinks fit either confine the appeal to a review of the Directors' determination or hear the matter afresh. It shall have power to order costs to be paid by either party.
- B.8.6 The Appeals Panel shall notify its award, with reasons, to the Directors and to the appellant. The Directors shall within 28 days serve notice on the appellant confirming, amending or revoking their decision accordingly.

B.9 CONCLUSION OF CONTRACTS ON THE ICE PLATFORM²⁷

B.9.1 Contracts shall arise only at the times and subject to the conditions set out in the Clearing House Rules. ~~The following Rules apply when a Contract is made on the ICE Platform as a result of trading or otherwise by a Member who is not a Clearing Member (for the purposes of this Rule B.9 a "non Clearing Member") to which another Member (the "Counterparty") is party pursuant to the Clearing House Rules unless the Contract is made by such non Clearing Member with the Counterparty as the client of the Counterparty. and Rule F.1.~~

B.9.2 ~~[Deleted, Launch of ICE Clear 2008]~~ [\[\] 2014](#)

B.9.3 ~~Upon a Contract arising as described in Rule B.9.1 above, a Corresponding Contract shall arise between the non Clearing Member and the Counterparty. The terms of such Corresponding Contract shall be identical to the terms of the Contract (save as expressly agreed otherwise in writing between the non Clearing Member and the Counterparty), except that if the Counterparty is the seller under the Contract it shall be the buyer under the Corresponding Contract and vice versa and that the terms of the Corresponding Contract may include modifications by the parties in respect of the exercise of deadlines, solely in respect of the timing of the services of notices.~~ ~~[Deleted]~~ [\[\] 2014](#)

B.9.4 ~~[Deleted, Launch of ICE Clear 2008]~~

B.9.5 ~~[Deleted, Launch of ICE Clear 2008]~~

B.9.6 ~~[Deleted, Launch of ICE Clear 2008]~~

B.10 CLEARING ACTIVITIES²⁸

B.10.1 Only certain categories of membership are eligible to be Clearing ~~Members~~[Counterparties](#) for the purposes of the Regulations in relation to the ICE Platform, on the basis set out below:

- (a) Individual Participants may not be Clearing Members, and must therefore have in place a clearing agreement with a General Participant ;
- (b) Trade Participants may elect to be: [\(i\) Clearing Members for the purpose of clearing own business \(subject to them also being members of having the relevant permissions from the Clearing House\); \(ii\) Sponsored Principals for the purpose of clearing own business \(subject to them having a clearing agreement with a General Participant that is a Sponsor and having the relevant permissions from the Clearing House\); or \(iii\) non-Clearing-clearing Members, in which case they must have in place a clearing agreement with a General Participant acting as a Clearing Member as permitted under Rule B.6.2\(a\) and Rule B.6.2\(d\);](#)

²⁷ Amended 29 March 2006, Launch of ICE Clear 2008, 29 January 2014, 4 June [2014](#), [\[\] 2014](#)

²⁸ Amended 15 April 2005, 22 April 2005, 29 March 2006, 17 October 2008, Launch of ICE Clear ~~2008~~[2008](#), [\[\] 2014](#)

- (c) General Participants (other than those General Participants who are ICE Block Members) may elect to be (i) Clearing Members for the purpose of clearing own business and/or client business (subject to them ~~also being members of~~ having the relevant permissions from the Clearing House); (ii) Sponsored Principals for the purpose of clearing own business (subject to them having a clearing agreement with a General Participant that is a Sponsor and having the relevant permissions from the Clearing House); or (iii) non-Clearing-clearing Members, in which case they must have in place a clearing agreement with a General Participant that is a Clearing Member as permitted under Rule B.6.1(a) and Rule B.6.1(d);
- (d) A client of a General Participant that is not itself a General Participant or Trade Participant may elect to be a non-Member Sponsored Principal for the purpose of clearing own business (subject to them having a clearing agreement with a General Participant that is a Sponsor and having the relevant permissions from the Clearing House);
- (e) ~~(d)~~ For the avoidance of doubt, in order for a General Participant to be able to provide clearing services (pursuant to a clearing agreement) whether as a Clearing Member or a Sponsor to another Member who is the holder of an Emissions Trading Privilege, the General Participant must also be the holder of an Emissions Trading Privilege.
- (f) ~~(e)~~ ICE Block Members may not be Clearing Members. Trade Participant ICE Block Members entering own business, must have in place a clearing agreement with a General Participant.

B.10.2 [Deleted 15 April 2005]

B.10.3 A Member shall forthwith notify the SecretaryExchange upon becoming or ceasing to be a Clearing ~~Member of the Clearing House~~Counterparty or Sponsor, or upon any of its clients becoming or ceasing to be a Sponsored Principal or changing its Clearing Member or Sponsor.

B.10.4 Without prejudice to Rule D.6.2, a Member shall notify the Secretary forthwith upon any change in particulars which it has notified under Rule B.10.3, and shall give brief reasons for the change.

B.10.5 For the avoidance of doubt, a non-Member Sponsored Principal may be the client of one Member that is a General Participant for the purposes of accessing and trading on the ICE Platform, and also be the client of another Member that is a General Participant acting as its Sponsor for the purpose of clearing the resulting Contract.

B.11 NOMINATION AND REGISTRATION OF RESPONSIBLE INDIVIDUALS²⁹

B.11.1 A Member shall not enter orders into or make trades on the ICE Platform except through a Responsible Individual registered with the Exchange pursuant to the Trading Procedures. At least one individual shall be registered by a Member as a Responsible Individual pursuant to Trading Procedure 14.

B.11.2 A Member must ensure it has sufficient number of Responsible Individuals for the nature and scale of business being conducted.

B.11.3 [Removed 27 April 2006]

B.11.4 [Removed 27 April 2006]

B.11.5 [Removed 27 April 2006]

Exchange jurisdiction following suspension of registration of Responsible Individual

B.11.6 A Responsible Individual whose registration is suspended by the Exchange under the Regulations, shall remain subject to the Regulations and to the jurisdiction of the Exchange under the Regulations in respect of acts and omissions of the individual while he was registered as a Responsible Individual, and in respect of any investigation or disciplinary proceedings relating thereto, whether commenced before or after his suspension, (including the payment of any fine or application of any other sanction imposed) as if he were still registered, for the longer of:

²⁹ Amended 29 March 2006, 27 April 2006

- (a) the period of 12 months from the date on which the registration was suspended; or
- (b) the period during which disciplinary proceedings continue against him, being proceedings started by the Exchange no later than 12 months after the date on which his registration was suspended, subject to any extension of the period under Rule B.11.8 below.

B.11.7 Disciplinary proceedings commenced following suspension of a Responsible Individual's registration may be commenced by giving notice of an investigation to that individual no later than 12 months after the date on which his registration was suspended.

B.11.8 In the event that a Disciplinary Panel concludes that there are, or may be, additional matters which should be investigated and in respect of which disciplinary proceedings may be taken, the period referred to in Rule B.11.7 shall be extended until such time as such additional disciplinary proceedings are completed (including the payment of any fine or application of any other sanction imposed).

Exchange jurisdiction following de-registration of Responsible Individual

B.11.9 A Member may terminate the registration of a Responsible Individual by giving to the Exchange notice in writing of intention to de-register the Responsible Individual with effect from the date specified in the notice.

B.11.10 A Responsible Individual who is de-registered shall remain subject to the Regulations and to the jurisdiction of the Exchange in respect of acts and omissions of the individual while he was registered as a Responsible Individual, and in respect of any investigation or disciplinary proceedings relating thereto (including the payment of any fine or application of any other sanction imposed) as if were still registered, for the longer of:

- (a) the period of 12 months from the date on which the de-registration became effective; or
- (b) the period during which disciplinary proceedings continue against him, being proceedings started by the Exchange no later than 12 months after the date on which his de-registration became effective, subject to any extension of the period under Rule B.11.12 below.

B.11.11 Disciplinary proceedings commenced following a Responsible Individual's de-registration may be commenced by giving notice of an investigation to that individual no later than 12 months after the date on which the de-registration became effective.

B.11.12 In the event that a Disciplinary Panel concludes that there are, or may be, additional matters which should be investigated and in respect of which disciplinary proceedings may be taken, the period referred to in Rule B.11.11 shall be extended until such time as such additional disciplinary proceedings are completed (including the payment of any fine or application of any other sanction imposed).

B.12 APPLICABLE LAW³⁰

B.12.1 Members who undertake transactions in Contracts on behalf of U.S. clients, or permit U.S. clients to order route in accordance with the Trading Procedures, are required to comply with the reporting requirements under section 6045 of the United States Internal Revenue Code and the regulations thereunder as such requirements might be applicable to such Members ("the Applicable Requirements"). Any failure by a Member to comply with the Applicable Requirements with respect to transactions on the Exchange shall result in the suspension of such Member's membership permissions, in accordance with the terms of Rule B.7, until compliance with the relevant Applicable Requirements is complete.

B.12.2 The Applicable Requirements referenced in Rule B.12.1 shall be those applicable as at 1 April 2007 ("the Relevant Date"). In the event that the Applicable Requirements are changed subsequent to the Relevant Date, the Exchange will remake Rule B.12.1 so as to take effect on the date the changes to the Applicable Requirements take effect.

[B.13 NON-MEMBER SPONSORED PRINCIPALS³¹](#)

³⁰ Inserted 29 May 2007

³¹ Inserted 11 2014

B.13.1 Each non-Member Sponsored Principal shall be subject to these Regulations in its capacity as a Sponsored Principal with respect to any pre-trade, delivery, trade, transaction reporting, record keeping, dispute resolution and other applicable obligations set out in these Regulations, and the Exchange shall have the right to enforce these Regulations against any such Sponsored Principal, in addition to the relevant Member acting as Sponsor or otherwise providing access to the ICE Platform. Non-Member Sponsored Principals submit to the applicability of these Regulations pursuant to agreements with the Exchange and the Clearing House.

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Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	95
Deletions	55
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	150

SECTION C - COMPLIANCE

- C.1 Reporting Requirements: Authorisation ¹
- C.2 Reporting Requirements: Supplementary²
- C.3 [~~deleted~~ Deleted 1 January 1993]
- C.4 Accuracy of Information
- C.5 Advertisements³
- C.6 Opening of Accounts ⁴
- C.7 Particular Kinds of Client ⁵
- C.8 Records of Complaints
- C.9 Investigation of Complaints⁶
- C.10 Authorisation, Rules and Conduct Committee⁷
- C.11 Compliance Officer⁸
- C.12 Inspections and Enquiries⁹
- C.13 Chairman of the Delivery Committee and the Delivery Committee¹⁰
- C.14 Interviews¹¹
- C.15 Complaints Commissioner¹²

¹ Amended 17 July 2003, Launch of ICE Clear 2008

² Amended 17 July 2003, Launch of ICE Clear 2008, 20 January 2014

³ Amended 17 July 2003

⁴ Amended 30 September 2002, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008, 4 June [2014](#), [\[1\]](#) 2014

⁵ Amended 25 November 2002, 27 April 2006

⁶ Amended 4 January 2002, 6 October 2011

⁷ Amended 1 February 2001

⁸ Amended 1 February 2001

⁹ Amended 17 July 2003, 29 March 2006, Launch of ICE Clear 2008

¹⁰ Amended ~~1~~ 1 February 2001

¹¹ Amended 13 August 2001

¹² Amended 17 July 2003

C.1 REPORTING REQUIREMENTS: AUTHORISATION¹³

- (a) All Members who intend to trade on the Market shall obtain and maintain Authorisation to carry on in the United Kingdom investment business within the meaning of the Financial Services and Markets Act 2000 in relation to futures, contracts for differences, options and any other investment under the Financial Services and Markets Act 2000 which is traded on the Exchange.

Where a Member's Authorisation is derived from reliance upon an exemption or exclusions from the requirement for authorisation which is permitted pursuant to the Financial Services and Markets Act 2000, the Member is fully responsible for ensuring that the relevant exemption/exclusion is available and sufficient for its activities. Such a Member must also have regard to and comply with any guidance issued by the Exchange from time to time regarding the availability of exemptions/exclusions for trading activities through the Exchange.

- (b) All Members who require Authorisation shall obtain and maintain such Authorisation.
- (c) Every Member shall from time to time give written notice to the compliance officer as to:-
- (i) whether such Member requires Authorisation to carry on investment business within the meaning of the Financial Services and Markets Act, 2000;
 - (ii) the nature of the investment business conducted;
 - (iii) whether the Member is authorised in respect of such business and the manner of such Authorisation (including details of all regulating organisations in the United Kingdom and elsewhere to which it is subject and an indication of its main regulator in respect of business conducted on the Market or otherwise subject to these Regulations).

Such notice shall be given not less than once in every year on or around a date agreed in advance with the compliance officer and, in addition, forthwith upon any change in the particulars last notified. Notices shall be in such form as the Exchange may from time to time prescribe and shall where required be certified by a firm of auditors, solicitors or some other person acceptable to the Exchange.

C.2 REPORTING REQUIREMENTS: SUPPLEMENTARY¹⁴

- (a) Every Member shall also furnish to the compliance officer such information; documents; records or data concerning its
- (i) relationship or dealings with its main (or any other) regulator in the United Kingdom or other jurisdiction; and
 - (ii) activity on the ICE Platform which shall include all order, transaction and position information, at such times and in such manner as may from time to time be prescribed by the Exchange.
- (b) The Directors or the Authorisation, Rules and Conduct Committee may modify the operation of this Rule and make different directions in relation to different categories of Member and may make such directions generally or in relation to particular Members or particular occasions and in all cases subject to such conditions as they may think fit.

C.3 ~~[Rule C.3.— deleted, with effect from 1st~~ [Deleted 1](#) January 1993]

C.4 ACCURACY OF INFORMATION

All Members shall ensure that to the best of their ability, all information and documents from time to time given to the Exchange or to the Clearing House are complete, fair and accurate.

¹³ Amended 28 April 1999, 11 October 2001, 30 September 2002, 17 July 2003, Launch of ICE Clear 2008

¹⁴ Amended 1 February 2001, Launch of ICE Clear 2008, 20 January 2014

C.5 ADVERTISEMENTS¹⁵

All advertising material issued by or on behalf of Members concerning the membership of the Exchange, contracts available for trading on the Exchange or on the terms of the Regulations or otherwise using the Exchange's name or in relation to matters of concern to the Exchange shall conform to such guidelines as may from time to time be published by the Directors or the Authorisation, Rules and Conduct Committee.

C.6 OPENING OF ACCOUNTS¹⁶

C.6.1 A Member shall not open an account for the trading of Contracts or Corresponding Contracts or enter into a Contract or Corresponding Contract or accept an order to enter into a Contract or Corresponding Contract unless the Member has (subject to such exceptions as may be prescribed) entered into a written agreement with the client containing such terms as may from time to time be prescribed in the Regulations or in directions given pursuant to this Rule by the Directors or the Authorisation, Rules and Conduct Committee. Without prejudice to any terms which may from time to time be so prescribed, a Member shall ensure that its written agreement with each client:

- (a) imports into every Corresponding Contract made with the client all the terms of the Regulations insofar as they are applicable, and
- (b) with regard to business done with the client, enables the Member to perform all Contracts and Corresponding Contracts to which the Member is party from time to time and to comply with all requirements of the Articles and the Regulations (and arrangements, provisions and directions given thereunder) including, without limitation, requirements relating to disclosure and emergencies.

C.6.2 (a) Subject to paragraph (b) below, a Member shall not enter into any Corresponding Contract with a client for a delivery month or delivery day capable of being traded on the Market at the date the Corresponding Contract is entered into and represent (in whatever form) to the client that it has entered into an "ICE Futures Contract" (however expressed) for such client unless a Contract is made on the Market by it in respect of and in the terms of the same Contract Rules as the Corresponding Contract to be made with the client or the Member has procured the entry into of a Contract on the Market through another Member. The Member shall ensure that if it is the Buyer from his client under the terms of the Corresponding Contract entered into with its client otherwise than on the Market it (or its ~~clearing~~ [Clearing](#) Member, as applicable) or such Member executing the same shall be the Seller under the terms of the relevant Contract and vice versa. Subject to paragraph (c) below such Corresponding Contract made with the client shall be at the same price as the price at which the relevant Contract was made. Any different price agreed between the parties to a Corresponding Contract from that of a related Contract shall not be valid as an amendment to the terms of the Corresponding Contract but shall instead give rise to a separate obligation to account between the parties to the Corresponding Contract that does not form part of the terms of the Corresponding Contract. Upon an Event of Default of the Clearing Member, only the Corresponding Contract (and not any other such obligations) will be subjected to the Clearing House Rules provisions on the porting of Corresponding Contracts.

- (b) Paragraph (a) above shall not apply to a Contract or Corresponding Contract made under the default rules.
- (c) Where a Member has executed for a client on the same day one or more orders (either buy or sell but not together) for the same contract, contract month (and in the case of ~~options~~ [Option Contracts](#) the same strike price and either calls or puts, but not both together), the Corresponding Contracts made with the client referred to in paragraph (a) above may be reported to the client at an average price provided that:
 - (i) there is a written agreement between the client and the Member with whom the client has an account which, where rounding of the average price is used, includes the method of rounding, the number of decimal places to which the reported average price will be rounded, and the method of distribution or collection of the cash residual.

¹⁵ Amended 1 February 2001

¹⁶ Amended 23 June 1999, 1 February 2001, 30 September 2002, 17 July 2003, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008, 6 October 2011, 4 June [2014](#), [11](#) 2014

The cash residual shall be the difference between the rounded average price and the actual average price multiplied by the number of lots making up the order for the average price;

- (ii) the formula used by the Member to calculate the average price before any rounding occurs is the trade weighted average set out in Trading Procedure 2.4.19 (a), (b), (c) and (d);
- (iii) upon request by the client or the Exchange a Member shall provide the prices and volumes of any trades that constitute an average price reported by the Member.

C.6.3 A Member shall give a written confirmation to its client recording the terms of any Contract or Corresponding Contract made with or for that client.

C.7 PARTICULAR KINDS OF CLIENT¹⁷

- (a) In respect of futures, contracts for differences and options business to be done on the Market or otherwise subject to the Regulations, no Member may have as a client a person who is a director, employee, representative or otherwise associated (otherwise than as a client) with another Member, unless that Member consents in writing.
- (b) Any Member's Representative shall not trade either directly or through another broker for any account in which he is interested (either directly as the client or indirectly insofar as he is entitled to share in the profits of such account or is connected with the client or otherwise) save in accordance with the following procedure:-
 - (i) all transactions must be separately recorded and identified in the accounting records of the Member;
 - (ii) the individual must have approval to trade for his personal account from his Member firm and must be party to an appropriate written agreement with his Member firm to govern the arrangements (including applicable regulatory and risk obligations) for this activity prior to any such trading commencing;
 - (iii) transactions must be cleared and margined as for any other client transaction;
 - (iv) transactions must be monitored by senior management of the Member for whom the individual is an officer, employee, agent or representative. Such senior management shall be independent of the individual concerned and shall maintain procedures to ensure that such trading is not prejudicial to the interests of the Member's other clients.
- (c) Within seven days of the date of approval to trade pursuant to Rule C.7 (b)(ii), the Member must provide to the Compliance Department details of the approved individual and the house or client account number to which trades transacted by that individual will be assigned. Any changes in these account numbers must also be advised to the Compliance Department within seven days of them becoming effective.

C.8 RECORDS OF COMPLAINTS

- (a) All Members shall retain for at least 3 years all written complaints in relation to business concerning futures, options or contracts for differences, whether or not subject to the Exchange's terms.
- (b) They shall ensure that all such complaints are promptly, thoroughly and fairly investigated and that the complainant is informed in writing of the outcome. All serious complaints shall be investigated by a senior officer or employee of the Member who has no personal interest in the subject matter.
- (c) They shall also compile and keep a register showing details of the date of receipt of all such complaints, the client, the account executive, the matter complained of and any action taken by the Member.

¹⁷ Amended 25 November 2002, 27 April 2006

(d) This register shall be open to inspection by the Exchange upon demand.

C.9 INVESTIGATION OF COMPLAINTS¹⁸

- C.9.1 The Exchange shall consider all complaints made to it in writing save that if it considers that it would be appropriate to do so, it may refer the matter to another regulatory body pursuant to Regulation A.3.
- C.9.2 In the case of a complaint which, if substantiated, might constitute a breach of the Exchange's Articles or Regulations, the Exchange may (subject to its power to refer the matter complained of pursuant to Rule A.3.1) authorise an immediate investigation or write to the Member or other person complained of (and any Member with whom such person was associated at the time of the matter complained of) requesting its or his comments or explanation or take such other or further steps (if any) as may be thought appropriate including the commencement of an investigation or disciplinary proceedings.
- C.9.3 The Exchange may inform the complainant in writing of any steps taken as a result of his complaint and of the result thereof.
- C.9.4 In the event of a complaint against the Exchange or any of its officers or employees (or agents in their capacity as such), such complaint shall be made and investigated in accordance with the Complaints Resolution Procedure issued by the Exchange from time to time.

C.10 AUTHORISATION, RULES AND CONDUCT COMMITTEE¹⁹

- C.10.1 There shall be an Authorisation, Rules and Conduct Committee appointed by the Directors and whose Terms of Reference shall be agreed by the Directors and notified to the Members from time to time.
- C.10.2 The Authorisation, Rules and Conduct Committee shall be responsible for promotion of good regulatory practices. Without derogating from this, the Authorisation, Rules and Conduct Committee shall have such powers as the Regulations may from time to time provide including, without limitation, those powers mentioned in Section E.

C.11 COMPLIANCE OFFICER²⁰

- C.11.1 The Directors or the Authorisation, Rules and Conduct Committee shall appoint a compliance officer (and may appoint more than one). The compliance officer need not be a Director or member of a committee.
- C.11.2 The compliance officer shall (without derogating from any other person's responsibility in this regard) be responsible for monitoring compliance with and investigating alleged breaches of the Articles or the Regulations (or arrangements, procedures and directions made, authorised or given thereunder) and shall report to the Authorisation, Rules and Conduct Committee. Without prejudice to the generality of the foregoing, he may also report any matter coming to his attention to such other committees and officials of the Exchange as he thinks fit.
- C.11.3 The Directors or the Authorisation, Rules and Conduct Committee may make such further directions as they think fit regarding the powers and duties of the compliance officer.

C.12 INSPECTIONS AND ENQUIRIES²¹

¹⁸ Amended 1 February 2001, 4 January 2002,

¹⁹ Amended 28 April 1999, 3 April 2000, 1 February 2001

²⁰ Amended 1 February 2001

²¹ Amended 28 April 1999, 1 February 2001, 17 July 2003, 29 March 2006, Launch of ICE Clear 2008

- C.12.1 Routine inspections and enquiries may be authorised by the compliance officer who may himself carry out such inspections or make such enquiries, or authorise some other person or persons to do so with him or on his behalf.
- C.12.2 In carrying out such inspection or enquiry, the compliance officer (or persons appointed by him) shall have the same powers as an investigation panel would have under Rules E.3.3, E.3.4 and E.3.5 in respect of an investigation. Members (and other persons subject to the Regulations) shall co-operate fully with all routine inspections and enquiries.
- C.12.3 If, in the course of such routine inspection or enquiry, the compliance officer forms the provisional conclusion that there has been a breach of the Articles or Regulations (or any arrangement, procedure or direction made, authorised or given thereunder), he may in an appropriate case deal with the matter himself and shall furnish to the Chairman of the Authorisation, Rules and Conduct Committee without delay a report in writing of any action taken. Alternatively he shall report his provisional conclusion to the Chairman of the Authorisation, Rules and Conduct Committee who shall issue to him such directions as may be appropriate. Unless otherwise directed, the compliance officer shall forthwith inform the Member concerned or other person the subject of the inspection or enquiry, of his provisional conclusion and of the grounds thereof, and shall invite his comments or observations either by word of mouth or in writing.
- C.12.4 Subject to any direction as aforesaid the compliance officer shall continue his inspection or enquiry and on completion thereof he shall make a report in writing to the Authorisation, Rules and Conduct Committee setting out his final conclusion, and making such recommendation as he considers appropriate. The Authorisation, Rules and Conduct Committee shall consider such report, and shall then take one or more of the steps mentioned in Rule E.3.8.
- C.12.5 Any failure by the compliance officer to comply with the above procedures or any of them shall not invalidate his conclusions or any steps taken in consequence thereof.
- C.12.6 The provisions of Rules C.12.2, C.12.3 and C.12.4 shall be without prejudice to the rights of the Exchange under Rule D.7.2. Rules C.12.3 and C.12.4 shall not apply to any enquiry or inspection made under the default rules in respect of a defaulter.

The provisions of the Rules in C.12 shall be without prejudice to the provisions of the Electronic User Agreement.

C.13 CHAIRMAN OF THE DELIVERY COMMITTEE AND THE DELIVERY COMMITTEE²²

- C.13.1 (a) The Directors shall appoint a person to the office of Chairman of the Delivery Committee for such term, at such remuneration and on such other conditions as they think fit. The Directors shall be entitled to remove from office any chairman of the Delivery Committee.
- (b) The Directors shall invest the Remuneration and Appointments Committee with the responsibility for determining the suitability and eligibility of candidates and right to appoint and remove a candidate as chairman of the Delivery Committee.
- C.13.2 (a) The chairman of the Delivery Committee or, in his absence, the Directors shall appoint a committee (the "Delivery Committee"), comprising such persons as the chairman or the Directors, as the case may be, think fit.
- (b) The Delivery Committee shall consist of persons (who need not be, or be representatives of, Members) from time to time appointed by the chairman of the Delivery Committee or, in his absence, the Directors. The chairman of the Delivery Committee or, in his absence, the Directors may remove any person appointed to the Delivery Committee.
- (c) The Delivery Committee shall have such powers as the Regulations may from time to time provide.

²² ~~Added~~Inserted 3 March 1998, amended 3 April 2000, 1 February 2001

C.14 INTERVIEWS²³

If a person is formally summoned to an interview with the compliance officer (or persons appointed by him), that person must attend the interview on pain of a fine for £1000 per day of non-attendance and possible exclusion from the Market until they take reasonable steps to make themselves available on an alternative date. Every letter from the compliance officer or his staff advising of the interview shall indicate the penalty in order for it to apply.

C.15 COMPLAINTS COMMISSIONER²⁴

The Directors, or a Committee appointed by the Board, shall appoint a person to the office of Complaints Commissioner for such term, at such remuneration and on such other conditions as they think fit pursuant to the Financial Service and Markets Act 2000. The Directors, or a Committee appointed by the Board, shall be entitled to remove from office any Complaints Commissioner.

The Complaints Commissioner shall have such powers as the Complaints Resolution Procedure may from time to time provide.

²³ ~~Added~~Inserted 23 April 1998, amended 13 August 2001

²⁴ ~~Added~~Inserted 4 January 2002, 17 July 2003

Document comparison by Workshare Compare on 24 June 2014 16:58:00

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Rendering set	Shearman & Sterling

Legend:	
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Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	10
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Moved to	0
Style change	0
Format changed	0
Total changes	19

SECTION D - DEFAULT

D.0	Definitions and Interpretation ¹
D.1	General ²
D.2	Default Panel ³
D.3	Events of Default ⁴
D.4	Declaration of Default ⁵
D.5	Default Proceedings ⁶
D.6	Notification ⁷
D.7	Procedures ⁸
D.8	Delegation of Functions ⁹
D.9	Costs ¹⁰
D.10	Co-operation with other Bodies ¹¹
D.11	Amendments [Deleted] 2014 ¹²

¹ Amended 25 October 2005, Launch of ICE Clear ~~2008~~[2008](#), [\[\] 2014](#)

² Amended Launch of ICE Clear 2008

³ Amended 3 April 2000, 25 October 2005, Launch of ICE Clear 2008

⁴ Amended 25 October 2005, Launch of ICE Clear ~~2008~~[2008](#), [\[\] 2014](#)

⁵ Amended 28 April 1999, Launch of ICE Clear ~~2008~~[2008](#), [\[\] 2014](#)

⁶ Amended 25 October 2005, Launch of ICE Clear ~~2008~~[2008](#), [\[\] 2014](#)

⁷ Amended Launch of ICE Clear ~~2008~~[2008](#), [\[\] 2014](#)

⁸ Amended 25 October 2005, 27 April 2006, Launch of ICE Clear ~~2008~~[2008](#), [\[\] 2014](#)

⁹ Amended Launch of ICE Clear 2008

¹⁰ Amended Launch of ICE Clear 2008

¹¹ Amended Launch of ICE Clear ~~2008~~[2008](#), [\[\] 2014](#)

¹² Amended Launch of ICE Clear ~~2008~~[2008](#), ~~deleted~~ [\[\] 2014](#)

D.0 DEFINITIONS AND INTERPRETATION¹³

In the default rules the following words and expressions shall, unless the context otherwise requires, have the following meanings:-

WORDS	MEANINGS
“closing-out Contract”	a Market Contract effected under the Regulations or under the Clearing House Rules, being a contract on the same terms as an unsettled Market Contract to which a defaulter is party save as to the price or premium and save that where the defaulter is a Seller under the terms of the unsettled Market Contract, the defaulter shall be a Buyer under the terms of the closing-out Contract and vice versa and references to “closing-out” and “closed-out” shall be construed accordingly;
“Counterparty”	in relation to a defaulter, a person (other than the Clearing House) party as principal to a Market Contract to which the defaulter is party;
“declared a defaulter”	in relation to a Member, declared a defaulter by the Exchange under Rule D.4.1 or Rule D.4.2;
“defaulter”	a person who has been declared a defaulter;
“Default Panel”	the meaning ascribed to it in Rule D.2.1;
“default proceedings”	proceedings taken by the Exchange under these default rules;
“delivery Contract”	the meaning ascribed to it in Rule D.5.3(e);
“designated investment exchange”	an investment exchange listed in the FSA FCA ’s Handbook of rules and guidance;
“event of default”	the meaning ascribed to it in Rule D.3.1;
“lot”	in respect of a Contract, the meaning given in the relevant Contract Rules;
“Market Contract”	any Contract or Corresponding Contract, excluding a Contract or Corresponding Contract in respect of which the parties have agreed to make and take delivery of a product of a specification other than that provided for, or in a manner or at a place or in terms other than those specified, in the relevant Contract Rules. For the purposes of these default rules, where any “Market Contract” is for more than one lot there shall be deemed to be a separate Contract in respect of each lot and the term “Market Contract” shall be construed accordingly;
“relevant office-holder”	the meaning given in section 189 of the Companies Act 1989;
“segregated client”	a person whose assets, if and when received by a Member as collateral in respect of a Contract, is or would be client money or client assets for the purposes of the FSA FCA ’s Handbook;
“unsettled Market Contract”	a Market Contract in respect of which the rights and liabilities of the parties thereto have not been discharged whether by performance, compromise or otherwise.

References in the default rules to statutory provisions shall be construed as references to those provisions as modified or re-enacted from time to time and to any subordinate legislation made under such provisions and shall include references to any repealed statutory provisions which have been so re-enacted (whether with or without modification).

The headings in these default rules are for convenience only and do not affect the construction of these Rules.

¹³ Amended 25 October 2005, Launch of ICE Clear ~~2008~~[2008](#), ~~1~~[1](#) ~~2014~~

D.1 GENERAL¹⁴

- D.1.1 Subject to Rule D.1.2, these default rules are without prejudice to, but in the case of any conflict take precedence over, any other provision of the Regulations and the terms of any other agreement which apply to a Market Contract.
- D.1.2 All Contracts to which the Clearing House is central counterparty and the defaulter is party under the Clearing House Rules shall be dealt with in accordance with the Clearing House Rules, which shall have priority over these default rules.

D.2 DEFAULT PANEL¹⁵

- D.2.1 The Directors shall appoint a committee for the purposes of exercising the powers or fulfilling the obligations of the Exchange under these default rules or under the Companies Act 1989 or the Financial Services and Markets Act 2000 in relation to such default rules. The committee shall be known as the Default Panel and the membership of such committee shall consist from time to time of such persons as the Directors think fit.
- D.2.2 The meetings and proceedings of the Default Panel shall conform to any regulations imposed on it by the Directors and otherwise shall be governed by the provisions of the Articles for regulating the meetings and proceedings of the Directors so far as may be applicable and so far as the same shall not be superseded by any regulations made by the Directors as aforesaid.

D.3 EVENTS OF DEFAULT¹⁶

- D.3.1 An “event of default” shall occur in relation to a Member [or non-Member Sponsored Principal](#) if the Exchange determines that the Member [or non-Member Sponsored Principal](#) is or appears to be unable or likely to become unable to meet its obligations under one or more Market Contracts. Without prejudice to the generality of the foregoing, in making such determination, the Exchange may take any one or more of the following events or circumstances as sufficient grounds for determining that a Member [or non-Member Sponsored Principal](#) is or appears to be unable or likely to become unable to meet his obligations under one or more Market Contracts:-
- (a) failure by a Member [/non-Member Sponsored Principal](#) duly to perform or comply with any obligation to make payment or make or accept delivery under the terms of a Market Contract;
 - (b) failure by a Member [/non-Member Sponsored Principal](#) to comply with any other obligation under a Market Contract or to satisfy any liability to provide margin;
 - (c) a Member [/non-Member Sponsored Principal](#) generally not paying its debts as such debts become due, or admitting its inability to pay its debts generally or becoming or being deemed to have become unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or under the laws of any other jurisdiction, or making a general assignment for the benefit of creditors or any proceedings being instituted or steps taken by or against a Member seeking to adjudicate him bankrupt or insolvent, or seeking liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection, relief or composition of the Member or of its debts or seeking the entry of an order for relief or the appointment of a receiver, receiver and manager, liquidator, provisional liquidator, administrator, trustee or other similar official for a Member or for any substantial part of its revenues and assets (except, in each case, for the purpose of a reconstruction or amalgamation by a Member [/non-Member Sponsored Principal](#), the terms of which have previously been approved by the Directors) in each case whether under the laws relating to insolvency, bankruptcy or reorganisation or relief of debtors of the country of incorporation or domicile of the Member [/non-Member Sponsored Principal](#) or under the laws of any other jurisdiction or otherwise;
 - (d) a Member [/non-Member Sponsored Principal](#) taking any corporate action or other step to authorise, institute or commence any of the actions referred to in (c) above;

¹⁴ Amended launch of ICE Clear 2008

¹⁵ Amended 25 November 1997, 3 April 2000, 25 ~~October~~ [October](#) 2005, Launch of ICE Clear 2008

¹⁶ Amended 25 October 2005, Launch of ICE Clear ~~2008~~ [2008](#), [2014](#)

- ~~(e) any execution, distress, sequestration, attachment or other process being levied or enforced against a Member/non-Member Sponsored Principal against any substantial part of its revenues and assets and not being discharged within seven days of being so levied or enforced;~~
- (f) a Member/non-Member Sponsored Principal being refused an application for or being suspended or expelled from membership of a regulatory body or being in breach of the Regulations as to the financial requirements of membership of a regulatory body or a regulatory body taking or threatening to take any action in relation to the Member under the Financial Services and Markets Act 2000 or taking or threatening to exercise its powers under the Rules to restrict or prohibit the Member/non-Member Sponsored Principal from entering into transactions or carrying on its business or dealing with its assets;
- (g) any licence, authorisation, consent or registration at any time necessary to enable a Member/non-Member Sponsored Principal to comply with its obligations to the Exchange or to any other Member/non-Member Sponsored Principal or to carry on its business in the normal course being revoked, withheld or materially modified or failing to be granted or perfected or ceasing to remain in full force and effect;
- (h) a Member/non-Member Sponsored Principal failing to satisfy the Exchange at any time that it meets any minimum net worth or other financial requirement for membership from time to time stipulated by the Directors;
- (i) a Member/non-Member Sponsored Principal being or being declared in default under the default rules of any recognised or designated investment exchange or a recognised clearing house or being or being declared in breach of the terms of the Regulations as to the financial requirements of membership of, or being refused membership of, or suspended or expelled from membership of, any recognised or designated investment exchange or recognised clearing house;
- (j) a Member/non-Member Sponsored Principal, being a partnership, being dissolved; or
- (k) any event that would be an event of default under the Clearing House Rules (regardless of whether the Member is a ~~clearing~~Clearing Member or Sponsored Principal).

D.3.2 An event or circumstance referred to in Rule D.3.1 shall, without limitation, be deemed to have occurred in relation to a Member/non-Member Sponsored Principal being an unincorporated association or partnership if it occurs in relation to a person comprised in such unincorporated association or partnership.

D.4 DECLARATION OF DEFAULT¹⁷

D.4.1 Subject to Rule D.4.2, upon the occurrence of an event of default ~~in relation to a Member~~ or at any time thereafter, if the Exchange, in its absolute discretion, considers that action should be taken under the default rules with respect to such Member/non-Member Sponsored Principal the Exchange shall declare such Member/non-Member Sponsored Principal to be a defaulter by means of a notice posted on the Market.

D.4.2 The Exchange may be directed by the Secretary of State, the Bank of England or the ~~Financial Services Authority~~FCA pursuant to ~~section 166 of the Companies Act 1989~~applicable law to take action or not to take action (including not to take action under Rule D.4.1) or to take specified steps under the default rules. ~~If the Exchange is directed to take one or more of the steps referred to in Rule D.5.3 in relation to a Member, the Exchange shall (if it has not already done so under Rule D.4.1) declare the Member to be a defaulter by means of a notice posted on the Market.~~

D.4.3 The Exchange may consult with the Clearing House or any recognised investment exchange or recognised clearing house or any ~~other exchange or clearing house approved under section 170 of the Companies Act 1989 or any regulated market or central counterparty or~~ regulatory body or any relevant office- holder or any other relevant person before or at any time after taking action under these default rules in relation to a ~~Member~~defaulter.

D.4.4 A Member/non-Member Sponsored Principal who is declared a defaulter shall not enter into any Contract or Corresponding Contract (including, for the avoidance of doubt, a closing-out Contract) with any person, and a Clearing Counterparty or non-clearing Member shall not enter into any such Contract or Corresponding Contract with a defaulter, after the time that it is declared a defaulter, (notwithstanding any order or instruction

¹⁷ Amended 28 April 1999, Launch of ICE Clear ~~2008-2008~~, 1 2014

~~to do so given by a person other than the Default Panel) save in accordance with any directions given by the Default Panel under these default rules. The Default Panel may, at its discretion, direct that a Contract or Corresponding Contract entered into by a defaulter after such time shall be deemed to have been entered into pursuant to directions given by the Default Panel under these default rules~~[the Clearing House Rules.](#)

D.5 DEFAULT PROCEEDINGS¹⁸

D.5.1 ~~Subject to Rules D.4.2 and D.5.2, immediately or at any time after a Member has been declared a defaulter the Exchange shall take any one or more of the steps referred to in Rule D.5.3 as it determines, in its absolute discretion, to be appropriate in order:~~ [\[Deleted\] 2014\]](#)

- ~~(a) that all rights and liabilities under every unsettled Market Contract to which the defaulter and a Counterparty are party as principals are discharged in accordance with Rule D.5.4 and a settlement amount (if any) payable by one party to the other is determined in respect of each such Market Contract in accordance with Rule D.5.5; and~~
- ~~(b) pursuant to the steps taken to give effect to paragraph (a) of this Rule to certify, or for there to be certified on behalf of the Exchange, one or more net sums due to or from the defaulter as determined in accordance with Rule D.5.7 or that no net sum is payable.~~

D.5.2 ~~The Exchange shall not be obliged to take steps under Rule D.5.1:-~~

- ~~(a) to discharge all rights and liabilities referred to therein or to take steps to discharge all rights and liabilities under every unsettled Market Contract to which the defaulter and a Counterparty are party as principals or to calculate the settlement amount referred to therein or to effect the certification required by such Rule if it would be impracticable in the circumstances to do so (provided that, if it should become practicable to effect the discharge of rights and liabilities or to calculate the settlement amount or to effect such certification, the Exchange shall, subject to Rule D.5.9, take any one or more of the steps required by Rule D.5.1 to effect this);~~
- ~~(b) to discharge rights and liabilities (except where it determines it would be desirable to do so):-~~
 - ~~(i) in respect of margin; or~~
 - ~~(ii) which arise out of a failure to perform a Market Contract in accordance with its terms,~~

~~provided that, for the avoidance of doubt, the parties to a Market Contract shall remain obliged to discharge those of their rights and liabilities under such Market Contract which are not discharged under these default rules.~~

D.5.3 ~~The steps referred to in Rule D.5.1 are:-~~

- ~~(a) closing out or directing that there be closed out any or all unsettled Market Contracts to which the defaulter and the Counterparty are party as principals by, in respect of an unsettled Market Contract, reversal of the relevant entries in the books of account of the defaulter so that an unsettled Market Contract is closed out at a price or premium determined by the Exchange as follows:-~~
 - ~~(i) except where the Exchange determines in its absolute discretion that it would be impracticable or inappropriate to follow the procedure described in this sub paragraph (i), the price or premium at which one or more Market Contracts are to be closed out hereunder shall be determined in accordance with the procedures from time to time prescribed by the Exchange under Rule D.7.1 by reference to the current market prices during the period specified in such procedures for Contracts made on the Market which are in the terms of the same Contract Rules and for the same delivery day or delivery month as the Market Contracts to be closed out, and the prices or premiums so determined shall be specified in a notice posted on the Market;~~
 - ~~(ii) where the procedure referred to in sub paragraph (i) is not followed, the price or premium may be determined by the Exchange in its absolute discretion by reference to:-~~

¹⁸ Amended 25 October 2005, Launch of ICE Clear [2008](#)[2008](#), [\[Deleted\] 2014\]](#)

-
- ~~(aa) the price or premium at which the Clearing House has closed out a Contract to which the defaulter is party under the Clearing House Rules which is in the terms of the same Contract Rules and for the same delivery day or delivery month as the unsettled Market Contract to be closed out hereunder; or~~
 - ~~(bb) the last applicable official settlement price of the Exchange or the last applicable official quotation of the Clearing House; or~~
 - ~~(cc) the price or premium at which a Contract in the terms of the same Contract Rules and for the same delivery day or delivery month as the Market Contract to be closed out hereunder has been entered into on the Market as at the date such Market Contract is closed out;~~
 - ~~(dd) any other price or premium which the Exchange determines in its absolute discretion to be appropriate in the circumstances;~~
- (b) without prejudice to the steps set out in paragraph (a) of this Rule:-
 - ~~(i) directing any or all unsettled Market Contracts, being Market Contracts on the terms of one or more Option Contracts to which the defaulter is party as Buyer (as defined in such Contracts), to be exercised in accordance with the relevant Contract Rules by or on behalf of the defaulter or implementing the provisions of the relevant Contract Rules which provide for the automatic settlement of Option Contracts; or~~
 - ~~(ii) directing that one or more Option Contracts shall expire without being exercised whether by requiring notice to such effect to be given by or on behalf of the defaulter in accordance with the relevant Contract Rules or otherwise; and~~
 - ~~(iii) closing out or directing that there be closed out under paragraph (a) of this Rule any or all unsettled Market Contracts resulting from a step referred to in sub paragraph (i) above having been taken or directing that any other step or steps set out in this Rule be taken;~~
 - (c) directing any or all unsettled Market Contracts to which the defaulter is party, being Market Contracts under the terms of which delivery of a commodity is required to be made (“delivery Contracts”) and in respect of which notice of tender has been given or the close of trading on the delivery day or the last day of trading for the delivery month (as the case may be) of such Market Contracts has passed or being delivery Contracts arising from the step referred to in paragraph (b)(i) having been taken, to be performed in accordance with its or their terms with the agreement of the defaulter or (if applicable) a relevant office holder appointed in respect of the defaulter, provided that:-
 - ~~(i) if a direction is not given under this paragraph (c); or~~
 - ~~(ii) if such direction is given but the obligations of the parties to one or more Market Contracts the subject of the direction are not fully performed in accordance with their terms, the Exchange may, but without prejudice to Rule D.5.2, direct such Market Contract or Market Contracts to be closed out under paragraph (a) of this Rule or otherwise to be dealt with in accordance with the Regulations or the terms of the Market Contract, but without prejudice to the rights of either party under Rule D.5.11;~~
 - (d) in order to facilitate at the request of the Counterparty a transfer of an unsettled Market Contract to which the defaulter, being a Member, is party:-
 - ~~(i) directing such Market Contract be closed out under paragraph (a) of this Rule; and~~
 - ~~(ii) subject to the Clearing House effecting the transfer of a Contract in the terms of the same Contract Rules and for the same delivery day or delivery month as such unsettled Market Contract from the account of the defaulter to the account of another Member (“the transferee Member”), directing, with the agreement of the transferee Member, that a contract on the same terms as such Market Contract be opened in the books of the transferee Member with the Counterparty at such price or premium determined by the Exchange;-~~

~~(e) in respect of any or all unsettled Market Contracts to which the defaulter is a party which are open at the close of trading on the last trading day for such Market Contracts, being Market Contracts under the terms of which cash settlement is required to be made, directing that any such Market Contract be settled by payment of the cash settlement amount determined in accordance with Rule D.5.5(b)(iii);~~

~~(f) implementing, or directing that there be implemented, any other provision of the Regulations or the terms of an unsettled Market Contract or taking any other steps calculated by the Exchange to achieve the purpose of Rule D.5.1.~~

~~D.5.4 Without prejudice to the provisions of Rule D.5.11, all rights and liabilities of the defaulter and a Counterparty under each unsettled Market Contract to which they are party, other than those rights and liabilities referred to in Rule D.5.2 (subject to paragraph (b) of that Rule), shall be discharged on completion of all steps taken by the Exchange under Rule D.5.1(a) with respect to each such Market Contract and the defaulter or the Counterparty (as the case may be) shall be liable to pay the settlement amount (if any) which is determined under Rule D.5.5 to be payable by one party to the other in respect of each such Market Contract.~~

~~D.5.5 (a) The settlement amount (if any) payable in respect of each Market Contract in accordance with Rule D.5.4 shall, subject to paragraph (c) below and to Rule D.5.2(a), be determined by or on behalf of the Exchange. The settlement amount may, in the absolute discretion of the Exchange, take into account any arbitration award or judgement made arising from any proceeding commenced in respect of any dispute, claim or matter arising out of or in connection with such Market Contract.~~

~~(b) Without prejudice to the generality of paragraph (a) above, the settlement amount (if any) in respect of a Market Contract:~~

~~(i) which has been closed out under Rule D.5.3(a), shall be determined by reference to the difference (if any) between the price of the unsettled Market Contract and the price at which the relevant entries in the books of account were directed to be reversed;~~

~~(ii) which is a delivery Contract and which has been, pursuant to a direction given under Rule D.5.3(e) or otherwise, performed in whole or in part, shall be determined having regard to its terms;~~

~~D.5.2 [Deleted] 2014]~~

~~(iii) which has been the subject of the step referred to in Rule D.5.3(e), shall be the cash settlement amount determined in accordance with its terms;~~

~~D.5.3 [Deleted] 2014]~~

~~provided that if, pursuant to the terms of the Market Contract or the terms of any agreement between the parties to such Market Contract, the rights and obligations of the parties have become or been converted into an obligation to pay and a right to receive a single liquidated sum, the Exchange may determine that such sum shall be the settlement amount in respect of one or more Market Contracts.~~

~~D.5.4 [Deleted] 2014]~~

~~(e) If steps have not been taken under Rule D.5.1 to discharge the rights and liabilities under an unsettled Market Contract which arise out of a failure to perform such Market Contract in accordance with its terms, the Exchange shall not be obliged to determine a settlement amount in respect of such Market Contract.~~

~~D.5.5 [Deleted] 2014]~~

~~D.5.6 The settlement amount in respect of a Market Contract determined by or on behalf of the Exchange in accordance with Rule D.5.5 shall be final, conclusive and binding upon the defaulter and the Counterparty to each such Market Contract. [Deleted] 2014]~~

~~D.5.7- Subject to Rules D.5.8 and D.5.9, an account shall be drawn up between the defaulter and each Counterparty to one or more Market Contracts which have been discharged in accordance with Rule D.5.4, save that where the defaulter or, as the case may be, the Counterparty is a segregated client with respect to some but not all of such Market Contracts, separate accounts shall be drawn up between the defaulter and the Counterparty relating to the Market Contracts in respect of which either party is a segregated client and relating to those in respect of which neither party is a segregated client. Each such account shall include the settlement amounts calculated in respect of each Market Contract under Rule D.5.5, which amounts shall be credited or debited, as appropriate,~~

~~to the relevant account. On each account all credits and debits shall be aggregated and the aggregated amounts of such credits and debits shall be set off against each other, so as to produce a net sum payable by or to the defaulter on each account as certified under Rule D.5.1. [Deleted] 2014]~~

- D.5.8 ~~Where the defaulter or a Counterparty, as the case may be, has entered into one or more Market Contracts as trustee a separate account shall be drawn up relating to unsettled Market Contracts entered into by the defaulter or the Counterparty, as the case may be, as trustee. [Deleted] 2014]~~
- D.5.9 ~~The Exchange shall not be obliged to include in any account in relation to a Counterparty a Market Contract of which it does not have actual notice within 3 months after the date on which the Member was declared a defaulter or to draw up an account with respect to a Counterparty of whom it does not have actual notice within 3 months of such date. [Deleted] 2014]~~
- D.5.10- ~~The Exchange shall be entitled, in its absolute discretion and without notice to the defaulter or a Counterparty, to make any currency conversions which the Exchange considers necessary or desirable for the purposes of these default rules at such rate or rates as the Exchange may reasonably determine. [Deleted] 2014]~~
- D.5.11- ~~Subject to Rules D.5.13 and D.5.14, any steps taken under Rule D.5.1 with respect to one or more Market Contracts or to calculate the settlement amount in respect of a Market Contract or to determine one or more net sums (if any) due to or from the defaulter in accordance with Rule D.5.7 shall be without prejudice to the rights of either party to refer a claim to arbitration under the Arbitration Rules arising out of or in connection with one or more Market Contracts which is or has been the subject of such steps or, where applicable, to commence any court proceedings in respect of a claim arising out of or in connection with one or more of such Contracts. [Deleted] 2014]~~
- D.5.12 If a dispute arises as to whether a Contract has been made or as to whether a contract is a Market Contract, the Exchange may direct that the parties to the dispute refer the dispute to arbitration or appeal against any award made in relation thereto or (where it is permissible to do so) commence court proceedings or otherwise apply to the court in respect thereof, within such time limit as the Exchange may direct for the purpose (but without prejudice to any shorter limitation period applicable by virtue of the terms of the Market Contract, the applicable Arbitration Rules or otherwise) and promptly send to the Exchange a copy of any document commencing arbitration proceedings or other process or appeal, failing which both parties shall be deemed to have waived their rights in respect thereof (subject always to any contrary provision of the Companies Act 1989) whereupon the Exchange shall determine the issue on such evidence (if any) as it may in its absolute discretion require. The Exchange may make such further procedural directions as it thinks fit for the purposes of this Rule.
- D.5.13 The Default Panel shall have the power to determine whether a contract is a Market Contract or whether a Market Contract is an unsettled Market Contract for the purposes of exercising the powers of the Exchange under these default rules. Any dispute between the defaulter, or a person party to a contract with the defaulter, and the Default Panel as to whether a contract is a Market Contract shall be referred to the Directors for final determination and the Directors shall determine the issue on such evidence as may be presented to them. The decision of the Directors shall be final, conclusive and binding.
- D.5.14 No person may refer to arbitration under the Arbitration Rules any dispute arising as to whether a contract is a Market Contract or a Market Contract is an unsettled Market Contract, or any dispute, claim or matter arising out of or in connection with any step taken under these default rules ~~including, without prejudice to the generality of the foregoing, any step taken to settle a Market Contract or to determine the settlement amount payable in respect of such Market Contract or to certify one or more net sums under Rule D.5.1(b).~~

D.6 NOTIFICATION¹⁹

- D.6.1 As soon as reasonably practicable after a Member/non-Member Sponsored Principal has been declared a defaulter, the Exchange shall take such steps as it may in its absolute discretion consider appropriate in order that:-
- (a) Counterparties to unsettled Market Contracts with the defaulter, persons party to a Market Contract as agent for the Counterparty and such other persons as it thinks fit, are notified that a Member/non-Member Sponsored Principal has been declared a defaulter;

¹⁹ Amended launch of ICE Clear ~~2008~~2008. [Deleted] 2014

- (b) Counterparties to unsettled Market Contracts with the defaulter are notified of any decision taken under the default rules with respect to such Market Contracts to which they are party; and
- (c) if the defaulter is party to a Market Contract as agent, (notwithstanding any prohibition on this in the Regulations) its principal is notified that a default has occurred and the identity of the Counterparty to such Market Contract.

D.6.2 A Member/non-Member Sponsored Principal shall forthwith give notice to the Exchange of the occurrence of any event or circumstances referred to in Rule D.3.1(c) to ~~(j)~~ (k) inclusive in relation to the Member/non-Member Sponsored Principal. A Member that is a Sponsor shall forthwith give notice to the Exchange of the occurrence of any event or circumstances referred to in Rule D.3.1(c) to (k) in relation to its Sponsored Principals.

D.6.3 The defaulter and, where applicable, a Member/non-Member Sponsored Principal party to a Market Contract or an alleged Market Contract with a defaulter shall forthwith give notice to the Exchange of any dispute, claim or matter which it is proposed will be referred to arbitration under the Arbitration Rules or to the Directors for resolution in accordance with Rule A.~~5.3 or D.5.13.5.3.~~

D.7 PROCEDURES²⁰

D.7.1 The Exchange may from time to time prescribe procedures for the purposes of these default rules and to provide for the manner in which its rights or obligations under the Companies Act 1989 or the Financial Services and Markets Act 2000 in relation to such Rules or default proceedings may be exercised by or on behalf of the Exchange.

D.7.2 For the purposes of exercising its powers or fulfilling its obligations under these default rules, or exercising its rights or fulfilling its obligations under the Companies Act 1989 or the Financial Services and Markets Act 2000 in relation to such Rules, the Exchange shall have the right at all times through its employees or agents, without giving prior notice, to enter into any premises in which a Member/non-Member Sponsored Principal carries on its business or maintains his records to examine and remove or take copies of or extracts from the trading, accounting, computer and other records of the Member/non-Member Sponsored Principal and to operate any accounting or computing systems of the Member/non-Member Sponsored Principal and to reproduce data to which the Exchange has access, for the purpose of obtaining the names and addresses of all Counterparties, details of all unsettled Market Contracts entered into by the Member/non-Member Sponsored Principal, details of money and other property held for the account of segregated clients and any other information which the Exchange considers to be necessary or desirable for the purpose of implementing these default rules.

D.7.3 The defaulter and each Member/non-Member Sponsored Principal shall co-operate, and shall procure that its Member-~~'s~~ non-Member Sponsored Principal's Representatives shall co-operate, fully at all times with the Exchange and shall promptly provide such information as the Exchange or its employees or agents may request in connection with the implementation by the Exchange of these default rules or the exercise by it of its powers or the fulfilment by it of its obligations under the Companies Act 1989 or the Financial Services and Markets Act 2000 in respect of such Rules including, without prejudice to the generality of the foregoing, information regarding Market Contracts entered into by the defaulter.

D.8 DELEGATION OF FUNCTIONS²¹

The Exchange may from time to time appoint one or more persons to perform any of the functions on its behalf, save those referred to in Rules D.4.1 and D.7.1, which it may or may be required to exercise under these default rules and may appoint any professional adviser to advise or assist the Exchange with respect to carrying out its functions hereunder.

D.9 COSTS²²

²⁰ Amended 25 October 2005, 27 April 2006, Launch of ICE Clear ~~2008~~ 2008, ~~[.]~~ [.] 2014

²¹ Amended launch of ICE Clear 2008

²² Amended launch of ICE Clear 2008

~~The defaulter shall indemnify the Exchange for costs, charges and expenses which the Exchange may incur or suffer in taking any action under these default rules, including the costs or fees of any person appointed to perform any function on behalf of the Exchange, or to advise or assist with respect thereto, under Rule D.8.~~

D.10 CO-OPERATION WITH OTHER BODIES²³

The Exchange may pass on any details of or other information in its possession relating to a defaulter or his Market Contracts to the [Clearing House](#), the Secretary of State, the ~~Financial Services Authority~~ [FCA](#), the Bank of England, [any relevant office holder](#) or to any other of the persons referred to in Rule D.4.3 or to any other body or authority having responsibility for any matter arising out of or in connection with the default and otherwise co-operate with any such persons in connection with such default.

D.11 ~~AMENDMENTS~~ [\[DELETED\] 2014](#)²⁴

~~The Directors may at any time amend, revoke or add to these default rules, subject to section 157 of the Companies Act 1989. Any such amendment, revocation or addition shall be notified in writing to Members and shall take effect at such time and in such manner (including so as to affect default proceedings in progress at such time) as the Directors may determine.~~

²³ Amended launch of ICE Clear ~~2008~~ [2008, \[\] 2014](#)

²⁴ Amended launch of ICE Clear ~~2008~~ [2008, deleted \[\] 2014](#)

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Insertions	80
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SECTION F - CONTRACTS

F.1	Contracts with Clearing House ¹
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F.3	Transaction Records ³
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F.6	Transfer of Contracts ⁹
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F.8	Position Transfers ¹¹
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E.10	Transaction Reporting ¹³

¹ Amended 30 September 2002, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008, 4 April 2011, 15 October 2012, 15 May 2013, 4 June 2014, [\[1\]](#) 2014

² Amended 30 September 2002, 8 April 2005, Launch of ICE Clear 2008, 29 January 2014, [\[1\]](#) 2014

³ Amended 17 July 2003, 29 March 2006, 9 July 2008, Launch of ICE Clear ~~2008-2008~~, [\[1\]](#) 2014

⁴ Amended 1 February 2001, 8 April 2005, Launch of ICE Clear 2008

⁵ Amended 14 September 2004, 8 April 2005, 22 April 2005, 25 October 2005, 7 December 2005, 7 February 2006, 29 March 2006, 21 April 2006, 17 July 2006, 13 October 2006, 5 January 2007, 21 May 2007, 18 December 2007, 29 February 2008, 14 March 2008, Launch of ICE Clear 2008, 4 December 2008, 4 April ~~2011-2011~~, 7 June 2012, 15 October 2012, 29 January 2014

⁶ Inserted 10 May 2004, 8 April 2005, 7 December 2005, 29 March 2006, Launch of ICE Clear 2008, ~~Deleted~~~~deleted~~ 5 December 2011

⁷ Inserted 5 December 2011, 15 October 2012, 29 January 2014

⁸ Inserted 4 June 2014

⁹ Amended launch of ICE Clear 2008

¹⁰ Added 23 September, 25 February 2005, 8 April 2005, 7 December 2005, 29 March 2006, 17 October 2008, Launch of ICE Clear 2008, 15 October 2012, 01 November 2013, 29 January 2014, 4 June 2014

¹¹ Inserted 15 May ~~2013-2013~~, [\[1\]](#) 2014

¹² Inserted 4 June 2014, amended [\[1\]](#) 2014

¹³ [Inserted](#) [\[1\]](#) 2014

F.1 ~~CONTRACTS WITH CLEARING HOUSE~~¹³**F.1 ~~CONTRACTS WITH CLEARING HOUSE~~¹⁴**

(a) ~~[] 2014~~

(b) ~~[] 2014~~

(c) ~~[] 2014~~

(d) ~~[] 2014~~

(e) ~~[] 2014~~

F.1.1 ~~Contracts shall arise only at the times and subject to the conditions set out in the Clearing House Rules. In the event of any conflict between this part F.1 and the Clearing House Rules, the Clearing House Rules shall prevail.~~

Platform Trades

F.1.2 ~~The following Rules apply to a Platform Trade that is matched between one Member and another Member (the "Counterparty") which may be the same Person as the first-mentioned Member pursuant to Rules F.1.3 and F.1.4. Pursuant to the Clearing House Rules, two Contracts arise at the time of such matching, which for the purposes of this Rule F.1 shall be called the ICE Futures Europe Matched Contracts.~~

F.1.3 ~~The two ICE Futures Europe Matched Contracts arising in accordance with Rule F.1.2 shall be between the following parties:~~

(i) ~~one Contract between the Clearing House and the following counterparty or counterparties acting as Buyer (the "First Leg Contract");~~

(Own account Platform Trades of the Member)

(A) ~~if the Member is a Clearing Member and is clearing a Platform Trade for its own account, the Member;~~

(B) ~~if the Member (such Member, for the purposes of this Rule F.1, a "non-clearing Member") is entering into a Platform Trade for its own account and is not a Clearing Member or Sponsored Principal, (or, if it is a Clearing Member or Sponsored Principal, and has, by act or omission, established settings in the ICE Systems such that it will not clear the relevant Platform Trade in either such capacity) the Clearing Member that has been selected by the Member as Clearing Member for the Platform Trade ("Clearing Member A");~~

(C) ~~if the Member is a Sponsored Principal and is entering into a Platform Trade for its own account, the Member, acting as Sponsored Principal ("Sponsored Principal A") and its Sponsor ("Sponsor A") on a joint basis as provided in the Clearing House Rules, provided that the Member has established settings in the ICE Systems to clear the relevant Platform Trade in such capacity;~~

(Client account Platform Trades of the Member)

(D) ~~if the Member is a Clearing Member and is entering into a Platform Trade for the account of its client which is not a Sponsored Principal (or the client is a Sponsored Principal but has, by act or omission, established settings in the ICE Systems such that it is not acting in such capacity for the purpose of the relevant Platform Trade), the Member;~~

¹³¹⁴ Amended 30 September 2002, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008, 4 April 2011, 15 October 2012, 15 May 2013, 4 June 2014, ~~[] 2014~~

- (E) if the Member (such Member or its client, for the purposes of this Rule F.1. a "non-clearing counterparty") is not a Clearing Member and is entering into a Platform Trade for the account of a client which is not a Sponsored Principal (or the client is a Sponsored Principal but has, by act or omission, established settings in the ICE Systems such that it is not acting in such capacity for the purpose of the relevant Platform Trade) the Clearing Member that has been selected by the Member as Clearing Member for the Platform Trade ("Clearing Member B"); and
- (F) if the Member is a Clearing Member and is entering into a Platform Trade for the account of its client which is a Sponsored Principal and which has established settings in the ICE Systems such that it is acting as a Sponsored Principal for the purposes of the relevant Platform Trade, and the Member is the Sponsor of such Sponsored Principal, the Member, acting as Sponsor ("Sponsor B"), and the client, acting as Sponsored Principal ("Sponsored Principal B") on a joint basis as provided in the Clearing House Rules;
- (G) if the Member is entering into the Platform Trade for the account of its client which is a Sponsored Principal and which has established settings in the ICE Systems such that it is acting in its capacity as a Sponsored Principal for the purpose of the relevant Platform Trade, and the Member is not the Sponsor of such Sponsored Principal (irrespective of whether the Member is a Clearing Member), such other Member, acting as Sponsor ("Sponsor C"), and the client (of both the Member and Sponsor C), acting as Sponsored Principal ("Sponsored Principal C") on a joint basis as provided in the Clearing House Rules; and
- (ii) another Contract between the Clearing House and a counterparty or counterparties acting as Seller in the same way as set out in Rule F.1.3(i) above but with respect to the Counterparty (the "Second Leg Contract").

F.1.4 Upon two ICE Futures Europe Matched Contracts arising in accordance with Rule F.1.3(i)(B), (C), (D), (E), (F), or (G), for Rule F.1.3(ii) solely as a result of the equivalent of such subsections of Rule F.1.3(i) applying, up to two Corresponding Contracts shall also arise between the following parties:

- (i) in the case of Rule F.1.3(i)(B), the non-clearing Member and Clearing Member A;
 (ii) in the case of Rule F.1.3(i)(C), Sponsor A and Sponsored Principal A;
 (iii) in the case of Rule F.1.3(i)(D), the Member and the client;
 (iv) in the case of Rule F.1.3(i)(E), Clearing Member B and the Member or client;
 (v) in the case of Rule F.1.3(i)(F), Sponsor B and Sponsored Principal B; and/or
 (vi) in the case of Rule F.1.3(i)(G), Sponsor C and Sponsored Principal C,

as applicable, in respect of the First Leg Contract and/or Second Leg Contract (with respect to the Counterparty), provided that no such Corresponding Contract shall arise where any Sponsor or Clearing Member is an FCM/BD Clearing Member, except as provided for in Rule F.1.13. A party to a First Leg Contract may also be a party to a Second Leg Contract if it is the Clearing Member or Sponsor in respect of both legs and acts in a different capacity or for a different client or Sponsored Principal in respect of the same Platform Trade. In such circumstances, any Corresponding Contracts arising in accordance with this Rule F.1.4 will arise separately with respect to the First Leg Contract and Second Leg Contract.

The terms of any such Corresponding Contract shall be as set out in the Customer-CM F&O Transaction Standard Terms, but on economic terms identical to the terms of the relevant ICE Futures Europe Matched Contract, except that:

- (A) if the party to the ICE Futures Europe Matched Contract is the seller under the ICE Futures Europe Matched Contract it shall be the buyer under the Corresponding Contract and vice versa;
- (B) it is not a cleared Contract (with the result that certain terms applicable only to cleared Contracts will not apply pursuant to the Customer-CM F&O Transaction Standard

Terms); and

- (C) it shall be subject to such amended or different terms and conditions as are or have been agreed between the parties, to the extent not inconsistent with the Customer-CM F&O Transaction Standard Terms.

ICE Block, EFP, EFS, EFM, AA and Basis Trade Contracts ("ICE Futures Europe Block Contracts")

- F.1.5 The following Rules apply to an ICE Futures Europe Block Trade which is agreed between two different Members (for the purposes of this Rule F.1.5 the "Non-Crossed Transaction"). The relevant details may be reported to the Exchange by one Member ("Block Member A") who is party to the Non-Crossed Transaction, through the ICE Block Facility, pursuant to the Regulations and in such a manner that may be prescribed by the Exchange from time to time. The other Member party to the Non-Crossed Transaction ("Block Member B") must confirm acceptance of the relevant details through the ICE Block Facility. Pursuant to the Clearing House Rules, two ICE Futures Europe Block Contracts arise at the time of receipt by the Exchange in the ICE Systems of such confirmation of acceptance, provided that complete and correct data in respect of the transaction has been received.
- F.1.6 The two ICE Futures Europe Block Contracts arising in accordance with Rule F.1.5 shall be established in the same way and between such parties as set out in Rule F.1.3(i) and (ii) above but with respect to Block Member A and Block Member B, instead of the "Member" referred to therein.
- F.1.7 Upon an ICE Futures Europe Block Contract arising under Rule F.1.5 above, up to two Corresponding Contracts shall be established in the same way and between such parties as set out in Rule F.1.4 above, but with respect to Block Member A and Block Member B, as applicable.
- F.1.8 The following Rules apply to an ICE Futures Europe Block Trade where both the buy and sell sides of the ICE Futures Europe Block Trade are reported to the Exchange by the same Member (for the purposes of this Rule F.1.8, a "Crossed Transaction"). The relevant details may be reported to the Exchange by the Member ("Block Member A") through the ICE Block Facility, pursuant to the Regulations and in such a manner that may be prescribed by the Exchange from time to time. Pursuant to the Clearing House Rules, two ICE Futures Europe Block Contracts arise at the time of receipt by the Exchange in the ICE Systems of correct and complete details relating to the Crossed Transaction.
- F.1.9 The two ICE Futures Europe Block Contracts arising in accordance with Rule F.1.8 shall be established in the same way and between such parties as set out in Rule F.1.3(i) and (ii) above but with respect to Block Member A, instead of the "Member" referred to therein.
- F.1.10 Upon an ICE Futures Europe Block Contract arising under Rule F.1.8 above, up to two Corresponding Contracts shall be established in the same way and between such parties as set out in Rule F.1.4 above, but with respect to Block Member A, as applicable.

General Provisions

- F.1.11 Subject to any Regulations and procedures made pursuant to Rule F.6, an ICE Futures Europe Matched Contract or ICE Futures Europe Block Contract to which a Clearing Counterparty becomes a party pursuant to Rule F.1 (and which has not been allocated by such Clearing Counterparty to, and accepted by, another Clearing Counterparty in accordance with Clearing House Rules) shall be recorded with the Clearing House in the name of such Clearing Counterparty in accordance with and subject to the Clearing House Rules.
- F.1.12 An ICE Futures Europe Matched Contract or ICE Futures Europe Block Contract may be allocated from one Clearing Counterparty, being the person initially party to such contract pursuant to Rule F.1.3, F.1.5 or F.1.9 ("Clearing Counterparty A") to another Clearing Counterparty ("Clearing Counterparty B") if both such Clearing Counterparties record their agreement to such allocation in the ICE Systems on the same day that the relevant ICE Futures Europe Matched Contract or ICE Futures Europe Block Contract arose. Subsequent to such agreement having been recorded, the original ICE Futures Europe Matched Contract or ICE Futures Europe Block Contract between Clearing Counterparty A and the Clearing House shall be terminated simultaneously with a replacement ICE Futures Europe Matched Contract or ICE Futures Europe Block Contract, on the same terms as the terminated Contract, arising

between Clearing Counterparty B and the Clearing House and being recorded with the Clearing House in the name of Clearing Counterparty B, in accordance with and subject to the Clearing House Rules. Any related Corresponding Contract to which Clearing Counterparty A was party shall also simultaneously terminate and be replaced by a Corresponding Contract to which Clearing Counterparty B is party.

F.1.13 If Clearing Counterparty A is an FCM/BD Clearing Member and a Corresponding Contract would otherwise arise pursuant to Rule F.1.4, F.1.7 or F.1.10 but for the fact that the Clearing Counterparty is an FCM/BD Clearing Member, then:

~~(a) Contracts (including, for the avoidance of doubt, Cross Trades, Block Trade Contracts, EFSs, EFPs, EFM, Basis Trades and AAs) entered into on ICE Block, the ICE Platform or created and accepted in relation to the Belear Service pursuant to Rule F.9.2, as applicable, by Clearing Members pursuant to Rule B.9.1 will, pursuant to Clearing House Rules, become Contracts to which the relevant Clearing Member is party at the times and subject to the conditions set out in the Clearing House Rules.~~

(i) there shall be no Corresponding Contract, unless the clearing agreement between the FCM/BD Clearing Member and the Member or the clearing agreement between the FCM/BD Clearing Member, acting as Sponsor, and its Sponsored Principal which is not a Member (the "non-Member Sponsored Principal") so provides;

(ii) where the clearing agreement does so provide, the relevant Contract arising between the FCM/BD Clearing Member and the Clearing House pursuant to Rule F.1.3, F.1.6 or F.1.9 and the Clearing House Rules will be entered by such FCM/BD Clearing Member for such Member or non-Member Sponsored Principal as its customer under the terms of the clearing agreement between such Member or non-Member Sponsored Principal and FCM/BD Clearing Member (an "Agency Relationship"); and

(iii) where the clearing agreement does so provide, the Contract between the FCM/BD Clearing Member and the Clearing House will be subject to particular provisions of the Clearing House Rules applicable to the Contracts to which FCM/BD Clearing Members are party.

F.1.14 Each Corresponding Contract will automatically terminate without any obligation or liability of any party to such Corresponding Contract in the event that the Contract to which it relates is void or voided pursuant to the Clearing House Rules, at the same time as the relevant Contract terminates and without need for any further action on the part of any person.

~~(b) Subject to a Member complying with Rule F.3(b), the Exchange shall (and is hereby authorised to) present and confirm particulars of all Contracts to the Clearing House on behalf of Members by means of the ICE Systems.~~

F.1.15 A Clearing Member may have its membership with the Clearing House and/or the Exchange suspended or terminated, or be subject to default proceedings by the Clearing House. Members that are not Clearing Members should be aware that such events may have effects upon Corresponding Contracts or Agency Relationships or their ability to enforce their rights under Corresponding Contracts or Agency Relationships. Members should refer to the Clearing House Rules for further details and to other references to "Customers" in the Clearing House Rules and Clearing House Procedures, in addition to the relevant risk disclosures made by the Clearing House and each Clearing Member or Sponsor.

~~(e) Once a Contract arises under the Clearing House Rules, that Contract may not be transferred to another Member's name without the agreement of the Exchange and in accordance with Rule F.8; provided that if a Member who is a Clearing member is in default with regard to the Clearing House, the Clearing House shall have discretion to transfer any or all of the defaulter's rights, liabilities and obligations in respect of any Contract to another Clearing Member of the Clearing House without reference to the Exchange.~~

F.1.16 Each Member and non-Member Sponsored Principal is hereby deemed to acknowledge, represent and agree that:

(i) ~~(d)~~ Subject to Rule 6.2(e), in entering into Contracts and Corresponding Contracts, Members and non-Member Sponsored Principals will act as principal and not as agent, subject to the Clearing House Rules and Rule F.1.13.

- (ii) ~~(e) Members that are not Clearing Members shall have no claim of any nature against the Clearing House except as further detailed in the Clearing House Rules, the Clearing House has no obligation or liability to a Member that is not a Clearing Member, Sponsor or Sponsored Principal, whether in tort, contract, restitution, in respect of any Contract, pursuant to the Clearing House Rules, pursuant to the Regulations or otherwise, save for any (except any liability for fraud, death or personal injury or any other liability which by law cannot under applicable laws may not be excluded); and~~
- (iii) in accordance with the Clearing House Rules, the Clearing House has the right to suspend or terminate the clearing of transactions, either generally or in relation to a particular Member, Clearing Member, Sponsor or Sponsored Principal, without notice.

F.2 CONTRACTS IN THE MAKING OF WHICH A MEMBER IS SUBJECT TO THE ARTICLES AND THE REGULATIONS¹⁴¹⁵

F.2.1 A Member is subject to the Articles and the Regulations when entering into Contracts and contracts of the following kinds:-

- (a) a Corresponding Contract made with a client otherwise than on the Market in conformity to Rule C.6.2(a);
- (b) a Corresponding Contract made with a client otherwise than on the Market, not conforming to Rule C.6.2(a) only because at the relevant matching contract (within the meaning of that Rule save as to the time it is made) is made or procured by the Member after and not before the matching of the Contract;
- (c) a Contract made on the Market which is allocated to and accepted by the Member;
- (d) a Corresponding Contract ~~arising between the Member and a Clearing Member pursuant to a clearing agreement to which they are both a party; and~~
- (e) any other Contract made or required or permitted to be made under the Regulations including, without limitation, the default rules; ~~and~~
- (f) ~~(i) the making of a Contract or Corresponding Contract made by a Member with a client (whether or not a Member) otherwise than on the Market and not falling within paragraphs (a) or (b) above, shall constitute an offence; [Deleted] 2014~~
- ~~(ii) any contract so made will be deemed not made by the Member subject to the Articles and the Regulations, save that the Member will be subject to disciplinary Rules and procedures.~~

F.2.2. The provisions of this Rule F.2 shall apply to non-Member Sponsored Principals as if they were Members, and Members shall be responsible to ensuring compliance with this Rule F.2 by their clients who are Sponsored Principals, irrespective of whether such Members are Sponsors for such Sponsored Principals.

F.3 TRANSACTION RECORDS¹⁵¹⁶

- (a) All Members shall keep proper and complete accounting and other records relating to all Contracts and Corresponding Contracts made on the Market or otherwise in accordance with the Regulations, whether for a Member's own or a client's account, and containing such details as the Directors or the Authorisation, Rules and Conduct Committee may from time to time prescribe. Separate accounts shall be kept in relation to each client and all orders and accounts shall be given a unique and clearly identifiable reference.

¹⁴¹⁵ Amended 30 September 2002, 8 April 2005, Launch of ICE Clear 2008, 29 January 2014, 1 2014

¹⁵¹⁶ Amended 17 July 2003, 29 March 2006, 9 July 2008, Launch of ICE Clear ~~2008-2008~~, 1 2014

- (b) All orders executed on the Market or otherwise in accordance with the Regulations shall be promptly recorded in writing (or such other permanent form as may from time to time be permitted) by the Member in its own records and reported to the Exchange (or, if the Exchange permits, to the Clearing House on behalf of the Exchange) in such manner and together with such particulars as the Exchange may from time to time require. The Exchange shall (and is hereby authorised to) present and confirm particulars of all Contracts to the Clearing House on behalf of Members and non-Member Sponsored Principals by means of the ICE Systems.
- (c) Members shall keep daily records of such open positions and shall comply with such reporting requirements as the Directors or the Authorisation, Rules and Conduct Committee may from time to time prescribe. The Exchange may request the Clearing House to disclose to the Exchange details of Contracts and open positions of Members.
- (d) Such records shall be maintained for a reasonable period of time (which shall be not less than five years) and shall be open to inspection by the Exchange.
- (e) The provisions of the Rules in F.3 shall be without prejudice to the provisions of the Electronic User Agreement regarding record keeping which shall supplement the Rules in F.3.
- (f) The provisions of this Rule F.3 shall apply to non-Member Sponsored Principals as if they were Members, and Members shall be responsible to ensuring compliance with this Rule F.3 by their clients who are Sponsored Principals, irrespective of whether such Members are Sponsors for such Sponsored Principals.

F.4 DEPOSITS AND MARGINS¹⁶¹⁷

Members shall charge (by cash, banker's guarantee or such other collateral as may from time to time be approved by the Directors or a committee appointed for this purpose) to clients who are not Members in respect of each Corresponding Contract:-

- (a) at least such minimum rate of deposit per lot, if any, as shall for the time being be prescribed by the Directors (or a committee appointed for this purpose) in respect of Contracts of that kind; and
- (b) such variation margin, if any, as the Directors (or a committee appointed for this purpose) shall for the time being determine in respect of Contracts of that kind;

subject always to such conditions and exceptions as may be specified by the Directors or by the Authorisation, Rules and Conduct Committee.

F.5 EXCHANGE FOR PHYSICALS ("EFPs")¹⁷¹⁸ EXCHANGE FOR SWAPS ("EFSs")

These Rules shall apply to all EFP transactions and EFS transactions (including, for the avoidance of doubt, EFPs and EFSs entered on ICE Block by an ICE Block Member).

- (a) EFP and EFS transactions are available in respect of those Contracts and contract months as determined by the Exchange from time to time. Such Contracts are not subject to the Trading Procedures unless specifically referred to.
- i. EFP and EFS transactions in all Contracts, except for Electricity and Natural Gas Contracts, shall be reported to the Exchange at any time during trading hours and for 30 minutes or, in the case of Electricity and Natural Gas Contracts, one hour after the close of the relevant individual Contract (or by the close of the ICE systems, whatever is the earliest).

¹⁶¹⁷ Amended 8 April 2005, Launch of ICE Clear 2008

¹⁷¹⁸ Amended 19 August 1999, 7 March 2001, 12 December 2001, 27 May 2002, 27 February 2003, 23 September 2003, 6 October 2003, 7 May 2004, 10 September 2004, 22 April 2005, 25 October 2005, 7 December 2005, 7 February 2006, 29 March 2006, 21 April 2006, 17 July 2006, 13 October 2006, 5 January 2007, 21 May 2007, 18 December 2007, 29 February 2008, 14 March 2008, Launch of ICE Clear 2008, 4 December 2008, 4 April 2011, 5 December 2011, 7 June 2012, 15 October 2012, 29 January 2014

- ii. On an expiry day, for all eligible Contracts except ICE Emission Futures Contracts, EFP and EFS transactions in respect of the expiring contract month must be reported within one hour after such contract month has ceased trading on the last day of trading. In the case of ICE Emission Futures Contracts, EFP and EFS transactions must be reported within 30 minutes after such contract month has ceased trading on the last day of trading.
 - iii. On expiry day for all ICE Futures Europe Option Contracts, EFS transactions must be reported by the end of the designated settlement period of the underlying Futures Contract.
- (b) [~~deleted~~Deleted 5 December 2011]
 - (c) Details of the EFP or EFS must be reported to the Exchange in accordance with Trading Procedure 16, or by any other means determined by the Exchange from time to time. Details of such transactions, with the exception of the price shall be displayed on the ICE Platform and made available during the Trading Day.
 - (d) [~~deleted~~Deleted 23 September 2003].
 - (e) Upon demand by the compliance officer, Members are required to obtain and provide independent evidence to support the underlying physical or swap transaction.
 - (f) An EFP or EFS whose price falls within either of the following parameters can be reported, subject to the right of the Clearing House to treat a Contract as void or voided, with the Exchange directly:
 - (i) between the highest and lowest traded prices for the contract month for the day at the time of reporting; or
 - (ii) within a maximum price movement (as published by the Exchange from time to time) from the previous Trading Day's settlement price for that contract month.
 - (g) Any EFP or EFS whose price is not within one of the parameters set out at (f) above will require the approval of the Exchange's Compliance Department prior to being recorded, subject also to the right of the Clearing House to treat a Contract as void or voided. The Compliance Department may, before granting approval, make such enquiries as necessary to confirm the validity of the transaction.
 - (h) A decision by the Exchange not to record or accept an EFP or EFS or not to present any EFP or EFS to the Clearing House is final.
 - (i) All Members and persons subject to the Regulations must ensure that, on bringing the transactions on-Exchange, they comply with all applicable Exchange Regulations.

F.5.A [DELETED –5 DECEMBER 2011]¹⁸¹⁹

F.5.B EXCHANGE FOR RELATED MARKETS FACILITY¹⁹ (“EFMs”)²⁰

General

F.5.B.1 Exchange for Related Markets transactions (EFMs) may take place in respect of the Contracts and contract months as may be determined by the Exchange from time to time.

F.5.B.2 These Rules shall apply to EFMs (including, for the avoidance of doubt, EFMs entered on ICE Block, by an ICE Block Member) where Members with an existing ICE Futures Europe Contract (“the

¹⁸¹⁹ Added 10 May 2004, 8 April 2005, 7 December 2005, 29 March 2006, Launch of ICE Clear 2008, 4 April 2011, Deleted 5 December 2011

¹⁹²⁰ Inserted 5 December 2011, 15 October 2012, 29 January 2014

Existing Contract”), exchange such Existing Contract for a related ICE Futures Europe Contract (“the Related Contract”) where certain criteria, as determined by the Exchange, is fulfilled which may include the following:

- a) Members may only exchange contract months in Existing Contracts for those contract months in the Related Contract as determined by the Exchange from time to time;
- b) EFMs shall only be used by Members to reduce a position in an Existing Contract;
- c) The maximum volume that can be exchanged in an EFM transaction for any contract month in the Existing Contract shall be the maximum volume of the Existing Contract;
- d) An Existing Options Contract may not expire into a Related Option Contract;
- e) Applicable minimum volumes shall be determined by the Exchange;
- f) EFMs must be reported to the Exchange through the ICE Block facility (“ICE Block”) or via the ICE Helpdesk, or by any other means determined by the Exchange from time to time, in accordance with Trading Procedure 18;
- g) EFMs shall only be registered within price parameters as defined by the Exchange from time to time

F.5.B.3 All Members and persons subject to the Regulations must ensure that, on bringing the transactions on-Exchange, they comply with all applicable Exchange Regulations.

F.5.B.4 The volume details, but not price, of the EFM transaction reported to the Exchange will be broadcast to the Market via the ICE Platform during the trading day.

F.5.B.5 Prices of EFM transactions will not be included in the determination or calculation of any Exchange Index or Settlement price.

Reporting of Transactions

F.5.B.6 Details of the EFMs must be reported to the Exchange in accordance with Trading Procedure 18, or by any other means determined by the Exchange from time to time.

F.5.B.7 EFM transactions shall be reported to the Exchange at any time during trading hours and, for 30 minutes after the close of the Existing Contract and Related Contract (or by the close of the ICE systems, whatever is the earliest).

F.5.B.8 On an expiry day, for the Existing Contracts, EFMs in respect of the expiring contract month may be reported up to one hour after such contract month has ceased trading on the last day of trading.

F.5.B.9 On expiry day for all Existing Options Contracts, EFMs may be reported up to the end of the designated settlement period of the underlying Existing Contract.

Price and Acceptance

F.5.B.10 Members shall ensure, when arranging or executing an EFM that the price being quoted represents the fair market value for that transaction, and should, in particular, take into account the prevailing price and volume currently available in the Market, the liquidity of the Market and general market conditions. Members shall not be obliged to obtain prices from other Members, unless this would be appropriate in the circumstances.

F.5.B.11 Prices shall be within the price parameters as defined by the Exchange from time to time.

F.5.B.12 In the event that the price at which an EFM transaction is registered is not within one of the price parameters, as defined by the Exchange, such EFM transaction will require the approval of the Exchange’s Compliance department prior to being recorded.

F.5.B.13 The Compliance Department may, before granting approval require, in the case of an EFM make such enquiries as necessary, or request such documentation as may be specified by the Exchange to confirm the validity of the transaction.

F.5.B.14 A decision by the Exchange not to record or accept an EFM or not to present any EFM to the Clearing House is final.

F.5.C BASIS TRADES AAs²⁰²¹

These Rules shall apply to all Basis Trades and AAs (including, for the avoidance of doubt, Basis Trades and AAs entered on ICE Block by an ICE Block Member).

- (a) Basis Trades and AAs are available in respect of those Contracts and contract months as determined by the Exchange from time to time. Contracts are not subject to the Trading Procedures unless specifically referred to.
 - (i) Basis Trades and AAs shall be reported to the Exchange at any time during trading hours and for 30 minutes after the close of the relevant individual Contract (or by the close of the ICE systems, whichever is earliest).
 - (ii) In an expiring contract month for all eligible Contracts, Basis Trades and AAs must be reported by the business day preceding the last Trading Day of the expiry month of the eligible Futures Contract or Options Contract.
- (b) Details of the Basis Trade or AA must be reported to the Exchange in accordance with Trading Procedure 16A and 16B, as applicable, or by any other means determined by the Exchange from time to time. Details of such transactions, with the exception of the price shall be displayed on the ICE Platform and made available during the Trading Day.
- (c) In respect of Basis Trades, upon demand by the compliance officer, Basis Trade executing Members are required to obtain and provide satisfactory evidence that the Basis Trades have been organised in accordance with the Rules and Trading Procedures. Basis Trade executing Members must, therefore, be in a position to supply documentary evidence in connection with a Basis Trade, including, but not limited to, evidence confirming the cash leg of Basis Trades. Basis Trade executing Members may also be required from time to time by the Exchange to request, and copy to it, confirmation of the details of the cash leg of a Basis Trade where another party was responsible for the execution of the cash leg. In respect of AAs, upon demand by the compliance officer, AA executing Members must provide satisfactory evidence that the AA has been executed in accordance with the Regulations and the Trading Procedures.
- (d) The pricing of Basis Trades and AAs shall be in accordance with the requirements of Trading Procedure 16A and 16B, as applicable.
- (e) A decision by the Exchange not to record or accept a Basis Trade or AA or not to present any Basis Trade or AA to the Clearing House is final.
- (f) All Members and persons subject to the Regulations must ensure that, on bringing the transactions on-Exchange, they comply with all applicable Exchange Regulations.

F.6. TRANSFER OF CONTRACTS²⁴²²

The Directors may from time to time make, add to or amend Regulations and procedures providing for the transfer of Contracts between the Exchange and/or the Clearing House and another exchange or its clearing house.

F.7. BLOCK TRADES²²²³

²⁰²¹ Inserted 4 June 2014

²⁴²² Amended launch of ICE Clear 2008

²²²³ Added 27 May 2002, 27 February 2003, 23 September 2003, 8 April 2005, 7 December 2000, 29 March 2006, 17 October 2008, Launch of ICE Clear 2008, 5 December 2011, 15 October 2012, 01 November 2013, 29 January 2014, 4 June 2014

- F.7.1
- (a) Block Trades may take place in respect of contracts designated by the Exchange from time to time as contracts that may be traded as Block Trades pursuant to the Rules.
 - (b) Block Trades may be organised 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.
 - (c) Any Member is permitted to arrange Block Trades subject only,
 - (i) to the individual arranging the Block Trade on behalf of the Member, having such individual registration as is required by applicable laws;
 - (ii) in the case of a Trade Participant or Individual Participant, to the Block Trade being in respect of business for his own account and the counterparty with whom he arranges the Block Trade being another Member;
 - (iii) to Members having completed such form of enrolment as may be prescribed by the Exchange from time to time;
 - (iv) to ICE Block Members having being approved by the Exchange and completed such form of enrolment as may be prescribed by the Exchange from time to time;
 - (d) Where a General Participant enters into a Block Trade with or on behalf of a client who is not a Member of the Exchange, it must comply with all applicable laws, including in relation to suitability and appropriateness.
 - (e) Members must, prior to entering into a Block Trade with a client(s) who is not a Member of the Exchange for the first time, notify such client(s) in writing of the client's classification under FCA rules or other applicable laws for the purposes of the Block Trade Facility and must provide the client with details of the facility and its written terms of business and satisfy such other documentary requirements as are required by applicable laws.
 - (f) A Member must not disclose the identity of the party to a Block Trade order to potential counterparties unless the Member has previously received that party's permission to do so. Members may disclose the terms of Block Trade orders in furtherance of bilateral negotiations, which may include indicating that the negotiations have ended.

Minimum Volume Thresholds²³²⁴

- F.7.2
- (a) The minimum number of lots in respect of each Block Trade Contract that can be traded as a Block Trade (minimum volume thresholds) shall be determined by the Exchange and published from time to time.
 - (b) Members are, subject to F.7.1 above, permitted to enter into Block Trades which involve the trading of two or more different contracts or Block Trades that involve the trading of two or more different contract months and/or strike prices of the same contract.
 - (c) An order for a Block Trade for two or more contract months and/or strike prices of the same contract may be matched with Block Trade orders for individual contract months provided that each such order meets or exceeds the minimum volume threshold for that contract or combination.
 - (d) Applicable requirements relating to Block trades, and the minimum volume thresholds that apply, shall be determined by the Exchange and published from time to time. A breach of any guidance, policy or procedures published under this Rule F.7.2 relating to Block Trades by a Member or person subject the Regulations may constitute a breach of the Regulations by such Member or person.

²³²⁴ Amended 25 February 2005; 01 November 2013

Aggregation of lots²⁴²⁵

- F.7.3 In respect of Futures Contracts designated by the Exchange as Block Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume thresholds. Likewise Members may not, in respect of Futures Contracts, combine separate orders in respect of different contracts to generate an inter-contract spread trade unless each such separate order is for the same client or meets or exceeds the minimum volume threshold for the relevant contract.

Members may aggregate separate orders provided each such separate order meets or exceeds the minimum volume threshold for the relevant contract or are received from the same client. Members may also aggregate orders for funds which are operated by the same Fund Manager and traded by the same Fund Manager, pursuant to the same strategy.

In respect of Options Contracts designated as Block Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume thresholds. However, where a Member receives a Block Trade order which meets or exceeds the relevant minimum volume threshold, he may aggregate orders on the matching side only, in order to facilitate execution of the Block Trade.

- F.7.4 When arranging a Block Trade and, in particular, when aggregating orders on the matching side to facilitate arrangement of a Block Trade in accordance with the Rules, (and in particular with Rule F.7.3) Members must ensure that they act with due skill, care and diligence; and the interests of the client(s) are not prejudiced.

Price

- F.7.5 Members shall ensure, when arranging or organising Block Trades, that the price of any Block Trade being quoted represents the fair market value for that trade. On each occasion of quoting a Block Trade price, the Member must, at the time, make it clear to the potential counterparty(ies), whether a Member or a client who is not a Member of the Exchange, that the price being quoted is a Block Trade price and not the prevailing Market price.

When determining a Block Trade price, a Member should, in particular, take into account the prevailing price and volume currently available in the Market, the liquidity of the Market and general market conditions, but shall not be obliged to obtain prices from other Members, unless this would be appropriate in the circumstances.

Prices of Block Trades will not be included in the determination or calculation of any Exchange Index or Settlement price.

Submission of details of Block Trades

- F.7.6 Once a Block Trade has been organised the Members must submit the Block Trade details to the Exchange in accordance with Trading Procedure 17.
- F.7.7 A decision by the Exchange not to record or accept a Block Trade or not to present details of the Block Trade to the Clearing House is final.

F.8 POSITION TRANSFERS²⁵²⁶

- F.8.1 (a) Members Once a Contract arises under the Clearing House Rules, that Contract may not be transferred unless in accordance with this Rule F.8, or with the agreement of the Exchange where required. Members (and non-Member Sponsored Principals) may transfer positions in accordance with relevant Clearing House processes and the Regulations in the following instances:
- (i) transfers of open Contracts from one Member or non-Member Sponsored Principal to another Member made at the request of a client (including a non-Member Sponsored Principal);

²⁴²⁵ Amended 4 June 2014

²⁵²⁶ Inserted 15 May ~~2013~~ 2013, amended 11 2014

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- (ii) transfers of open Contracts necessitated by the death of the only Member of a firm who held Membership in the Exchange; or
 - (iii) ~~(ii)~~ transfers of open Contracts from one account to another account on the books of the same Member made at the request of a client where no change in ownership is involved; ~~or~~
 - ~~(iii)~~ transfers of open Contracts necessitated by the death of the only Member of a firm who held Membership in the Exchange, including a transfer from the account of a non-Member Sponsored Principal on the books of a Member acting as its Sponsor, to another account on the books of the same Member acting in a capacity other than as Sponsor.
- (b) Position transfers input in accordance with (a)(i)-~~(iii)~~ above may be submitted on any Trading Day for the contract month up until the close of the ICE Systems or expiry of the relevant contract month on the last trading day, subject to guidance from the Exchange.
- Position transfers where (g)(i)-(iv) below applies may be submitted on any Trading Day for the contract month up to five Business Days before the expiry of the relevant contract month, subject to guidance from the Exchange. Requests for such transfers must be provided at least one Business Day prior to the transfer date.
- (c) Position transfers which have the effect of off-setting (closing-out) existing open positions are not permitted in the spot month of a Contract.
- (d) Position transfers in Futures Contracts and futures-style Options Contracts may be effected at:
- (i) the prior day's Settlement Price, or
 - (ii) at the original market price.
- subject to such approvals from the Clearing House as may be required.
- (e) Position transfers in all other Options Contracts may be effected at:
- (i) either the original market Premium, or
 - (ii) a Premium of zero.
- subject to such approvals from the Clearing House as may be required.
- (f) For all such position transfers, the Member receiving the positions must record the transferred Contracts on its books at either the original dates or the transfer date, in accordance with the price at which the positions were transferred.
- (g) Position transfers shall not be permitted if there is any change in beneficial ownership of the Contracts involved except for the following, at the discretion of the Exchange and on submission of such details as requested by the Exchange:
- (i) position transfers made for the purpose of combining the positions held by two or more funds which are operated by the same fund manager and traded by the same fund manager, pursuant to the same strategy, into a single account so long as the transfers do not result in the liquidation of any open positions, and the pro rata allocation of interests in the consolidating account does not result in a significant change in the value of the interest of any fund participant;
 - (ii) such other position transfer as the Exchange, in its discretion, shall exempt in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring corporate transaction between two or more entities where one or several entities become the successor in interest of one or several other entities; and
 - (iii) with the consent of the Member(s) and the approval of the Exchange, the transfer of existing positions between accounts or between Members when the situation so requires and such transfer is in the best interests of the Exchange or the Market.
 - (iv) For purposes of this Rule, a change in beneficial ownership shall not be deemed to have occurred with respect to:
 - a. position transfers between firms which are 100% owned by the same Person; and
 - b. position transfers between any Person and any entity owned 100% by such Person.

- (h) The Exchange may review position transfers at any time. When reviewing position transfers, the Exchange may seek further explanations or supporting documentation from Members in order to confirm its understanding of the nature of the transaction. Processing of a position transfer will not preclude the Exchange from instigating disciplinary proceedings in the event that it transpires that the position transfer may have been in contravention of applicable Exchange Regulations.

- (j) If a Member who is a Clearing Counterparty or non-Member Sponsored Principal is in default with regard to the Clearing House, the Clearing House shall have discretion to transfer any or all of the defaulter's rights, liabilities and obligations in respect of any Contract to another Clearing Counterparty without reference to the Exchange.

F.9 BCLEAR²⁶ SERVICE²⁷

General

- F.9.1 (a) The Bclear Service enables Bclear Reporting Members to report a Contingent Agreement to Trade to the Exchange in order to create a Contract. Pursuant to Rule F.9.6(f), the Exchange shall be entitled to reject a Contingent Agreement to Trade which is reported to it in accordance with Rule F.9.6 with the effect that no Contract shall be created.
- (b) In reporting such Contingent Agreement(s) to Trade and entering into contract(s) under Rule F.9.2(a), Members shall be bound by the rules in this Rule F.9 and the following rules:
- (i) the Regulations in their entirety; and
- (ii) notices issued pursuant to this Rule F.9.

Upon agreeing the terms of a Contingent Agreement to Trade and causing the Contingent Agreement to Trade to be reported to the Exchange, a non-Member client shall also be bound by this Rule F.9.

Acceptance and creation of contracts

- F.9.2 (a) Upon acceptance by the Exchange of a Contingent Agreement to Trade reported to it by a Bclear Reporting Member pursuant to this Rule F.9 and subject to any applicable Clearing House Rules, there shall arise:
- (i) a Contract between the Clearing ~~Member~~Counterparty that clears for the Buyer (as defined in such Contract) and Seller (as defined in such Contract) respectively in accordance with the relevant clearing agreement (or the Clearing ~~Member~~Counterparty itself if the Buyer (as defined in such Contract) and/or Seller (as defined in such Contract) is a Clearing ~~Member~~Counterparty and will clear the transaction itself) (in either case, such person being a Bclear Reporting Member) and the Clearing House on agreed terms which are identical (except as to the parties) to the Contingent Agreement to Trade or, where the Contingent Agreement to Trade consists of a combination of legs, a Contract on the same agreed terms (except as to the parties) as the equivalent leg of the Contingent Agreement to Trade for each leg of the Contingent Agreement to Trade; or
- (ii) for each person other than the Bclear Reporting Member who is a party to the Contingent Agreement to Trade, a Contract between the Bclear Reporting Member and the counterparty on pre-agreed terms.
- (b) On the arising of Contracts pursuant to Rule F.9.2(a), the Contingent Agreement to Trade to which such contract relates shall be discharged by those contracts.
- (c) If the Exchange rejects a Contingent Agreement to Trade under Rule F.9.6(f) which has been reported to it through the Bclear Service, Rules F.9.2(a) and F.9.2(b) shall not apply and such Contingent Agreement to Trade shall lapse.

Designation of Bclear Contracts

- F.9.3 Bclear Contracts and the permissible strategies comprising combinations of Bclear Contracts shall be designated by notice posted on the Market. Such designations may specify a minimum number of lots

²⁶²⁷ Inserted 4 June 2014, amended 11.2014

necessary for a Contingent Agreement to Trade to be acceptable to the Exchange (“minimum volume requirements”). Different minimum volume requirements may be specified for different Bclear Contracts and for each of the permissible strategies.

Reporting rights

- F.9.4 (a) The Exchange shall stipulate by notice posted on the Market, which Members, or class or classes of Members, shall have the right to report their own and other parties’ Contingent Agreements to Trade.
- (b) Each Contingent Agreement to Trade confirmed through the Bclear Service shall be binding on the Bclear Reporting Member through whose ITM such trade was reported and such Bclear Reporting Member shall be responsible for the Contract(s) arising under Rule F.9.2(a).

Business days and hours

- F.9.5 A Contingent Agreement to Trade may only be reported on the Business Days and during the business hours specified by a notice posted on the Market. Different Business Days and business hours may be specified for different Bclear Contracts.

Reporting procedures

- F.9.6 (a) Only a Bclear Reporting Member may report Contingent Agreements to Trade to the Exchange. Where a Member is not permitted by the Regulations or is unable to report a Contingent Agreement to Trade, he must ensure that he has arrangements in place with another appropriately authorised Member to report Contingent Agreements to Trade before he becomes party to or organises any such Contingent Agreement to Trade. Where a Contingent Agreement to Trade has been agreed by two Members, the Contingent Agreements to Trade shall be reported by the Bclear Reporting Member agreed by such Members.
- (b) Members should ensure that the price of any Contingent Agreement to Trade that is reported to the Exchange represents a fair value for that trade.
- (c) The Exchange requires Members to maintain a robust audit trail in relation to Contingent Agreements to Trade to which they are party, or which they have organised or which they have reported or are due to report through the Bclear Service. When a Member accepts a Contingent Agreement to Trade he must record its details on an order slip, or by electronic means. The following details, as applicable, in respect of a Contingent Agreement to Trade must be recorded and such order record must be time stamped on receipt and again on organisation:
- (i) identity of the individual submitting the Contingent Agreement to Trade to the Exchange;
 - (ii) the Bclear Contract(s) concerned;
 - (iii) expiry month(s)/date(s) or delivery month(s);
 - (iv) exercise price(s);
 - (v) class – call(s) and/or put(s);
 - (vi) price for each leg;
 - (vii) number of lots for each leg;
 - (viii) strategy trade code;
- and, in addition, for delta neutral/stock contingent Contingent Agreements to Trade, as applicable:
- (ix) Bclear Contract/underlying stock concerned;
 - (x) delivery month of the Bclear Contract;
 - (xi) price of the Bclear Contract or the underlying shares (as the case may be);
 - (xii) number of lots of the Bclear Contract or number of shares (as the case may be); and
 - (xiii) delta.

All information recorded by a Member pursuant to this Rule F.9.6(c) must be retained by the Member for not less than five years.

- (d) A Bclear Trade Reporting Member must submit to the Exchange the details of the Contingent Agreement to Trade described in Rule F.9.6(c)(ii) to (xiii), as applicable, as soon as practicable. In any event, the details of the Contingent Agreement to Trade must be submitted by the Bclear Reporting Member within the time period specified by the notice posted on a Market. Members must not delay the reporting of Contingent Agreement to Trade.
- (e) The time limit for the submission of Contingent Agreement to Trade commences as soon as there is verbal agreement on the Contingent Agreement to Trade.
- (f) The Exchange will check the validity of the details of a Contingent Agreement to Trade submitted by the Bclear Reporting Member. If the Exchange, following consultation where it deems necessary with the Clearing House, is satisfied that all such details are valid and that the Contingent Agreement to Trade has been entered into at a fair value (to be determined by the Exchange at its absolute discretion), it will accept the Contingent Agreement to Trade to the Bclear Reporting Member via the ITM through which it was submitted. If the details of a Contingent Agreement to Trade are not valid or the Exchange determines that it has not been entered into at a fair value, the Exchange shall reject the Contingent Agreement to Trade and shall notify the Bclear Reporting Member accordingly.
- (g) Details of both the buying and the selling sides of the trade will be submitted to trade registration and matched under the Bclear Reporting Member's mnemonic.
- (h) Acceptance of a Contingent Agreement to Trade does not preclude the Exchange from instigating action pursuant to Section E.

Publication arrangements

F.9.7 Publication arrangements in respect of Contracts in the Terms of an Exchange Contract arising pursuant to Rule F.9.2 shall be specified by notice posted on the Market.

[F.10 TRANSACTION REPORTING²⁸](#)

[F.10.1](#) [Each Member and non-Member Sponsored Principal acknowledges and agrees that the Exchange shall be authorised to submit the terms of a Contract \(and any related Corresponding Contract\) to any Repository as a delegate for the Clearing House, Clearing Member, Sponsored Principal and any relevant client, as applicable, save where the relevant Clearing Member notifies the Clearing House or the Exchange in writing that it does not require the Exchange to act as such \(whether generally or in respect of particular clients, Sponsored Principals or kinds of Contract\).](#)

²⁸ [Inserted \[\] 2014](#)

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Moved to	0
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Format changed	0
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SECTION G - TRADING

G.1	Generally ¹
G.2	Trading Procedures ²
G.2A	[Deleted 8 April 2005] ³
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¹ Amended 23 September

² Amended 23 September 2003, 29 March 2006, 15 October 2012, 4 June 2014

³ Deleted 8 April 2005

⁴ Deleted 8 April 2005

⁵ Deleted 8 April 2005

⁶ Deleted 8 April 2005

⁷ Deleted 8 April 2005

⁸ Amended 29 March 2006, Launch of ICE Clear ~~2008~~2008, [\[1\] 2014](#)

⁹ Amended 17 July 2003, 22 April 2005, 29 March 2006, Launch of ICE Clear 2008

¹⁰ Amended 27 April 2006, 15 October ~~2012~~2012, [\[1\] 2014](#)

¹¹ Amended 1 November 2004, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008

¹² Added IPE ETS implementation date 2002, amended 29 March 2006, Launch of ICE Clear 2008, 15 October 2012, 4 June [2014](#), [\[1\] 2014](#)

¹³ Amended IPE ETS implementation date 2002, amended 29 March 2006, 27 April 2006, Launch of ICE Clear 2008

¹⁴ Amended 6 October 2003, 1 November 2004, 29 March 2006, 27 April 2006, Launch of ICE Clear 2008

¹⁵ Amended IPE ETS implementation date 2002, 27 April 2006, Launch of ICE Clear 2008, 15 October 2012

¹⁶ Amended 17 July 2003, 29 March 2006, Launch of ICE Clear 2008, 15 October ~~2012~~–2012, [\[1\] 2014](#)

¹⁷ Amended 17 July 2003, 29 March 2006, Launch of ICE Clear 2008

¹⁸ Amended 6 October 2003, 29 March 2006

¹⁹ Amended 6 October 2003, 25 October 2005, 29 March 2006, 4 June 2014

²⁰ Amended 10 November 2003, 29 March 2006, Launch of ICE Clear 2008, 23 April 2012

²¹ Amended 6 October 2003, 29 March 2006, 15 November 2010, 20 January [2014](#), [\[1\] 2014](#)

²² Inserted 6 October 2003, amended 7 December 2005, 29 March 2006, Launch of ICE Clear 2008, 15 November ~~2010~~–2010, [\[1\] 2014](#)

²³ Added 17 July 2003, 22 April 2005, 25 October 2005, 29 March 2006, Launch of ICE Clear 2008, 4 April 2011, deleted 4 June 2014

²⁴ Added 6 October 2003, 24 December 2004, deleted 8 April 2005

²⁵ Inserted 2 September 2004

²⁶ Inserted 30 March 2005, amended 25 October 2005, 29 March 2006, 12 May 2006, 5 December 2011

²⁷ Inserted 21 May 2007, ~~Deleted~~deleted 5 December 2011

G.1 GENERALLY²⁸

Contracts shall be executed on the Market in accordance with this Section G and such procedures as are for the time being prescribed under Rule G.2.

The Directors shall from time to time determine those contracts that shall be traded.

G.2 TRADING PROCEDURES²⁹

- (a) The Directors, or the compliance officer, may from time to time by circular or other written notice to Members prescribe procedures governing trading on the ICE Platform and the registration of EFM, EFPs, EFSs Block Trades, Basis Trades, AAs and Cross Trades on the Market.
- (b) A breach of any procedures prescribed under this Rule G.2 by a person subject to the Regulations will constitute a breach of the Regulations by such person.

G.2A [Deleted— 8 April 2005]³⁰G.2B [Deleted— 8 April 2005]³¹G.2C [Deleted— 8 April 2005]³²G.2D [Deleted— 8 April 2005]³³G.2E [Deleted— 8 April 2005]³⁴G.2F CONTRACTS TRADED BY MEMBERS ON THE ICE PLATFORM³⁵

An order executed or matched on the ICE Platform by for or following any submission by or on behalf of a Member shall give rise to Contract(s) in accordance with Rule BE.91 and Clearing House Rules.

G.3 VALIDITY OF CONTRACTS³⁶

- (a) To be a valid Contract made on the Market, the Contract must give rise to a Contract under Clearing House Rules that is not void or voided and must be:
 - (i) executed on the ICE Platform only by a registered Responsible Individual using his appropriate ITM and, in the case of an Emission Contract, only where the Member to whom the Responsible Individual is registered, is a holder of an Emissions Trading Privilege; and
 - (ii) executed in accordance with either Rule G.5 or G.6.A; or
 - (iii) expressly authorised by the Exchange in its absolute discretion pursuant to Trading Procedure 8.5; or
 - (iv) expressly authorised by the Exchange in its absolute discretion.

²⁸ Added IPE ETS implementation date 2002, 27 February 2003, 23 September 2003, 8 April 2005, 29 March 2006

²⁹ Amended IPE ETS implementation date 2002, 17 July 2003, 23 September 2003, 8 April 2005, 29 March 2006, 15 October 2012, 4 June 2014

³⁰ Deleted 8 April 2005

³¹ Deleted 8 April 2005

³² Deleted 8 April 2005

³³ Deleted 8 April 2005

³⁴ Deleted 8 April 2005

³⁵ Added 17 July 2003, amended 29 March 2006, Launch of ICE Clear 2008/2008, 1.1 2014

³⁶ Amended 25 November 1997, 4 September 2000, 27 May 2002, IPE ETS implementation date 2002, 27, February 2003, 17 July 2003, 8 April 2005 22 April 2005, 29 March 2006, Launch of ICE Clear 2008

- (b) Subject to Rule G.15 any power exercisable by the Board, the default rules, the Clearing House treating a Contract as void or voided and the Clearing House's default rules: once a bid or offer made on the Market has been accepted in whole or in part there is no right of withdrawal.
- (c) Subject to Rule G.15 any power exercisable by the Board and the Clearing House treating a Contract as void: acceptance of a bid or offer gives rise to a Contract between the two parties.

G.4 PRIOR ARRANGEMENT PROHIBITED³⁷

It shall be an offence for a Member or Member Representatives to prearrange a Contract made or intended to be made on the Market, except a Contract made or to be made under Rule F.5, [Rule F.5.B](#), [Rule F.5.C](#) or Rule F.7.

TRADING PRACTICES

G.5 ORDERS GIVEN ON A NOT HELD BASIS³⁸

A Member given an order to work on a not held basis has discretion to work the order in the best interests of the client. The exact terms of this discretion are not prescribed by the Exchange but will be agreed between each Member and its individual clients.

A Member may only work an order on a not held basis when it has specific instructions to do so. Any arrangements to work all of a particular client's orders on a not held basis should be supported by prior agreement. However, irrespective of whether an order is being worked on a not held basis, Members are required to immediately execute the order on the ICE Platform should the order become capable of execution. It shall be an offence to withhold an order which is capable of immediate and full execution for the purpose of soliciting matching business.

G.6 ~~[Deleted – 10 December 2002]~~³⁹

G.6A MATCHING ORDERS⁴⁰

G.6A.1 Matched Orders

A Cross Trade is defined either as a single trader simultaneously executing matching buy and sell orders for different beneficial account owners, or by separate traders registered with the same Member trading together for different beneficial account owners.

A Guaranteed Cross is a Cross Trade in respect of designated Financials and Softs Contracts, as determined by the Exchange, which does not interact with orders in the order book held in the ICE Platform but whose price is constrained by the prices of such orders, as specified in ~~these~~[the](#) Trading Procedures.

G.6A.2 Matching orders may be entered to the ICE Platform using one of the following two methods:

- (i) by submission to the ICE Platform as a Cross Trade (including a Guaranteed Cross) in accordance with this Rule G.6A; or
- (ii) by submission as a Block Trade, EFP/EFS transaction, Basis Trade or AA, where the transaction has been made in accordance with applicable Exchange Rules and Procedures,

G.6A.3 In relation to matched orders that are submitted to the ICE Platform as a Cross Trade (including a Guaranteed Cross), subject to Rules G.6A.4 to G.6A.7, orders that are immediately executable against each other must be entered without delay by the submission of the separate buy and sell orders.

G.6A.4 In relation to Cross Trades (excluding Guaranteed Crosses), where no bid and/or no offer exists in the Market for the relevant Contract, and where Members have matching orders, one side of the order shall be submitted to

³⁷ Amended 27 April 2006, 15 October ~~2012~~[2012](#), [11](#) [2014](#).

³⁸ Amended 1 June 1999, 1 November 2004, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008

³⁹ Deleted 10 December 2002

⁴⁰ Added IPE ETS implementation date 2002, Amended 8 April 2005, 29 March 2006, Launch of ICE Clear 2008, 15 October 2012, 4 June [2014](#), [11](#) 2014

the ICE Platform without delay (the "first submission") and the matching order may only be submitted to the ICE Platform when a period of at least:

- (i) five seconds in the case of Futures Contracts; and
- (ii) five seconds in the case of Options Contracts,

has elapsed since the first submission.

If the matching order is to be submitted, the applicable buy and sell orders must be submitted as soon as practicable and in any event no later than thirty seconds after the first order was submitted. Such orders may be filled by existing orders.

- G.6A.5 A bid and/or offer must not be submitted to the ICE Platform deliberately to circumvent the procedures set out in Rule G.6A.4.
- G.6A.6 In relation to Guaranteed Crosses, where no bid and/or no offer exists in the order book held in the ICE Platform for the relevant contract month or strategy, an RFQ must first be entered for such contract month or strategy. The matching business may only be entered to the ICE Platform where a period of five seconds in the case of designated Financials and Softs Contracts ("the RFQ period") has elapsed. If the matching business is to be submitted, the applicable buy and sell orders must be submitted as soon as practicable and in any event, no later than thirty seconds following the RFQ period.
- G.6A.7 A bid and/or offer must not be submitted to the ICE Platform deliberately to circumvent the procedures set out in Rule G.6A.6.
- G.6A.8 In relation to Cross Trades (excluding Guaranteed Crosses), where a Member wishes to match a client order with an order where that Member is acting in a proprietary capacity, it shall enter the client order first. Where matching orders are both client orders, the Member shall determine which client order to enter first in accordance with applicable laws.
- G.6A.9 Where a matched order is to be submitted as a cross, the price of the trade must be representative and must be:
- (a) (i) within the prevailing best bid and offer price on the ICE Platform; or
 - (ii) at the best bid or offer where the differential between such best bid and offer is the minimum price movement for the Contract concerned (such trade must also meet the applicable minimum volume threshold); or
 - (b) where a bid but no offer, or an offer but no bid, exists on the ICE Platform, better than such bid or offer; and
 - (c) in any event, at a price which represents a fair value for the trade.
- G.6A.10 A Member or a Member Representatives may deliberately seek to effect a trade involving two wholly or partially matching orders provided the requirements in these Rules are met.
- G.6A.11 Members and Member Representatives must ensure that, when executing client business by way of a Cross Trade (including a Guaranteed Cross) they comply fully with relevant Exchange Rules and, in particular:
- (i) they act with due skill, care and diligence and in compliance with any applicable best execution requirements, applicable client order handling rules and the Member's allocation policy; and
 - (ii) the interests of the client or clients, as the case may be, are not prejudiced;
 - (iii) they are in compliance with the terms and conditions applicable between the relevant Member and client;
 - (iv) they are in compliance with Rule C.6.

G.6A.12 The compliance department shall monitor trades made by the Member resulting from the simultaneous entry of bid and offer orders which are not filled by existing orders.

G.7 PRIORITY OF ORDERS⁴¹

- (a) A Member undertaking business on its own account or on account of any of its Member's Representatives as well as on account of other clients shall always give priority to the orders of such other clients. However, this Rule does not require Members with house or other proprietary orders already entered in the ICE Platform when a client order is received at the same price, to give precedence to that client order.
- (b) The orders of clients must be dealt with fairly and, subject to paragraph (a) above, in their due turn.

⁴¹ Amended 13 May 1999, IPE ETS implementation date 2002, 8 April 2005, 29 March 2006, 27 April 2006, Launch of ICE Clear 2008

G.8 DISCLOSURE, WITHDRAWAL AND WITHHOLDING OF ORDERS⁴²

- G.8.1 A person subject to the Regulations must neither withdraw nor withhold a client's order in whole or in part for his own benefit, the benefit of another person subject to the Regulations, the benefit of another client or the benefit of a Member's Representative. Nor shall a person subject to the Regulations procure another person subject to the Regulations to act in contravention of this Rule.
- G.8.2 All orders must be shown in whole or in part to the Market immediately upon receipt subject to paragraph G.8.5 below.
- G.8.3 A Member or person subject to the Regulations must not disclose any order to another client or to any other person, unless so requested by the Exchange or other regulatory authority or organisation, without first showing the order to the Market in accordance with paragraph G.8.2 above.
- G.8.4 [Deleted 8 April 2005]
- G.8.5 In the case of orders to be shown on the ICE Platform:
- (a) All orders must be entered into the ICE Platform in full (but not necessarily shown in full) upon receipt by the Member and designated as active unless:
 - (i) the order gives the Member discretion as to the time when the order is to be displayed on the ICE Platform, in which case such order must be entered immediately into the ICE Platform in full but can be designated as inactive until the Member exercises its discretion when the order must immediately be shown on the ICE Platform by being designated active;
 - (ii) the Member has discretion to vary the price of the order, in which case such order must be entered immediately in full and designated active for the base price. When the Member exercises its discretion in relation to the change, the order must be amended immediately;
 - (iii) the order is subject to a condition which requires the Member to withhold the order in line with the client's requirements, in which case the order must be entered immediately in full but can be designated inactive until the condition is met when it must immediately be shown on the ICE Platform by being made active;
 - (iv) the client has given the Member instructions to work an order on a not held basis.
 - (b) Any order designated active in the ICE Platform must be entered to show at least the minimum quantity as determined by the Directors from time to time.
 - (c) A Member may only disclose any order to other clients once all or part of the order has been displayed on the ICE Platform in accordance with G.8.2 unless the order is being worked on a not held basis.

G.9 ABUSE OF ORDERS⁴³

- (a) A Member must not take advantage of a client's order for its own benefit, the benefit of another Member or the benefit of any Member's Representative, whether by trading ahead of the client's order or otherwise.
- (b) A Member shall not be taken as having taken advantage of a client's order merely because it executes a Cross Trade in accordance with the provisions of this Section G.

⁴² Amended 13 May 1999, IPE ETS implementation date 2002, 27 February 2003, 6 October 2003, 1 November 2004, 8 April 2005, 29 March 2006, 29 March 2006, 27 April 2006, Launch of ICE Clear 2008

⁴³ Amended 9 June 1997, IPE ETS implementation date 2002, 27 April 2006, Launch of ICE Clear 2008, 15 October 2012

TRADERS

G.10 QUALIFICATION TO TRADE ON THE MARKET⁴⁴

- (a) A person wishing to register as a Responsible Individual with the Exchange for the purpose of conducting Exchange business on the ICE Platform must be:
- (i) a person employed by or representing a Member who has permission to access the ICE Platform pursuant to Rule B.6; and
 - (ii) in relation to an Individual Participant, the individual identified in Rule B.3.2(a)(i).
- (b) Before the Exchange will register a person as a Responsible Individual, a person intending to be a Responsible Individual must attend and complete such training course in the use of the ICE Platform, and pass such written or practical examination or assessment as is for the time being prescribed under this Rule by the Exchange.

Paragraph G.10(b) shall, at the discretion of the Exchange, have no application to a Responsible Individual who is a trader registered with the Exchange before it comes into effect.

- (c) A Member must first register a person with the ~~UK's Financial Conduct Authority~~ [FCA](#) as an approved person or with such other individual registration as is required by applicable laws if that person is to arrange Block Trades, EFPs and EFSs, Basis Trades and AAs, as applicable.

G.11 LIMITATION ON MEMBERS' TRADING STAFF⁴⁵

- [\(a\)](#) ~~(a)~~ A General Participant or Trade Participant may register any number of Responsible Individuals for the purpose of trading on the ICE Platform without limitation on the number of Responsible Individuals who may have access to the ICE Platform at any one time, subject to the requirements of Rule B.11 and the Regulations generally.
- [\(b\)](#) ~~(b)~~ An Individual Participant may register only one Responsible Individual for the purpose of trading on the ICE Platform which must also be the individual identified in Rule B.3.2(a)(i), subject to the requirements of Rule B.11 and the Regulations.

G.12 [Deleted ~~with effect from~~ 28 April 1999]

G.13 PRICE LIMITS⁴⁶

G.13.1 [Deleted 8 April 2005]

G.13.2 For a Contract trading on the ICE Platform: -

- (a) The Exchange may implement procedures to establish the maximum price fluctuations on the Market in respect of each product, and to provide for any consequential restriction or suspension of business.
- (b) The absence of such procedures shall not prevent the exercise of any other power under the Articles or the Regulations to curtail or suspend trading on the Market.

G.14 EMERGENCY CLOSURES⁴⁷

- (a) Trading on the Market may be temporarily suspended by an Exchange official in the event of a fire alert, bomb scare or other alarm or in such other event which in the opinion of the Exchange official

⁴⁴ Amended 13 May 1999, 4 September 2000, 27 May 2002, IPE ETS implementation date 2002, 18 February 2003, 17 July 2003, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008, 15 October 2012, 4 June 2014, [2014](#), [2014](#)

⁴⁵ Amended 13 May 1999, 4 September 2000, 27 February 2003, 17 July 2003, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008

⁴⁶ Amended 7 March 2001, 27 February 2003, 6 October 2003, 29 March 2006

⁴⁷ Amended 12 May 1999, 7 March 2001, IPE ETS implementation date 2002, 11 October 2002, 27 February 2003, 17 July 2003, 23 September 2003, 6 October 2003, 8 April 2005, 25 October 2005, 29 March 2006, 4 June 2014

suspension of trading is necessary in the interests of the Exchange, or its Members, or to maintain a fair and orderly market. Trading will be resumed as soon as reasonably practicable following any such interruption.

- (b) The Head of Market Supervision or his designated deputies may declare that trading on the ICE Platform has been suspended and will remain so until all the consequences of such an event have been remedied to their satisfaction. If, as a result of action under (a) above trading in respect of any contract may not be resumed before the end of the trading session, or at a time which, in the opinion of the Head of Market Supervision or his designated deputies, would leave sufficient time before the end of the trading session as would allow the determination of a representative settlement price, the Head of Market Supervision or his designated deputies will either:
 - (i) declare the trading session suspended and determine the settlement prices; or
 - (ii) refer the matter to the designated Exchange senior management official who may declare that trading continues pursuant to alternative trading arrangements, as appropriate. Notification of alternative trading arrangements will be made by way of notice or such other means of communication as the Exchange sees fit.

G.15 TRADING DISPUTES⁴⁸

If the price of a Contract (for the purposes of Rule G.15, the 'trade') made, or alleged to be made on the ICE Platform is the subject of a dispute on the day of trade, then the market participant (who need not be a Member or party to such trade) who disputes the price of such trade shall notify the Exchange Market Supervision Department (Market Supervision) within such period of time as the Exchange may specify.

Once notified, Market Supervision may, in its absolute discretion, apply or vary procedures pursuant to Trading Procedure 11 to determine whether the price of such trade is unrepresentative.

The Exchange may investigate any trade which has been cancelled or where the price of such trade is adjusted due to the determination of Market Supervision that it was executed at an unrepresentative price.

If a trade made, or alleged to be made on the ICE Platform, is disputed on the day of trade on the basis that it may have been made in breach of the Regulations, then the market participant (who need not be a Member or party to such trade) who disputes the validity of the trade, shall notify Market Supervision within such period of time as the Exchange may specify.

Once notified, Market Supervision will refer the matter to the Compliance Department who may, in its absolute discretion, make such enquiries in accordance with Rule C.12 to determine the validity of the trade.

G.16 ORDER RECEIPT AND ORDER ENTRY RECORDS⁴⁹

- (a) Where client orders are not entered immediately, at any Member location, into an order routing system or front end application, all such orders must be recorded immediately they reach the Member either on an order slip and time-stamped on a time-stamping machine unique to each Member or entered into an electronic order system which must record the time of such entry.
- (b) Additionally in the case of an order for a Block Trade, EFSs, EFPs, EFMs, Basis Trades, AAs and Contingent Agreements to Trade, the time that the verbal agreement of the terms of the Block Trade is reached and the person reaching such agreement on behalf of the Member must also be recorded in such a manner immediately upon such agreement.

All Members are required to have a time-stamping machine or electronic order recorder, or have access to an order routing system or a front end application at all locations where orders are received.

⁴⁸ Amended 22 February 1999, IPE ETS implementation date 2002, 27 February 2003, 10 November 2003, 8 April 2005, 29 March 2006, Launch of ICE Clear 2008, 23 April 2012

⁴⁹ Amended 13 May 1999, 27 May 2002, IPE ETS implementation date 2002, 17 July 2003, 6 October 2003, 8 April 2005, 29 March 2006, 20 January 2014, [1](#) 2014

- (c) If an order is to be transmitted to another location or locations before being shown to the Market, a further order slip must be completed and time stamped or a further electronic record made for each location.
- (d) In the case where orders are submitted through an order routing system or a front end application Members must ensure that there is an adequate audit trail of submission of orders to the Trading Server and that their systems arrangements meet the Exchange requirements for orders and that their front end applications meet the Exchange's front end application conformance criteria.
- (e) Members must ensure that all trade and transaction records include such information required by the Exchange which, at a minimum, must include all information under Trading Procedure 3.1.2, in accordance with Rule F.3,
- (f) The Exchange may from time to time prescribe additional information that may be required to be recorded on order and trade records. Members must ensure that all such required information is recorded and provided in accordance with the relevant provisions in the Regulations.

G.17 OPEN INTEREST⁵⁰

G.17.1 A Member's open interest in any Exchange ~~futures contract~~ [Futures Contract](#) or series of an ~~option contract~~ [Option Contract](#), is the number of lots, long or short, which the Member holds either for its own account or on behalf of clients (including group and associated companies) which will either be:

- (a) offset by trading out in the Market; or
- (b) in the case of ~~options~~ [Options Contracts](#), exercised or held to expiry; or
- (c) in the case of ~~futures~~ [Futures Contracts](#), offset by the exercise of a relevant ~~option~~ [Option Contract](#); or
- (d) in the case of ~~futures~~ [Futures Contracts](#), taken to delivery or cash settlement.

G.17.2 The open interest figures published daily by the Exchange are calculated on the basis of the number of contracts held by Members which remain open.

G.17.3 Members' positions are maintained in sub-accounts in the following manner:

Sub-Account

House (H)	- net
Individual Trader (L)	- net
Default (D)	- gross
Gas Associate (G)	- net
Market Maker (M)	- net
Unallocated (U)	- net
Non-segregated customer (FCM/BD Clearing Members only) (N)	- net
Client Segregated Customer (S or C)	- gross (but net by customer)
Segregated TTFCA Customer (T)	- gross (net by customer)
Margin-flow Co-mingled (European LSOC) (I)	- gross (net by customer)
Individual Segregation (Sponsored Account) (P)	- gross (net by customer)
DCM Client Non-segregated (FCM/BD Clearing Members only) (W)	- gross (but net by customer)
Individual Participant (one account for each Member whose positions are cleared) Swap Client (FCM/BD Clearing Members only)	- gross (net by customer)
(Z)	
Trade Participant (one account for each Member whose positions are cleared)	- net
Default	- gross

⁵⁰ Inserted 13 May 1999, IPE ETS implementation date 2002, 17 July 2003, 6 October 2003, 8 April 2005, 7 December 2005, 29 March 2006, Launch of ICE Clear 2008, 15 November ~~2010~~ [2010](#), [2014](#)

G.17.4

- (a) Open interest at the close of business on a Trading Day for each sub-account will be calculated using the method set out above after a Cut-Off time on the subsequent Trading Day, and will include any settlements and position adjustments carried out before the Cut-Off time. The Cut-Off time will be notified by the Exchange to Members from time to time.
- (b) In respect of certain Contracts notified to Members by the Exchange from time to time the Exchange will calculate an indicative 'open interest' figure on the last Trading Day of each contract month in respect of the expiring contract month. Such indicative open interest figure will be calculated on the basis of the number of contracts held by Members at the close of business on the last Trading Day in such contract month.
- (c) In respect of such Contracts notified to Members under Rule G.17.4 (b) Members will be permitted to perform settlements and position adjustments in respect of positions in the expiring contract month after the cessation of trading in such contract month up to the Last Trading Day Cut Off Time, which will be as notified by the Exchange to Members from time to time. Members must ensure that positions in the expiring contract month which should not be maintained gross in accordance with Rule G.17.5 are settled on the last Trading Day of the expiring contract month prior to the Last Trading Day Cut-Off Time.

G.17.5 In cases where clients, including certain in-house departments, hold both long and short positions Members will need to determine, in accordance with regulatory requirements or otherwise, whether these should be maintained gross or whether, or to what extent, they should be settled out.

G.17.6 Once positions have been settled out, they may not subsequently be re-opened by Members themselves other than by trading in the Market, except that Members wishing to re-open positions in order to effect deliveries on behalf of clients or otherwise may apply to the Exchange for permission to do so.

G.18 ~~TELEPHONE TRADING [deleted]~~DELETED 4 JuneJUNE 2014]⁵¹

G.19 ~~PARALLEL TRADING [deleted]~~DELETED 8 AprilAPRIL 2005]⁵²

G.20 DISORDERLY TRADING⁵³51

It shall be an offence for a trader or Member to engage in disorderly trading whether by high or low ticking, aggressive bidding or offering, or otherwise.

G.21 ICE FUTURES EUROPE MARKERS ("MARKERS")⁵⁴52

- (a) The Exchange shall determine from time to time those Contracts and contract months which may be published as tradable and non-tradable Markers.
- (b) Members may execute trades in the tradable Markers daily, during the trading hours as determined by the Exchange from time to time.
- (c) Trades in Markers are displayed in the ICE Platform with a price of zero representing the relevant marker price. For those Contracts and contract months where it is permitted to trade at a premium or discount to the marker price, the price of such markers will be prefixed by a plus or minus sign as appropriate. For example, trades in a Marker at +1cent will be at a premium of 1 cent to the marker price for that specific Marker while those executed at -1cent will be at a discount of 1 cent to the marker price.
- (d) Markers will appear in the ICE Systems with the previous Trading Day's marker price as representing the relevant marker price for that Trading Day. This price will be replaced with the marker price as determined by Exchange staff in accordance with Trading Procedures 2.4.12 – 2.4.19, and published daily.

⁵¹ ~~Added 11 September 2002, 27 February 2003, 17 July 2003, 8 April 2005, 22 April 2005, 25 October 2005, 29 March 2006, Launch of ICE Clear 2008, 4 April 2011, deleted 4 June 2014~~

⁵² ~~Added 6 October 2003, Removed 8 April 2005-~~

⁵³51 Inserted 2 September 2004

⁵⁴52 Inserted 30 March 2005, amended 25 October 2005, 29 March 2006, 12 May 2006, 5 December 2011

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- (d) The Exchange may, in its absolute discretion, vary the means of calculation of the marker prices or exclude trades from the calculation of the marker price if the Exchange feels it is in the best interests of the Exchange to do so.

G.22 [DELETED— 5 DECEMBER 2011⁵⁵]

⁵⁵ ~~Inserted 30 March 2005, amended 25 October 2005, 29 March 2006, 12 May 2006, Deleted 5 December 2011~~

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SECTION H - ARBITRATION

H.1	Scope ¹
H.2	Role of the Clearing House ²
H.3	Appointment and Constitution of Panel ^{2,3}
H.4	Arbitration Procedure ^{3,4}
H.5	Other Legal Proceedings
H.6	Registration Fee
H.7	Deposit
H.8	Application of Deposit
H.9	Failure to Participate
H.10	Suspension
H.11	Cost of Arbitration
H.12	Arbitration Award
H.13	Jurisdiction
H.14	Service of Notices
H.15	Applicability of Rules
H.16	Disclosure of Award

¹ Amended 4 June 2014, [2014](#)

² Amended [2014](#)

^{2,3} Amended 7 December 2005

^{3,4} Amended 7 December 2005

H.1 SCOPE⁴⁵

H.1.1 Subject to Rule A.5.3, a dispute arising out of or in relation to any Contract, including a dispute as to whether a Contract has been made, unless resolved between the parties, shall be referred to the Directors for arbitration subject to the following provisions of these Arbitration Rules. This excludes disputes arising out of or in relation to any designated Contract where:

- (a) the Member and the client agree in writing that any such dispute shall not be referred to arbitration and that the Courts of England shall have exclusive jurisdiction to hear and determine such dispute arising from or in relation to any designated Contract; and
- (b) the Member and the client inform the Exchange of their written agreement under Rule H.1.1(a) above and the Exchange agrees in writing that it is satisfied that the dispute shall not be referred to arbitration.

H.1.2 This Section H is not intended to extend to disputes which, under the Contract Rules are to be handled under the rules of another body.

H.2 ROLE OF THE CLEARING HOUSE⁶

- (a) In any such dispute to which the Clearing House is a party, the Clearing House shall be entitled to call upon a ~~clearing member of the~~ Clearing ~~House~~Counterparty who is a Buyer, and a ~~clearing member of the~~ Clearing ~~House~~Counterparty who is a Seller, under the terms of Contracts which have been matched by the Clearing House and in respect of which reference to arbitration has under these Arbitration Rules been made, to conduct the arbitration between them under these Rules in accordance with the following procedure.
- (b) In the event that the Clearing House elects to call upon a Seller and a Buyer to arbitrate between them pursuant to these Rules, the following procedures shall apply:-
 - (i) the Clearing House shall give notice in writing of such election to the Buyer, the Seller and the Secretary;
 - (ii) the Seller and the Buyer shall, at their own expense, each have the conduct of the Clearing House's case against the other subject to the provisions of this Rule;
 - (iii) copies of all pleadings, correspondence and documents shall be given to the Clearing House and the Clearing House shall be entitled to submit any additional arguments to the board of arbitration in support of its own case, in which case it shall supply copies of such submissions to the Seller and the Buyer;
 - (iv) the board of arbitration shall have the power to call upon the Clearing House to disclose documents relating to the arbitration which are in its custody, power or possession, to the same extent as if it were a direct party to the arbitration;
 - (v) the board of arbitration shall issue two awards, one between the Seller and the Clearing House and one between the Buyer and the Clearing House, which shall determine the rights of each of the Seller and Buyer against the Clearing House and vice versa.
- (c) If the Clearing House is found liable to one party in respect of a breach of a Contract and the other party is also found liable to the Clearing House in respect of the same breach of a Contract which has been matched by the Clearing House as mentioned in paragraph (a) above, then the liability of the Clearing House shall be deemed to be a foreseeable consequence of that breach and the Clearing House shall be entitled to be indemnified by the other party in respect of such liability.
- (d) The Clearing House shall be bound by an arbitration award made against it in pursuance of an arbitration, whether it participates in the arbitration or not.

⁴⁵ Amended 4 June 2014, [1] 2014

⁶ Amended [1] 2014

H.3 APPOINTMENT AND CONSTITUTION OF PANEL ⁵⁷

- (a) Either party may refer a dispute to arbitration after giving four clear Business Days notice in writing of his intention to do so to the other party and to the Secretary. Where the parties are situated in different countries such notices shall be given by cable, telex or facsimile transmission or otherwise by the most expeditious means of written communication available.
- (b) Upon a reference to arbitration under this Rule the Directors shall have authority to determine the dispute in accordance with these Arbitration Rules notwithstanding any failure or refusal of the other party to concur in the reference unless the Directors determine that another arbitration tribunal has jurisdiction over the dispute and that the dispute shall be referred to that tribunal.
- (c) For the determination of the dispute the Directors shall appoint a board of arbitration consisting of representatives of three Members. Not more than one such representative shall be a Director of the Exchange. No member of the board of arbitration shall act in any arbitration in which he is or becomes directly or indirectly interested in the subject matter in dispute.
- (d) In the event of a member of the board of arbitration being or becoming so interested, dying or in any other way being or becoming, in the opinion of the Directors, incapacitated from acting, the Directors may appoint another person of the same class, i.e. a person who is or is not one of the Directors, as the case may be, as the person whom he is to replace, to take his place and the arbitration shall thereupon proceed as if such other person had been originally appointed in lieu of the first mentioned person.
- (e) In the event of disagreement between the members of the board of arbitration the decision of the majority shall prevail and in the event of an equality of votes the Chairman, who shall have been previously elected by the members of the board of arbitration, shall have a second or casting vote.
- (f) The award of the board of arbitration shall be signed by its Chairman, and when so signed shall be final and binding in all cases.
- (g) The award shall state the reasons of the board of arbitration and a note thereof shall be entered by the Secretary in a book to be kept for that purpose.

H.4 ARBITRATION PROCEDURE ⁶⁸

- (a) The party referring any dispute to arbitration shall draw up in writing a clear and concise statement of his case, which, together with a copy of the Contract and such documentary evidence as he may think proper, shall be lodged in duplicate with the Secretary within 14 clear Business Days of the reference to arbitration.
- (b) The Secretary shall forthwith, and not later than 7 days after receipt of the said statement of case, copy Contract and documentary evidence, if any, send a copy of each of the same by pre-paid registered or recorded delivery post to the other party.
- (c) The other party shall, not later than 22 days after the despatch to him by the Secretary of a copy of the first party's statement of case and copy Contract and said documentary evidence, if any, lodge in duplicate with the Secretary a clear and concise statement of his defence together with a copy of such other documentary evidence as he may think fit.
- (d) A copy of the statement of defence and supporting documents, if any, shall within 7 days of receipt by him, be sent by the Secretary by pre-paid registered or recorded delivery post to the party referring the dispute to arbitration.
- (e) The party referring the dispute to arbitration may not later than 15 days after the despatch to him by the Secretary of a copy of the statement of defence lodge in duplicate with the Secretary a clear and concise statement of his reply together with such other documentary evidence as he may think fit. A copy of any

⁵⁷ Amended 7 December 2005

⁶⁸ Amended 7 December 2005

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- such statement and other documentary evidence, if any, shall within 7 days of receipt by him be sent by the Secretary by pre-paid registered or recorded delivery post to the other party.
- (f) No further document stating the claim of one party against the other or the answer to any claim shall be served through the Secretary or otherwise howsoever or placed before the board of arbitration without the express prior consent of the board of arbitration. The board may determine any application for such consent in its absolute discretion.
 - (g) Notwithstanding the foregoing the board of arbitration shall be entitled to require either party to the dispute to lodge with it such documents or information in written form as the board of arbitration may in its absolute discretion consider necessary to enable it to determine the dispute. Subject to compliance with any such requirement the board of arbitration shall meet to determine the dispute and shall make its award within 3 months of the date of the reference to arbitration.
 - (h) In the event of either party failing to comply with any time limit prescribed by this Rule or prescribed by the board of arbitration pursuant to these Arbitration Rules, the board of arbitration shall be entitled to proceed to determine the dispute notwithstanding such failure.
 - (i) Unless either party shall not later than 14 days after the lodgement with the Secretary of the statement of defence request a viva voce hearing with or without witnesses, the board of arbitration may in its discretion decide the case on the written statements and documents submitted to it without a viva voce hearing after giving 7 Business Days' notice in writing to each party of its intention so to do or it may call the parties before it and request the attendance of witnesses. If either party requests a viva voce hearing the board may, in its absolute discretion, accede to or refuse such request.
 - (j) The board of arbitration shall have power to obtain, receive and act upon such oral or documentary evidence or information (whether the same be strictly admissible as evidence or not) and to conduct the arbitration in such manner in all respects as the board may consider necessary.
 - (k) In the event that a viva voce hearing, with or without witnesses, is granted or if the board of arbitration calls the parties before it or requests the attendance of witnesses the parties may be represented by any agent engaged in the oil or futures trade and duly appointed in writing.

A party shall not be represented or appear on such hearing by counsel or solicitor unless an Order with respect to the arbitration has been made by the High Court or the Court of Appeal pursuant to section 1(2)(b) of the Arbitration Act 1979 and leave shall have been obtained in writing from the board of arbitration which leave the board may grant or refuse in its absolute discretion and without assigning any reason therefor.

- (l) The board of arbitration may consult the legal advisers of the Exchange.
- (m) The board of arbitration may, on such terms as it thinks fit, extend the period within which either it, the Secretary or a party to the dispute is required by these Arbitration Rules or by any order or direction made or given by the board of arbitration to do any act notwithstanding that the said period may have expired.
- (n) It shall not be permissible for a party to withdraw from a reference to arbitration without notice thereof in writing being given to the Secretary and to each party to the reference and received by them not less than 48 hours before the time appointed for the meeting of the board of arbitration at which the arbitration is to be heard. Should a reference be withdrawn the Directors or the board of arbitration shall be entitled to require payment by any party to the reference of their fees, expenses and costs and the board of arbitration shall be at liberty either to agree to the withdrawal of the reference upon such terms as it shall in its absolute discretion see fit or to proceed to hear the reference and to make its award notwithstanding the absence of any party to the reference.

H.5 OTHER LEGAL PROCEEDINGS

No party to a Contract or alleged Contract nor any other person claiming under any such party, shall bring any action at law against any other such party in respect of any dispute arising out of the Contract or alleged Contract, until such dispute shall have been adjudicated upon in arbitration under these Arbitration Rules or

otherwise adjudicated upon as permitted by the Regulations; and the obtaining of an award under these Arbitration Rules shall be a condition precedent to a right of either contracting party to bring any such action against the other in respect of any dispute arising out of any Contract.

H.6 REGISTRATION FEE

A registration fee of £25 for Members and £50 for non-Members (or such other sums as the Directors may from time to time prescribe) shall be paid to the Secretary upon each reference of a dispute to arbitration by the party making the reference. The registration fee is not returnable under any circumstances.

H.7 DEPOSIT

The party who refers a dispute to arbitration shall deposit with the Secretary the sum of £100 (or such other sum as the Directors may from time to time prescribe) on account of the Directors' and the board of arbitration's fees and expenses in connection with the arbitration. The board of arbitration may in its absolute discretion call from time to time for further sums to be deposited by either party on account of such fees and expenses. In the event of failure to make any such deposit as aforesaid the board of arbitration may notwithstanding anything contained in these Arbitration Rules postpone or discontinue the arbitration proceedings.

H.8 APPLICATION OF DEPOSIT

Any sum deposited in accordance with Rule H.7 shall be applied towards payment of the total fees and expenses of the Directors and the board without prejudice to the incidence of liability therefor as between the parties to the dispute under the award of the board of arbitration or Rule H.11 below. Any balance of such sums shall thereafter be returned to the depositor in such proportions as to the board of arbitration shall in its absolute discretion seem fit.

H.9 FAILURE TO PARTICIPATE

If any Member shall refuse or fail to refer or participate in the reference of any dispute to arbitration in accordance with these Arbitration Rules (whether or not any other party to the dispute is a Member) or shall refuse or fail to perform any decision or award of the board of arbitration he shall be deemed to have infringed this Rule and be subject to disciplinary proceedings accordingly.

H.10 SUSPENSION

The fact of a Member being suspended or expelled shall not affect the rights of any person to arbitration under these Arbitration Rules in respect of any Contract entered or allegedly entered into by the Member.

H.11 COST OF ARBITRATION

The amount of the arbitration fees shall be fixed by the board of arbitration. To these fees shall be added any expenses incurred in connection with the arbitration and such additional fees as the board of arbitration may fix in cases where an award is remitted to the board on determination of an appeal to the High Court or an order is made by the High Court concerning the reasons for an award. Arbitration fees (including any such additional fees) and expenses shall be borne by the losing party unless otherwise specially awarded.

H.12 ARBITRATION AWARD

- (a) The award shall be sent by the board of arbitration to the Secretary as soon as reasonably practicable. Upon receipt thereof the Secretary shall invite each party in writing to take up the award, stating the sum payable under paragraph (b) below.
- (b) Either party may take up the award by sending to the Secretary written notice of his desire to do so accompanied by a cheque or draft, payable to the Exchange, for the sum of the fees and expenses mentioned in Rule H.11, less the aggregate of sums deposited with the Secretary under Rule H.7; provided that where one party has taken up the award the other may not do so unless the first party's

cheque or draft shall fail to be paid. The Exchange shall receive such payment for the persons entitled to the said fees and expenses under the award or these Arbitration Rules.

- (c) Upon the taking up of the award, and payment of the cheque or draft mentioned at paragraph (b) above, the Secretary shall send the award to the party taking it up and a copy thereof to the other party. Liability for payment of the fees and expenses shall be settled between the parties in accordance with the award.
- (d) In the event that neither party shall take up the award within four weeks from the date on which the Secretary shall have invited them to do so, the Exchange may, on behalf of the persons thereto entitled under the award or these Arbitration Rules, recover payment of the sum payable under paragraph (b) above from the party who made the reference to arbitration.

H.13 JURISDICTION

For the purpose of all proceedings by arbitration or otherwise any Contract shall be deemed to have been made in England, any correspondence in reference to the offer, the acceptance, the place of payment or otherwise notwithstanding, and England shall be regarded as the place of performance. Such disputes shall be settled according to the law of England whatever the domicile, residence, or place of business of the parties to the Contract may be or become.

H.14 SERVICE OF NOTICES

Any notice or other document which is to be served on or delivered to any party in connection with an arbitration under these Arbitration Rules may be sent by prepaid post to the usual or last known address or place of business of that party and shall be deemed to have been served or delivered at the time when it would have arrived in the ordinary course of post. Notices may also be served by telex, cable, facsimile transmission or any other means of reproducing words in visible form.

H.15 APPLICABILITY OF RULES

The Arbitration Rules governing any dispute referred to arbitration pursuant to Rule H.1 shall be those operative at the time of the reference.

H.16 DISCLOSURE OF AWARD

The board of arbitration may (as part of its award or otherwise) recommend that any matter coming to its attention in the course of an arbitration should be the subject of an investigation or disciplinary proceedings. The board may accordingly disclose such of its award, and the statements and evidence presented to the board as it thinks fit for this purpose. Such recommendation shall not, however, normally be made until after the board has made its award.

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SECTION I - CONTRACT RULES: GENERAL PROVISIONS

- I.1 Administrative Procedures
- I.1B Admission of a Contract to Trading¹
- I.2 Other Contracts
- I.3 Contract Months or Contract Dates²
- I.4 Headings
- I.5 War or Government Intervention ³
- I.6 New Legislation⁴
- I.7 Arbitration ⁵
- I.8 Law and Jurisdiction
- I.9 Contract Security
- I.10 Exchange Monitoring
- I.11 Directors' Powers
- I.12 Settlement to Market⁶
- I.13 Application of General Rules and Regulations⁷
- I.14 Further Amendment of Contract Rules⁸
- I.14A Regulatory Functions ⁹
- I.15 Trade Emergency Panel ¹⁰
- I.16 Definitions and Interpretation¹¹
- I.17 Non -Performance¹²
- I.18 Delivery Committee¹³
- I.19 Appeals Procedure¹⁴
- I.20 Publication of a Determination¹⁵
- I.21 Environmental Compliance and Liability¹⁶
- I.22 Financials and Softs Contracts where tender is required¹⁷
- I.23 Economic & Monetary Union¹⁸
- [I.24](#) ["Buyer" and "Seller" in the Contract Rules and Administrative Procedures](#)¹⁹

¹ Inserted 12 February 2008

² Amended 22 May 2006

³ Amended 28 April 1999, 7 December 2005

⁴ Amended 28 April 1999

⁵ Amended 19 August 1999

⁶ Amended launch of ICE Clear 2008

⁷ Amended launch of ICE Clear ~~2008~~2008, ~~I~~ 2014

⁸ Amended 15 December 2003, 22 April 2005, 7 February 2006, 21 April 2006, 12 May 2006, 17 July 2006, 13 October 2006, 21 May 2007, ¹ 14 March 2008, 4 December ~~2008~~2008, ~~I~~ 2014

⁹ Added 15 December 2003

¹⁰ Amended 14 April ~~1999~~1999, ~~I~~ 2014

¹¹ Inserted 19 August ~~1999~~1999, amended ~~I~~ 2014

¹² Effective 23 September 2003, amended 10 August 2006, ~~Amended~~4 June 2014

¹³ Inserted 23 September 2003, 7 December 2005, amended 10 August 2006, Launch of ICE Clear 2008

¹⁴ Inserted 23 September 2003, 7 December 2005

¹⁵ Inserted 19 August 1999

¹⁶ Inserted 10 December ~~2009~~2009, amended ~~I~~ 2014

¹⁷ Inserted 4 June ~~2014~~, amended ~~I~~ 2014

¹⁸ Inserted 4 June 2014

¹⁹ [Inserted ~~I~~ 2014](#)¹

I.1 ADMINISTRATIVE PROCEDURES

All Contracts shall be subject to such Administrative Procedures as may from time to time be adopted by the Directors, provided always that, if any conflict between Administrative Procedures and the Contract Rules shall arise, the provisions of the Contract Rules shall prevail and provided further that no Administrative Procedure shall be adopted other than for the regulation of administrative matters affecting Contracts (which shall include, without limitation, all such matters as are regulated by the Administrative Procedures first adopted with this Contract Rule). The Directors may at their discretion at any time revoke, alter or add to the Administrative Procedures and any such amendment shall be circulated to the Members and shall have such effect on existing as well as new Contracts as the Directors may direct.

I.1B ADMISSION OF A CONTRACT TO TRADING¹⁹²⁰

The Exchange will only admit a Contract to trading if the Exchange believes the Contract satisfies the requirements of Paragraph 7A(2) and (3) of the Recognition Requirements.

I.2 OTHER CONTRACTS

In respect of any Contract (other than one made on the Market or made with the Clearing House, “a main Contract”) the Contract Rules and Administrative Procedures shall be modified (without prejudice to any other terms of any such Contract) so as to facilitate the performance of a main Contract in accordance with the Contract Rules and Administrative Procedures.

I.3 CONTRACT MONTHS OR CONTRACT DATES

Trading shall be permitted in respect of such spot and forward months (“contract months”) or spot and forward dates (“contract dates”) in a particular Contract as the Exchange shall determine from time to time, including such groups of contract months and groups of contracts dates as determined by the Exchange from time to time.

I.4 HEADINGS

The construction of the Contract Rules and Administrative Procedures shall not be affected by the headings thereto which are for convenience only.

I.5 WAR OR GOVERNMENT INTERVENTION²⁰²¹

- (a) If the Directors after consultation with the Clearing House determine in their absolute discretion that one of the following conditions is satisfied, that is to say:
- (i) a state of war exists, or is imminent or threatened and is likely to affect the normal course of business;
 - (ii) a government of any nation, state or territory, or any alliance of government, or any institution of such government or alliance, has proclaimed or given notice of its intention to exercise controls which appear likely to affect the normal course of business; or
 - (iii) The European Union or an institution thereof has introduced, varied, terminated or allowed to lapse any provision, so as to be likely to affect the normal course of business, or has given notice of its intention to do so;

then Contracts for such contract months or contract dates as the Directors shall specify (which may if the Directors so determine include Contracts under which a tender has been made) shall, upon the Directors’ formal announcement that such condition is satisfied, be invoiced back at the official quotation in respect of each such contract month or contract date fixed by the Clearing House for the date of the announcement or for such one of the six Business Days (not counting any day on which there was no official quotation) immediately preceding the date of the announcement as the Directors shall in their absolute discretion specify in the announcement.

¹⁹²⁰ Inserted 12 February 2008

²⁰²¹ Amended 28 April 1999, 7 December 2005

- (b) In respect thereof, accounts shall be made up by the Clearing House on that basis for each Member contracting with it. Settlement of such accounts shall be due immediately and shall be treated as complete and final notwithstanding any further change of circumstances.
- (c) In the case of a contract month or contract date for which there is no official quotation, Contracts shall, for the purpose of this Rule, be invoiced back at the market value as determined by the Directors.
- (d) The Directors' formal announcement under this Rule shall be made by notice posted on the Market.
- (e) The decision of the Directors under this Rule as to the price at which Contracts are invoiced back shall be binding on both parties and no dispute as to such price may be referred to arbitration but the completion of invoicing back shall be without prejudice to the right of either party to refer disputes arising out of a Contract to arbitration under the Arbitration Rules.

1.6 NEW LEGISLATION²¹²²

- (a) If the Directors shall, after consultation with the Clearing House, in their absolute discretion determine that a change of legislative or administrative provisions of the United Kingdom, any other country, the European Union or any international organisation, or of institutions or market organisations in any country or group of countries, (including without prejudice to the generality of the foregoing a change in respect of duties or taxes) has affected, is affecting or is likely to affect the normal course of business, the Directors shall have the power (without prejudice to their powers under any other provision of the Regulations) to vary the Contract Rules and Administrative Procedures in any way they deem necessary or desirable for the preservation of the orderly course of business.
- (b) Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or such existing Contracts as may be specified by the Directors). Without limiting their powers hereunder, the Directors will use their best endeavours to keep any such variation to the minimum that they consider reasonably necessary to deal with the situation.
- (c) The Directors' powers under this Rule shall be exercisable by notice posted on the Market. Any variation made under this provision shall take effect at such time and for such period as the Directors shall prescribe, but (without prejudice to the preceding paragraph) shall not take effect earlier than the posting up of the notice on the Market.
- (d) Every Contract affected by a variation under this Rule shall remain in full force and effect subject to such variation and shall not be treated as frustrated or repudiated except so far as may be allowed in the Directors' notice.
- (e) Any notice published by the Directors under this Rule may be varied or revoked by a subsequent notice.

1.7 ARBITRATION²²²³

Any dispute arising out of a Contract shall (subject to any contrary provision in the Contract Rules or Administrative Procedures, including without limit Rules I.18 (a) and (l), be referred to arbitration under the Arbitration Rules.

In any case where an invoicing back price has been fixed in accordance with the Contract Rules or Administrative Procedures the fixing of such price shall not limit the jurisdiction of the board of arbitration to make such award as it deems fit in the circumstances.

1.8 LAW AND JURISDICTION

Every Contract shall be governed by and construed in accordance with English law and, subject to Rule I.7 any matter arising there from shall be subject to the jurisdiction of the English courts.

²¹²² Amended 28 April 1999
²²²³ Amended 19 August 1999

I.9 CONTRACT SECURITY

The Clearing House may call for such additional margin at any time and from time to time as may be deemed necessary to facilitate the security of a Contract.

I.10 EXCHANGE MONITORING

In order to assist the Exchange in monitoring the performance of Contracts (but without obliging it to do so and without prejudice to any other power which it might have) the Exchange may, at any time and from time to time, require Members and the Clearing House to supply to it such information as it thinks fit. The Exchange may require such information to be supplied to it through the Clearing House.

I.11 DIRECTORS' POWERS

The provisions of these Contract Rules shall be without prejudice to any powers given to the Directors by other provisions of the Regulations.

I.12 SETTLEMENT TO MARKET²³²⁴

At the request of the Exchange or otherwise, the Clearing House may apply a system of settlement or marking to market or revaluation to Contracts in accordance with the Clearing House Rules. Accordingly, references in the Contract Rules and Administrative Procedures to:

- (a) a Contract shall be construed as including settlement obligations arising in accordance with the Clearing House's system;
- (b) the price at which the Buyer or Seller contracted to buy or sell shall be construed as the price for the time being registered on behalf of the Buyer or Seller by the Clearing House under such system;

and all terms of a Contract shall be construed to allow the application of such a system.

I.13 APPLICATION OF GENERAL RULES AND REGULATIONS²⁴²⁵

- (a) Each Contract shall be subject to the Articles and the Regulations. Each Contract shall also be subject to the Clearing House Rules. The Clearing House Rules shall prevail in the event of any inconsistency between the Clearing House Rules and the Contract Rules. The Clearing House Rules provide that the Clearing House is a party as principal to each Contract, whether as Buyer or Seller and that its counterparty is the relevant ~~clearing member of the Clearing House as principal~~ Clearing Member (or Sponsored Principal and Sponsor acting jointly). The Contract Rules and Administrative Procedures made under them shall be construed accordingly and, in particular, references to "Buyer" and "Seller" shall include the Clearing House unless the context otherwise requires.
- (b) The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, of 1980, shall apply to Contracts.

²³²⁴ Amended launch of ICE Clear 2008

²⁴²⁵ Amended launch of ICE Clear ~~2008~~ 2008, [] 2014

I.14 FURTHER AMENDMENT OF CONTRACT RULES²⁵²⁶

- (a) In respect of any Contract the Contract Rules may from time to time be amended in accordance with the Articles without prejudice to any right contained elsewhere in the Regulations to amend the Contracts Rules. Such an amendment may according to its terms have effect on existing as well as new Contracts, and in such case all Contracts declared to be affected shall forthwith (or at such time as the terms of the amendment shall indicate) automatically be modified in conformity to the amendment.
- (b) The Directors shall not propose an amendment under this Rule on terms affecting existing Contracts if the amendment is in their opinion likely to affect the market price of the product. The restraint imposed by this paragraph (b) shall not apply in respect of:
 - (i) contract months which, in the case of the ICE Futures Gasoil Futures Contract, the ICE Futures Brent Crude Futures Contract, the ICE Futures West Texas Intermediate Light Sweet Crude Oil Futures Contract, ICE Futures New York Harbour Heating Oil Futures Contract, ICE Futures New York Harbour Unleaded Gasoline Blendstock (RBOB) Futures Contract, ICE Futures Rotterdam Coal Futures Contract, the ICE Futures Richards Bay Coal Futures Contract, the ICE Futures globalCOAL Newcastle Futures Contract and the ICE Futures Middle East Sour Crude Oil Futures Contract are for the time being more distant than the ninth forward contract month;
 - (ii) contract months which, in the case of ~~futures~~Futures Contracts for other products (excluding products mentioned in Sections S, W, Y and II), and in the case of ~~options~~Options Contracts (other than Emission Options) for all products (excluding products mentioned in Sections S, W, Y and II), are for the time being more distant than the sixth forward contract month;
 - (iii) ~~[Removed Deleted~~ 7 February 2006];
 - (iv) contract dates which, in the case of a Contract containing the terms set out in Section S or W, fall within a month which is for the time being more distant than the third forward contract month;
 - (v) contract months which, in the case of a Contract containing the terms set out in Section Y and II, are for the time being more distant than the third forward contract month; or
 - (vi) contract months which, in the case of Emission Options, are for the time being more distant than the second forward contract month.
- (c) In this Rule references to the amendment of the Contract Rules include additions to and the partial revocation of the Contract Rules.

I.14A REGULATORY FUNCTIONS

- (a) Where the Directors consider that circumstances have arisen, or are reasonably likely to arise, in which it would be desirable for any of the Contract Rules and Administrative Procedures to be varied in the interests of ensuring the orderly operation and evolution of the Market or pursuant to any of the Exchange's other regulatory functions, the Directors shall have the power (without prejudice to their powers under any other provision of the Regulations) to vary any of the Contract Rules and/or Administrative Procedures in any way they deem appropriate to respond to such circumstances in accordance with the Exchange's regulatory functions. Such circumstances may include, without limitation:
 - (i) where the provisions for the specification, pricing, settlement or other aspects of a Contract are no longer representative of practices in the underlying market to which a Contract relates;
 - (ii) where, without changes to the provisions for the specification, pricing, settlement or other aspects of a Contract, there is a risk of material detriment being caused to the market for that Contract, whether in terms of liquidity, reputation or otherwise;
 - (iii) where a Contract may, without variation, cease to be a viable hedging tool; or

²⁵²⁶ Amended 19 August 1999, 7 March 2001, 15 December 2003, 22 April 2005, 7 February 2006, 21 April 2006, 12 May 2006, 17 July 2006, ¹ 13 October 2006, 14 March 2008, 4 December ~~2008~~2008, 2014

- (iv) where any aspect of the current business on the Market in respect of any Contract is, in light of any other current or anticipated circumstances, at risk of being conducted otherwise than in an orderly manner and/or so as to afford proper protection to participants in the Market and such risk may be addressed by changes to the Contract Rules and/or Administrative Procedures.
- (b) Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or such existing Contracts as may be specified by the Directors). Without limiting their powers hereunder, the Directors will use their reasonable endeavours to keep any such variation to the minimum that they consider reasonably necessary to respond to the circumstances in question.
- (c) The Directors' powers under this Rule shall be exercisable by notice posted on the Market. Any variation made under this provision shall take effect at such time and for such period as the Directors shall prescribe, but (without prejudice to the preceding paragraph) shall not take effect earlier than the posting of the notice on the Market. The Directors shall seek to give Members prior notice but, where deemed necessary, changes may take effect immediately upon the posting of such notice or at such other time as the Directors prescribe.
- (d) Every Contract affected by a variation under this Rule shall remain in full force and effect subject to such variation and shall not be treated as terminated or frustrated or repudiated except so far as may be allowed in the Directors' notice.
- (e) Any notice published by the Directors under this Rule may be varied or revoked by a subsequent notice.

I.15 TRADE EMERGENCY PANEL²⁶²⁷

- (a) In the event of the Exchange, whether by its Compliance Officer or otherwise, identifying or suspecting the development or possible development of a situation or practice referred to below, it shall forthwith refer the matter to a panel (the Trade Emergency Panel) being a minimum of three people comprising: the Compliance Officer; the Chief Executive; two Clearing House senior executives nominated for this purpose by the Clearing House; or lay directors of the Exchange. The Panel may take such professional advice as it sees fit in coming to any decision.
- (b) If in the opinion of the Trade Emergency Panel an excessive position or unwarranted speculation or any other undesirable situation or practice affecting or capable of affecting the Market is developing, or has developed, it may take any steps whatsoever to provide for, correct or check the further development of such situation or practice and may give directions to ~~Members~~any Member or non-Member Sponsored Principal accordingly. Such steps may (without prejudice to the generality of this Rule), if the Trade Emergency Panel thinks fit, extend to trading which occurred before or on the date that such step is instigated.
- (c) A Member or non-Member Sponsored Principal contravening a direction of the Trade Emergency Panel under this Rule shall be liable to the same sanctions (including expulsion or suspension from membership) as if a breach of the Regulations were committed.

I.16 DEFINITIONS AND INTERPRETATION²⁷²⁸

- (a) In this Rule I.16 and in Rules I.17 to I.20, and specific contract terms in other sections of these rules, unless the context otherwise requires:

²⁶²⁷ Inserted 14 April ~~1999~~1999, amended ~~1~~1 2014

²⁷²⁸ Inserted 19 August ~~1999~~1999, amended ~~1~~1 2014

WORDS	MEANINGS
"Party"	means the Seller or the Buyer under a Contract, which shall not include the Clearing House (except where the context otherwise requires);
"Chairman"	means the person for the time being appointed by the Directors (or by any committee to whom such powers have been delegated by the Directors) as the Chairman of the Delivery Committee under Rule C.13.1(a), or, in his absence, one of the Directors;
"Delivery Committee"	means the committee for the time being appointed by the Chairman under Rule C.13.2.

- (b) Any discretion that may be exercised by a person or body under Rules I.17 to I.20, will be exercised in the absolute discretion of such person or body.

I.17 NON-PERFORMANCE²⁸²⁹

- (a) Subject to Rules J.12(b), if it appears to the Clearing House that a Party has, or may have, failed to perform its obligations under a Contract, the Clearing House will, as soon as practicable, take such steps as it deems appropriate to achieve an amicable settlement between the Parties to the affected Contracts. If such steps have not led or are not likely to lead to settlement within five days of the failure (or apparent failure) having come to the attention of the Clearing House, the Clearing House will refer the matter to the Exchange. Subject to Rules I.17(aa) and (c), if a reference is made to the Exchange under this Rule I.17(a) the Exchange will refer such matter to the Delivery Committee under Rule I.18(a).
- (aa) If a reference is made to the Exchange under Rule I.17(a) but an amicable solution is notified to the Exchange by the Parties involved prior to the referral of the matter to the Delivery Committee under Rule I.18(a) by the Exchange, the Exchange will either:
- (i) refer such matter to the Delivery Committee under Rule I.18(a); or
 - (ii) not refer such matter to the Delivery Committee under Rule I.18(a) but may make such determination as it appears to the Exchange, in its discretion, to be expedient concerning the settlement of such Contract and shall notify its determination to the Parties and to the Clearing House. Such determination shall be binding on the Parties and the Clearing House and no dispute as to such determination may be referred to arbitration, but this shall be without prejudice to the right of either Party to refer any other failure (or apparent failure) of a Party in the performance of its obligations under a Contract or any related dispute to arbitration under the Arbitration Rules;
- (b) Subject to Rule I.17(c), if it comes to the attention of the Exchange, other than pursuant to Rule I.17(a), that a Party to a Contract has, or may have, failed to perform its obligations under a Contract, the Exchange may refer such matter to the Delivery Committee under Rule I.18(a).
- (c) If the Exchange becomes aware that a Seller has, or may have, failed to perform its obligations under a Contract to lodge documents in conformity with Rules K.11, the Exchange shall endeavour to procure the Buyer to accept such documents as are lodged, whether before or after the time stipulated in Rule K.11(a). If the Buyer's agreement to this:
- (i) is obtained, the Exchange will not refer such matter to the Delivery Committee under Rule I.18(a) but will make such determination as it appears to the Exchange, in its discretion, to be expedient concerning the settlement of such Contract and shall notify its determination to the Parties and to the Clearing House. Such determination shall be binding on the Parties and the Clearing House and no dispute as to such determination may be referred to arbitration, but this shall be without prejudice to the right of either Party to refer any other failure (or apparent failure) of a Party in the performance of its obligations under a Contract or any related dispute to arbitration under the Arbitration Rules; or
 - (ii) is either not obtained, or not obtained in writing or in such other form as the Exchange may require, the Exchange shall refer such matter to the Delivery Committee under Rule I.18(a).

²⁸²⁹ Inserted 19 August 1999, Amended with Effective February 2002 delivery, 23 September 2003, 10 August 2006

- (d) If the Exchange becomes aware that a Seller has, or may have, failed to perform its obligation under a Contract to deliver a tender in conformity with Rule I.22 or Rule K.2, the Exchange shall endeavour, after consultation with the Clearing House, to agree a time with the Seller by which the Seller will deliver a tender to the Clearing House. If no agreement is reached the Exchange may impose a time by which the Seller will deliver a tender to the Clearing House. If the tender is not received by the Clearing House by the agreed or imposed time, the Clearing House shall, at its sole discretion, select a Buyer who has a position open at the cessation of trading to match the Seller who has failed to submit the tender to the Clearing House in accordance with Rule I.22 for the purposes of allocation of tenders pursuant to Rule I.22(c) or in accordance with Rule K.2 for the purposes of allocation of tenders pursuant to Rule K.4. The Clearing House shall notify the Seller of the identity of the Buyer, and shall notify the Buyer: (i) of the Seller's identity; and, (ii) the Seller's failure to provide a tender in accordance with Rule I.22 or Rule K.2.

The Clearing House shall, as soon as practicable, take such steps as it deems appropriate to facilitate an amicable settlement between the Buyer and Seller of the affected Contracts. If such steps have not led or are not likely to lead to settlement by 09:00 hours on the Business Day following the day of the failure by the Seller to provide a tender in accordance with Rule I.22 or Rule K.2, the Clearing House shall refer the matter to the Exchange.

The Exchange shall refer such matter to the Delivery Committee under Rule I.18(a).

I.18 DELIVERY COMMITTEE²⁹³⁰

- (a) The Exchange may, in respect of a delivery under a Contract refer any dispute to the Delivery Committee, but shall refer any matter to the Delivery Committee:
- (i) in the circumstances stated in Rules I.17(a) and I.17(aa)(i);
 - (ii) in the circumstance stated in Rules I.17(c)(ii) and I.17(d); or
 - (iii) if a Party claims under Rules J.16 that force majeure has occurred hindering or preventing due performance of its delivery obligation under a Contract.

The Exchange will not refer a dispute or matter in respect of a delivery under a Contract to the Delivery Committee if a Party has been declared a defaulter under the default rules or the default rules of the Clearing House. The Exchange will notify the Clearing House and each of the Parties to the affected Contracts that a dispute or matter has been referred to the Delivery Committee.

- (b) Following a reference made to the Delivery Committee by the Exchange under Rule I.18(a), the Exchange may, in its discretion, require both Parties, or either of them, to pay to the Exchange a fee of US\$2,500, unless the Exchange determines, in its discretion, to waive or reduce the fee.
- (c) Following the referral of a dispute or matter to the Delivery Committee, the Chairman shall convene a panel of three members of the Delivery Committee to determine the dispute or matter ("Delivery Panel"). If a dispute or matter is deemed by the Exchange to be one requiring urgent resolution, the Exchange may convene a Delivery Panel. Any member of the Delivery Committee who is appointed to the Delivery Panel shall have no direct or indirect interest in any Party (or any client or underlying client of a Party) or the dispute or matter to be determined. The Chairman or the Exchange, as the case may be, shall appoint one of the members of the Delivery Panel to be the chairman of the Delivery Panel.
- (d) Any objection raised by a Party to any member of the Delivery Committee being appointed to the Delivery Panel shall be determined by the Chairman or the Exchange, as the case may be, at their discretion.
- (e) The Delivery Panel shall meet at any time in person or by telephone.

²⁹³⁰ Inserted 19 August 1999, Amended with Effect February 2002 delivery, 23 September 2003, 7 December 2005, 10 August 2006, Launch of ICE Clear 2008

- (f) The Delivery Panel may, in its discretion, require the Parties to the affected Contracts to present written submissions and evidence in support of their claim, to the Delivery Panel by such time and in such form as the Delivery Panel may direct. An oral hearing will only take place if the Panel in its discretion considers it to be necessary. A Party may be assisted by or represented by any person who may be legally qualified at that oral hearing if the Panel in its discretion considers it to be necessary. The Delivery Panel will determine the dispute or matter on such evidence as it thinks is relevant, notwithstanding that such evidence may not be admissible in a court of law, and make one or more of the directions contemplated by Rule I.18(i) below.
- (g) The Delivery Panel may obtain legal advice from the Exchange's legal advisers.
- (h) The Delivery Panel may obtain expert advice from any of the individuals who are on the pool of Gas Oil and Fuel Oil experts appointed by the Exchange. The identity of a Party will not be disclosed to an expert nor will the identity of any expert be disclosed to a Party. Each Party will have the opportunity to respond to the substance of any expert advice obtained by the Delivery Panel.
- (i) Following the determination of any dispute or matter pursuant to Rule I.18(f), the Delivery Panel shall report in writing its findings, (which shall include, as may be appropriate, whether a Party has failed to perform its delivery obligations under a Contract or whether an event of force majeure has occurred under Rules J.16 hindering or preventing the performance of its delivery obligations under a Contract), to the Exchange, the Clearing House and to each of the Parties to the affected Contracts.

The Delivery Panel may either at the same time or in advance of its written findings being available, make any one or more of the following directions, except that if it determines that an event of force majeure has occurred which has hindered or prevented the performance of a Contract by 5 Business Days after the due date for delivery of the product under a Contract, the Delivery Panel shall only be entitled to make the direction referred to in paragraphs (ii) and (iii) below:

- (i) direct a Party as to how delivery under the affected Contracts should proceed;
- (ii) direct the Clearing House to invoice back one or more of the affected Contracts at a price to be set by the Delivery Panel in its discretion, taking into account any information it considers to be relevant for this purpose which may have been supplied by the Exchange. The price for invoicing back may at the Delivery Panel's discretion take account of any compensation that it may consider should be paid to or by a Party.

In the event of any delay to the invoicing back process, the Delivery Panel may at its discretion, in advance of it setting a price for invoicing back, and in agreement with the Clearing House, direct the Clearing House to make an interim payment to a party. The amount of the interim payment will be set by the Delivery Panel at its discretion. In such an event the price for invoicing back shall take account of the interim payment as appropriate; or
- (iii) direct any of the Parties to pay to the Exchange costs in an amount determined by the Delivery Panel in its discretion. Such costs may include, but shall not be limited to: the fees and expenses of the Chairman; the expenses of members of the Delivery Panel or any expert; any legal costs; and expenses which the Exchange or the Clearing House may incur or be subjected to in respect of such dispute or matter.
- (j) The determination of a matter by the Delivery Panel shall be without prejudice to the powers of the Exchange to take such action under Section E as it considers in its discretion appropriate. Without prejudice to the foregoing, in the case where the Delivery Panel finds that a Party has failed to perform its obligations under a Contract, the Exchange may issue a fine under Rule E.10(d).
- (k) A Party shall comply with any finding, determination or direction made by the Delivery Panel under this Rule I.18. A direction by the Delivery Panel made under Rules I.18(i)(i) and (ii) shall be immediately binding upon the Parties to the affected Contracts. Any finding, determination or a direction by the Delivery Panel made under Rule I.18(i)(iii), shall be deemed conclusive and binding upon expiry of the time permitted for appeal or receipt by the Secretary of any earlier written notice that such right of appeal will not be exercised. Any Party who refuses or fails to comply with or perform any finding, determination or direction made under this Rule I.18, shall be deemed to have infringed this Rule and

such infringement will constitute a breach of the Regulations by such Party and may be the subject matter of disciplinary proceedings under Section E.

- (l) In respect of a dispute or matter which has been referred to the Delivery Committee under Rule I.18(a) and determined by a Delivery Panel, no finding, determination or direction made under Rule I.18 in respect of such dispute or matter, including, without limit, any issue or dispute arising out of or in connection with the invoicing back price determined by the Delivery Panel under Rule I.18(i)(ii), shall be referred to arbitration under the Arbitration Rules. This Rule I.18(l) shall be without prejudice to the right of a Party to refer any other matter or dispute to arbitration under the Arbitration Rules.
- (m) In the event of a member of the Delivery Panel:
 - (i) becoming directly or indirectly interested or involved in any Party (or any client or underlying client of a Party) or the dispute or matter to be determined other than as a result of being a member of the Delivery Panel;
 - (ii) dying; or
 - (iii) in any other way being or becoming, in the opinion of the Exchange, incapacitated from acting on the Delivery Panel

the Chairman or the Exchange may appoint another person to take such Delivery Panel member's place, and the Delivery Panel shall thereupon proceed to determine the dispute or matter as if such other person had been originally appointed to the Delivery Panel.

I.19 APPEALS PROCEDURE³⁰³¹

- (a) A Party to an affected Contract or the Exchange may appeal against any finding, determination or direction made by the Delivery Panel under Rule I.18(i)(i) or (iii). Such notice of appeal shall be lodged in writing with the Secretary within 10 Business Days of the Delivery Panel's finding, determination or direction.
- (b) A notice of appeal under Rule I.19(a) shall set out the grounds of the appeal and shall contain a brief statement of all matters relied on by the appealing Party. The grounds of the appeal shall be any one or more of the following:
 - (i) the Delivery Panel misdirected itself;
 - (ii) the Delivery Panel's finding, determination or direction under Rule I.18(i)(i) or (iii) was:
 - (aa) one which no reasonable Delivery Panel could have reached; or
 - (bb) based on an error of law, or a misinterpretation of the Regulations, Gas Oil Contract Rules or Administrative Procedures; or
 - (iii) the finding, determination or direction under Rule I.18(i)(i) or (iii) of the Delivery Panel was excessive, insufficient or inappropriate; or
 - (iv) new evidence is available which, had it been before the Delivery Panel, could reasonably have led to a different finding, determination or direction under Rule I.18(i)(i) or (iii). This will not apply if the appealing Party could have produced the evidence to the Delivery Panel had he made reasonable efforts to obtain it,

but no Party may otherwise appeal under Rule I.19(a).

- (c) The Secretary shall notify the Chairman of the notice of appeal and the Chairman shall convene a panel ("the Delivery Appeals Panel") comprising the Chairman and two members of the Delivery Committee which shall not include any member of the Delivery Committee who served on the Delivery Panel which

³⁰³¹ Inserted 19 August 1999, Amended 23 September 2003, 7 December 2005

made the finding, determination or direction under Rule I.18(i)(i) or (iii) the subject of the appeal. The chairman of the Delivery Appeals Panel will be the Chairman or, if the Chairman served on such Delivery Panel, he will appoint a member of the Delivery Committee to serve in his place on the Delivery Appeals Panel and to be the chairman. Any member of the Delivery Committee who is appointed to the Delivery Appeals Panel shall have no direct or indirect interest in any Party, the dispute or matter determined by the Delivery Panel or the subject of the appeal.

- (d) The appealing Party and, if applicable, the other Party may at the discretion of the Delivery Appeals Panel present written submissions in support of, or in contention of, the ground for appeal, to the Delivery Appeals Panel by such time and in such form as the Panel may direct. An oral hearing of the appeal will only take place if the Delivery Appeals Panel in its discretion considers it to be necessary. A Party may be assisted by or represented by another person at that oral hearing if the Panel in its discretion considers it to be necessary. The Delivery Appeals Panel will consider the finding, determination or a direction under Rule I.18(i)(i) or (iii) of the Delivery Panel, review the evidence before the Delivery Panel and such further evidence as may be put to the Delivery Appeals Panel. No new evidence of fact may be adduced unless the Delivery Appeals Panel is satisfied that there is good reason why such evidence was not presented to the Delivery Panel and only if such evidence is relevant, notwithstanding such evidence may not be admissible in a court of law.
- (e) The Delivery Appeals Panel may:
- (i) dismiss or allow the appeal;
 - (ii) confirm or amend the finding, determination or a direction under Rule I.18(i)(i) or (iii) (including increasing or decreasing the amount of costs payable by a Party in respect of a direction made under Rule I.18(i)(iii)); or
 - (iii) substitute its own finding, determination or direction under Rule I.18(i)(iii) (which may include increasing or decreasing any finding, determination or direction imposed).

Notwithstanding the foregoing, if an appeal is upheld in respect of a direction under Rule I.18(i)(i) or any finding or determination upon which a Delivery Panel made a direction under Rules I.18(i)(i) or (ii), the Delivery Appeals Panel may only direct a Party to pay an amount of compensation or costs as it determines in its discretion to be appropriate.

- (f) The Delivery Appeals Panel may at any stage approve the settlement of any issue between the Parties to the affected Contracts on such terms as it considers expedient or satisfactory. Any withdrawal of an appeal by an appealing Party must be in writing and lodged with the Secretary. The Chairman or the Exchange may direct such Party to pay to the Exchange costs in accordance with Rule I.19(g).
- (g) The chairman of the Delivery Appeals Panel may direct a Party to pay to the Exchange costs in an amount determined by him in his discretion. Such costs may include, but shall not be limited to: the fees and expenses of the Chairman; the expenses of any member of the Delivery Appeals Panel or any expert; any legal costs; and expenses which the Exchange or the Clearing House may incur or be subjected to in relation to the appeal.
- (h) The finding, determination or direction of the Delivery Appeals Panel shall be final and binding and there shall be no further appeal. The decision shall be notified in writing to the appealing Party, any other Party to the affected Contracts, the Delivery Panel which made the finding, determination or direction, the Clearing House and the Exchange.
- (i) A Party shall comply with any decision of the Delivery Appeals Panel. Any Party who refuses or fails to comply with or perform any decision or direction made, or action taken, under this Rule I.19, shall be deemed to have infringed this Rule and such infringement will constitute a breach of the Regulations by such Party and may be the subject matter of disciplinary proceedings under Section E.
- (j) Following the lodgement of a notice of appeal with the Secretary under Rule I.19(a), the Exchange may, in its discretion require the appealing Party, to pay to the Exchange a fee of US\$2,500, unless the Exchange determines, in its discretion, to reduce or waive the fee.

- (k) Rules I.18(d), (e), (g) and (h) shall apply to the Delivery Appeals Panel as though the reference therein to the Delivery Panel were to the Delivery Appeals Panel.

I.20 PUBLICATION OF A DETERMINATION³¹³²

Notwithstanding Rule A.4.1, the Exchange shall give such publicity as it considers appropriate in its discretion to any finding, determination or direction made by a Delivery Panel or decision or direction made by a Delivery Appeals Panel. This Rule is without prejudice to the right of the Exchange under Rule A.4.3, or otherwise, to disclose confidential information to other regulatory or law enforcement bodies.

I.21 ENVIRONMENTAL COMPLIANCE AND LIABILITY³²³³

- (a) In this Rule I.21, the following terms have the following meanings:

- (i) The term "Buyer" means, in relation to a delivery under a Contract under the Clearing House Rules, the Member (or the Sponsor and Sponsored Principal acting jointly) or the Clearing House, whichever is obliged to receive delivery of a Commodity (whether itself or through another Person).
- (ii) The term "CAS" means the Chemical Abstracts Service.
- (iii) The term "CLP Regulation" means, as may be amended or supplemented from time to time (including by another law or instrument), Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006.
- (iv) The term "Commodity" means any kind of property which is capable of being delivered pursuant to a Contract.
- (v) The term "EC Number" means any number or other identification assigned to any chemical, substance or material through the European Inventory of Existing Commercial Chemical Substances, the European List of Notified Chemical Substances, the No-Longer Polymers list or otherwise pursuant to Directive 67/548/EEC of the EU.
- (vi) The term "Environment" means all or any of the following media (whether alone or in combination): air (including the air within buildings or other natural or man-made structures whether above or below ground), water (including surface water, sub-surface water, groundwater, coastal, marine or inland waters or waterways, and water within drains, sewers or other natural or man-made structures), land (including surface land, land under water, soil and sub-soil), any natural resource and any ecological systems and living organisms supported by these media.
- (vii) The term "Environmental Law" means, as in force from time to time, any national, federal, supranational, state, regional, provincial, local or other law, treaty, directive or other lawful requirement, including, without limitation, of the EU or any of its member states, and including, without limitation, common law, any statute, ordinance, rule, regulation, code, lawful requirement, guidance, statutory guidance note, published practice or concession, order, judgment or ruling of any Governmental Authority, in each case governing or relating to pollution, the protection of the Environment, noise, nuisance, health, safety or natural resources, or the use, sale, delivery, registration, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

³¹³² Inserted 19 August 1999

³²³³ Inserted 10 December ~~2009~~2009, amended 1 2014

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- (viii) The term “Environmental Permit” means any licence, approval, authorisation, permission, certificate, certification, registration, notification, waiver, order or exemption that is issued, granted or required under Environmental Law.
- (ix) The term "Governmental Authority" means any Regulatory Authority and any national, federal, supranational, state, regional, provincial, local or other government, government department, ministry, governmental or administrative authority, regulator, agency, commission, secretary of state, minister, court, tribunal, judicial body or arbitral body or any other Person exercising judicial, executive, interpretative, enforcement, regulatory investigative, fiscal, taxing or legislative powers or authority anywhere in the world with competent jurisdiction.
- (x) The term “Hazardous Material” means all chemicals, materials, substances, preparations or articles, whether natural or man-made and whether solid, liquid or gaseous, which are defined or regulated as toxic, hazardous, noxious, radioactive, flammable, corrosive or caustic or as a pollutant, contaminant or waste or words of similar import under any Environmental Law or Environmental Permit, or which may otherwise be capable, whether alone or in combination, of causing harm to any human or other living organism or the Environment.
- (xi) The term "Person" means any individual, partnership, firm, body corporate, association, trust, unincorporated organisation or other entity.
- (xii) The term “REACH” means, as may be amended or supplemented from time to time (including by another law or instrument), Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals, establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006). For the avoidance of doubt, “REACH” includes Directive 2006/121/EC of the European Parliament and of the Council of 18 December 2006 amending Council Directive 67/548/EEC on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances in order to adapt it to REACH.
- (xiii) The term "Regulatory Authority" means any Governmental Authority which exercises a regulatory or supervisory function under the laws of any jurisdiction in relation to financial services, the financial markets, Exchanges or Clearing Organisations (including, without limitation, the ~~UK Financial Services Authority~~[FCA](#), any Person given powers under the Financial Services and Markets Act 2000, the Bank of England, Her Majesty’s Treasury, the Office of Fair Trading, the US Commodity Futures Trading Commission and the Securities and Exchange Commission).
- (xiv) The term “Safety Data Sheet” has the meaning given to such term by REACH, the Chemicals (Hazard Information and Packaging for Supply) Regulations 2009 of the United Kingdom, as amended, or any other Environmental Law.
- (xv) The term “Seller” means, in relation to deliveries under a Contract under the Clearing House Rules, the Member ([or the Sponsor and Sponsored Principal acting jointly](#)) or the Clearing House, whichever is obliged to make delivery of a Commodity (whether itself or through another Person).
- (xvi) The term “Transferee” means a Person nominated by a Buyer to whom a transfer or delivery is to be made under a Contract and includes reference to the Buyer where transfer or delivery is to be made to the Buyer.
- (xvii) The term "Transferor" means a Person nominated by a Seller by whom a transfer or delivery is to be made under a Contract and includes reference to the Seller where transfer or delivery is to be made by the Seller.
- (b) Without prejudice to Rule A.7 of the Regulations, and without prejudice to Rule 111 of the Clearing House Rules, neither the Exchange, nor the Clearing House, is responsible for, and neither shall have any liability whatsoever in respect of, any application, notification, reporting, data or information

sharing, registration, certification, authorisation, investigation, remediation or the taking or not taking of any other action or thing that may be required by any Environmental Law or Environmental Permit in respect of any Commodity or Contract. In particular but without limitation, neither the Exchange, nor the Clearing House, shall be responsible for, or have any liability whatsoever in respect of, the taking or not taking of any of the following actions:

- (i) any pre-registration, registration or other action pursuant to REACH in connection with any Hazardous Material or other substance, preparation, article or material that is the subject of, or part of, any Commodity or Contract;
 - (ii) any preparation, reporting or delivery of any Safety Data Sheet in connection with any Hazardous Material or other substance, preparation, article or material that is the subject of, or part of, any Commodity or Contract;
 - (iii) any procurement, registration, notification or reporting of any CAS or EC number in connection with any Hazardous Material or other substance, preparation, article or material that is the subject of, or part of, any Commodity or Contract; or
 - (iv) any classification, re-classification, labelling or packaging, pursuant to the CLP Regulation or other Environmental Law, of any Hazardous Material or other substance, preparation, article or material that is the subject of, or part of, any Commodity or Contract.
- (c) Without prejudice to Rule A.7 of the Regulations, and without prejudice to Rule 111 of the Clearing House Rules, neither the Exchange, nor the Clearing House, is responsible for, and neither shall have any liability whatsoever in respect of:
- (i) the condition, safety or compliance or non-compliance with any Environmental Law or Environmental Permit, or
 - (ii) the presence of any Hazardous Material or occurrence of any contamination related to, or
 - (iii) any other liability or obligation arising under Environmental Law or Environmental Permit related to,

any barge, installation, equipment, vehicle, land, water or other location or area used in connection with the sale, delivery, registration, handling, transportation, treatment, management, storage, disposal, release or discharge of any Commodity. Further, neither the Exchange, nor the Clearing House, shall be responsible for, or have any liability whatsoever in respect of the condition or safety of any Commodity delivered pursuant to any Contract.

- (d) Each ~~Member~~person subject to the Regulations (other than the Clearing House) delivering a Commodity pursuant to a Contract shall comply, and shall be deemed to represent and warrant that it has complied, fully with any application, notification, reporting, data or information sharing, registration, certification, authorisation, investigation, remediation or the taking or not taking of any other action or thing required by any Environmental Law or Environmental Permit and applicable to such Commodity, including, without limitation, as related to the condition or safety of such Commodity. In particular but without limitation, ~~such Member~~each person subject to the Regulations (other than the Clearing House) shall comply, and shall be deemed to represent and warrant that it has complied, fully with any and all requirements specified in clauses (b)(i) through (iv) of this Rule I.21 to the extent applicable to such Commodity.
- (e) Neither the Buyer nor the Seller, nor their Transferees or Transferors, shall have any claim against the Exchange or the Clearing House, whether in contract, tort or restitution, as a fiduciary or under any other cause of action, for any loss, liability, cost, damage or expense incurred or suffered as a result of any non-compliance with any Environmental Law or Environmental Permit, the condition of or any hazard posed by any Commodity, or the presence of any Hazardous Material or occurrence of any contamination.

I.22 FINANCIALS AND SOFTS CONTRACTS WHERE TENDER IS REQUIRED³³³⁴

- (a) This Rule I.22 shall only apply to Financials and Softs Contracts where tender is required.
- (b) In this Rule I.22, the following terms have the following meanings:
 - (i) The term "Buyer" means the buyer, as defined under the relevant Contract; and
 - (ii) The term "Seller" means the seller, as defined under the relevant Contract.
- (c) A Clearing ~~Member~~Counterparty, as Seller in respect of a Financials and Softs Contract shall give a tender to the Exchange, together with such other documents as may be required by the Contract Rules by the time specified in respect of a Financials and Softs Contract for a particular delivery month, and in the form and manner prescribed by the Contract Rules. The Clearing House shall give a tender to the Buyer, together with such other documents as may be required by the Contract Rules by the time specified in respect of a Financials and Softs Contract for a particular delivery month, and in the form and manner prescribed by the Contract Rules.
- (d) A Seller or Buyer shall give to the Clearing House such additional documents or information required by the Contract Rules to be given in respect of a Financials and Softs Contract by the time prescribed by the Contract Rules and in the form and manner specified therein. The Clearing House shall give such additional documents or information to the Buyer or Seller under the terms of such Contract.
- (e) The Clearing House shall be under no obligation to check a tender or documents received from a Clearing ~~Member~~Counterparty pursuant to Rules I.22(c) or I.22(d) above. The passing on by the Clearing House of such tender or such documents received from a Seller (or Buyer as the case may be) pursuant to the terms of a Financials and Softs Contract, to a Buyer (or Seller as the case may be) pursuant to the terms of a Financials and Softs Contract, shall not constitute acceptance by the Clearing House of such tender or such documents, and if the Clearing ~~Member~~Counterparty to whom it passed on such tender or such documents rejects the same where permitted by Contract Rules, the Clearing House shall be entitled to reject the same as against the Clearing ~~Member~~Counterparty from whom it received such tender or such documents.
- (f) Every Buyer who has a Financials and Softs Contract in his name for the applicable or relevant delivery month shall be bound to accept any tender or documents complying with the Contract Rules which is given to him by the Clearing House.
- (g) Subject to Rule I.22(e), no tender may be withdrawn or substituted by the Seller once such tender is received by the Buyer except with the consent of such Buyer or otherwise in accordance with the Contract Rules.
- (h) Under a Financials and Softs Contract:
 - (i) the Buyer shall be obliged to pay his buying price to the Seller in the manner and by the time prescribed by the Contract Rules;
 - (ii) the Buyer shall be obliged to pay the Seller his selling price in the manner and by the time prescribed by the Contract Rules;
 - (iii) subject to the Contract Rules, any compensation, adjusting payment, or other allowance payable by or to either the Buyer or Seller under the terms of the Financials and Softs Contract shall be paid to or by the Clearing House;
- (i) Every tender and accompanying documents (except documents which, in accordance with the Contract Rules, a Buyer is obliged to take up and pay for) given by the Clearing House as Seller to a Buyer pursuant to Rule I.22(c) shall for the purposes of these Rules be deemed to comply with the Contract Rules unless the Buyer notifies the Clearing House, by 10.00 hours on the Business Day following the day on which the tender and accompanying documents were given to him by the Clearing House in

³³³⁴ Inserted 4 June 2014, amended 1.1.2014

accordance with the Contract Rules (and unless otherwise set out in such Contract Rules), that the tender and accompanying documents do not so comply, and the Clearing House shall be entitled after receiving such notice, promptly thereafter and notwithstanding that it may do so after 10.00 hours on such Business Day, to notify the Seller from whom it received such tender and accompanying documents that such tender and accompanying documents do not so comply.

I.23 ECONOMIC & MONETARY UNION³⁴³⁵

- (a) In this Rule I.23, the following terms have the following meanings:
- (i) The term "Currency of a Member State" means the currency for the time being of the Member State and, where the context admits, the currency of that Member State prior to the introduction of the Euro as its currency.
 - (ii) The term "Euro" means the single currency of the European Union introduced in Member States.
 - (iii) The term "Market Conventions" includes, without limit, day count conventions, settlement periods, rate fixing, business day conventions, basis for market quotations and coupon frequency.
 - (iv) The term "Member State" means a member of the European Union.
- (b) Without prejudice to any step which has been or may be taken or to the powers of the Exchange under this Rule I.23, any other Regulation or the terms of a Contract, the Exchange may:
- (i) make such changes to the terms of a Contract as the Exchange considers to be necessary or desirable so as to require or facilitate trading of, or the payment of amounts under or in respect of Contracts in Euro, to redenominate lots into Euro, or to reflect changes in Market Conventions as a consequence (direct or indirect) of the introduction of the Euro as the currency of one or more Member States, and shall publish such changes by notice posted on the Market. Such changes may, without limitation, include changes to the currency in which amounts under a contract shall be paid, the lot size, the currency of the exercise price, Market Conventions and rounding provisions used to calculate the invoicing amount and shall affect existing as well as new contracts as the Exchange may determine;
 - (ii) require the discharge, by cash settlement or otherwise, of Contracts which are denominated in a Currency of a Member State at a price determined by the Exchange and the making of new Contracts which are denominated in Euro, in either case in accordance with procedures implemented by the Exchange from time to time under this Rule I.23, in order to achieve the conversion of contracts to contracts denominated in Euro; and
 - (iii) in connection with taking steps under the procedures referred to in Rule I.23(b)(ii), require a Member and, through him, one or more clients to enter into one or more contracts which singly or in aggregate may not give rise to the same economic exposure as the contracts discharged pursuant to Rule I.23(b)(ii) (without limit, this could occur where, as a result of implementing conversion procedures, part lots are produced which are rounded up or down to produce whole lots), to enter into contracts which, in aggregate, may be less than or more than the number of discharged contracts, or may require cash settlement of whole or part lots produced as a result of implementing the procedures referred to in Rule I.23(b)(ii).

I.24 "BUYER" AND "SELLER" IN THE CONTRACT RULES AND ADMINISTRATIVE PROCEDURES³⁶

- (a) Subject to Rule I.24(b), the terms "Buyer" and "Seller" in the Contract Rules and Administrative Procedures shall mean "Buyer" and "Seller" as set out in Rule A.1. In particular, such terms shall be construed as including, in relation to a Contract recorded at the Clearing House in an Individually Segregated Sponsored Account, both or either of the relevant Sponsor and Sponsored Principal.

³⁴³⁵ Inserted 4 June 2014

³⁶ Inserted 11.2014

- (b) Where the Contract Rules and Administrative Procedures make reference to a "Buyer" in the context of the person who is entitled to exercise the option, the term "Buyer" shall be construed as including, in relation to an Individually Segregated Sponsored Account, either the relevant Sponsor or the Sponsored Principal (whichever is authorised to exercise the option and does actually exercise the option). Where the Contract Rules and Administrative Procedures make reference to a "Buyer" or a "Seller" in the context of a person making or taking delivery or serving or receiving any notice, such terms shall be construed as including, in relation to an Individually Segregated Sponsored Account, either the relevant Sponsor or the Sponsored Principal (whichever is authorised to make or take delivery and does actually make or take delivery, or whichever is authorised to serve or receive any notice and does actually serve or receive any notice, as applicable).
- (c) The Clearing House Rules set out the rights and liabilities of Sponsored Principals and Sponsors. In particular, Members and non-Member Sponsored Principals should be aware that:
- (i) the relevant Sponsored Principal and Sponsor are each jointly and severally liable, to one another, in each case as principal and without limitation, to the Clearing House in respect of all obligations and liabilities arising in connection with the Individually Segregated Sponsored Account and all Contracts recorded in it;
 - (ii) whether the Clearing House makes any payment or performs any other obligations in connection with an Individually Segregated Sponsored Account or Contract to the Sponsor or the Sponsored Principal or otherwise to the account or to the order of the Sponsored Principal in accordance with Clearing House Rules 1902(c) and 1902(d): (i) such payment or performance to the extent made will satisfy and discharge the obligations of the Clearing House to the Sponsored Principal and any obligations of the Clearing House to the Sponsor; and (ii) where the Sponsor is a Non-FCM/BD Clearing Member (as defined in the Clearing House Rules) and payment or performance is made to the Sponsored Principal (or to its account or order, other than to the account of the Sponsor), such payment or performance to the extent made will be deemed to be in satisfaction and discharge of any related payment or performance obligation of the Sponsor pursuant to the related Customer-CM Transaction (as defined in the Clearing House Rules);
 - (iii) whether the Sponsor or Sponsored Principal makes any payment or performs any other obligation in connection with an Individually Segregated Sponsored Account or Contract to the Clearing House: (i) such payment or performance to the extent made will satisfy and discharge the obligations of both the Sponsor and the Sponsored Principal to the Clearing House; and (ii) where the Sponsor is a Non-FCM/BD Clearing Member (as defined in the Clearing House Rules), such payment or performance to the extent made will be deemed to be in satisfaction and discharge of any related payment or performance obligation of the Sponsored Principal pursuant to the related Customer-CM Transaction (as defined in the Clearing House Rules);
 - (iv) the Clearing House is entitled to receive and act upon instructions, notifications, notices and forms (whether in electronic or paper format) in respect of an Individually Segregated Sponsored Account from either the Sponsor or the Sponsored Principal without further reference to any other party;
 - (v) each of the Sponsor and Sponsored Principal is entitled as a joint holder of the Individually Segregated Sponsored Account to give such instructions, notifications, notices and forms and hereby is deemed to authorise the other to give such instructions, notifications, notices and forms in respect of the Individually Segregated Sponsored Account for such purposes, subject to the Clearing House Rules; and
 - (vi) the Disciplinary Proceedings set out in Part 10 of the Clearing House Rules, which apply to Clearing Members (including Sponsors), apply to Sponsored Principals in the same way as they apply to Clearing Members with no Customers (as defined in the Clearing House Rules). In addition, Section E of the Regulations and Rule A.9 apply in respect of disciplinary matters.



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P POSITIONS REPORTING, ACCOUNTABILITY AND LIMITS

SECTION P - POSITION REPORTING, ACCOUNTABILITY AND LIMITS

[TRANSFER OF CONTRACTS BETWEEN THE EXCHANGE AND SIMEX
deleted 8 August 2002]¹

P.0	[Deleted 8 August 2002] ²
P.1	Definitions ³
P.2	Reporting of Positions ⁴
P.3	Limits and Exemptions ⁵
P.4	Bona Fide Hedging Positions ⁶
P.5	Risk Management Positions ⁷
P.6	Arbitrage and Spread Positions ⁸
P.7	Aggregation of Positions ⁹
P.8	Position Accountability ¹⁰
P.9	Enforcement of Limits ¹¹
P.10	Exchange Access to Position Information ¹²
P.11	Emergency Powers Not Limited ¹³

¹ Deleted 8 August 2002, Inserted 14 October 2008

² Deleted 8 August 2002

³ Deleted 8 August 2002, Inserted 14 October 2008, Amended 15 October ~~2012~~2012, ~~16~~ 2014

⁴ Deleted 8 August 2002, Inserted 14 October 2008, Amended 15 October ~~2012~~2012, ~~18~~ 2014

⁵ Deleted 8 August 2002, Inserted 14 October 2008, Amended 15 October ~~2012~~2012, ~~19~~ 2014

⁶ Deleted 8 August 2002, Inserted 14 October ~~2008~~2008, Amended ~~17~~ 2014

⁷ Inserted 14 October ~~2008~~2008, Amended ~~17~~ 2014

⁸ Inserted 14 October ~~2008~~2008, Amended ~~17~~ 2014

⁹ Inserted 14 October 2008, Amended 15 October 2012

¹⁰ Inserted 14 October ~~2008~~2008, Amended ~~17~~ 2014

¹¹ Inserted 14 October 2008, Amended 15 October ~~2012~~2012, ~~19~~ 2014

¹² Inserted 14 October 2008, Amended 15 October 2012

¹³ Inserted 14 October 2008, Amended 15 October 2012

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POSITIONS REPORTING, ACCOUNTABILITY AND LIMITS

P

POSITIONS REPORTING, ACCOUNTABILITY AND LIMITS

P.1 DEFINITIONS¹⁴

For purposes of this Section P, the following terms shall have the meanings set out opposite each:

“Accountability Limit”	shall mean a threshold for positions held set by the Exchange which if exceeded may trigger enhanced reporting requirements.
“Expiry Limit”	shall mean the maximum permitted holding in the expiring contract month of a designated Contract which if exceeded may trigger enhanced reporting requirements;
“Futures Equivalent Contract”	shall mean an option <u>Options Contract</u> that has been converted to a futures equivalent contract in accordance with the procedures specified in Rule P.9;
“Omnibus Account”	shall mean an account containing the positions of more than one Person;
“limit”	unless the context otherwise requires, shall mean a limit, whether a Position Limit, Expiry Limit or otherwise;
“Person”	shall mean either an individual or an entity; and
“Position Limit”	shall mean the maximum permitted holding in a designated contract or contract month either by a single account or across multiple accounts controlled by the same entity.

P.2 REPORTING OF POSITIONS¹⁵

- (a) Each Member or Person that owns, controls, or carries for another Person an account with reportable positions in any Exchange Contract, as specified by the Exchange, in a single contract month of a Futures ~~contract~~ Contract or a single contract month for a put or call option (regardless of strike price), shall submit to the Exchange:
- (i) an account identification form as specified by the Exchange for each account; and
 - (ii) a daily report with respect to such positions, in a form acceptable to the Exchange, containing the account numbers and the number of open contracts in each such Futures ~~contract~~ Contract and each such ~~option contract~~ Option Contract month that equals or exceeds the applicable reporting level specified in paragraph (b), and such other information as the Exchange may require.

In addition, with respect to any Person that owns, controls or carries positions that meet or exceed All Month or Any One Month Accountability Limits of any Futures ~~contract~~ Contract or Option ~~contract~~ Contract, the Member shall report to the Exchange the positions carried by such Person in all contract months of that Futures ~~contract~~ Contract and Option ~~contract~~ Contract, regardless of size. Without limiting any provision of the Rules, Members shall provide such additional information with respect to positions, and the ownership of such positions, as may be requested by the Exchange.

- (b) The reportable levels for all Futures Contracts and Options ~~contracts~~ Contracts will be as notified by the Exchange to Members from time to time.

¹⁴ Deleted 8 August 2002, Inserted 14 October 2008, Amended 15 October ~~2012~~ 2012, ~~1~~ 1 ~~2014~~

¹⁵ Deleted 8 August 2002, Inserted 14 October 2008, Amended 15 October ~~2012~~ 2012, ~~1~~ 1 ~~2014~~

P.3 LIMITS AND EXEMPTIONS¹⁶

- (a) Limits on Contracts may be imposed at the discretion of the Exchange from time to time. The nature of the limits and the Contracts affected shall be notified ~~to~~ the Members from time to time:

A Member shall not carry a position that exceeds the limits on behalf of any Person unless the Member has confirmed that such Person has received an exemption from the Exchange.

All limits shall be calculated on a net futures-equivalent basis by product and will include Contracts that aggregate into one or more source Contracts (“Combined Contracts”). Such Contracts and how they aggregate into a Combined Contract shall be published by the Exchange from time to time.

The Exchange may require compliance with position Accountability Limits on a futures-only basis to the source Contracts into which other Contracts are combined.

- (b) A Member acting on behalf of a Person or the Person itself seeking an exemption from limits shall file a written request in the form required by the Exchange, which shall include:

for the purposes of all limits:

- (i) a description of the size and nature of the exemption sought;
- (ii) an explanation of the nature and extent of the Person’s business and such other information as may demonstrate that the granting of the exemption is consistent with the Rules;
- (iii) a statement indicating whether the Member itself or the Person on whose behalf the request is made:
 - (aa) maintains positions in the contract for which the exemption is sought with any other Member; or
 - (bb) has made a previous or contemporaneous request pursuant to the Rules through another Member and if so, the relationship between the information set forth in such requests;
- (iv) a statement that the Person will comply with any limitations imposed by the Exchange with regard to such positions; and
- (v) a statement that the Person will immediately supply the Exchange with a supplemental statement whenever there is a material change to the information provided in the Person’s most recent application; and

additionally, for the purposes of Position Limits:

- (vi) a statement that the intended positions will be either:
 - (aa) bona fide hedges that are economically appropriate and necessary or advisable as an integral part of the Person’s business and comply with all Exchange requirements relating to hedging;
 - (bb) risk management positions as described in Rule P.5; or
 - (cc) arbitrage or spread positions;
- (vii) a statement that the Person will comply with any limitations imposed by the Exchange with regard to such positions; and

¹⁶ Deleted 8 August 2002, Inserted 14 October 2008, Amended 15 October ~~2012~~2012, ~~1~~2014

(viii) a statement that the applicant will immediately supply the Exchange with a supplemental statement whenever there is a material change to the information provided in the applicant's most recent application.

- (c) Within five Business Days of the submission of the written request and any supplemental information requested, the Exchange shall notify the Person seeking a limits exemption whether the exemption has been granted and any limitations placed thereon (if applicable). The Exchange may impose such limitations on the approval as are commensurate with the Person's business needs, financial ability and personal integrity, as well as the liquidity, depth and volume of the market for which the exemption is sought. An exemption will remain in full force and effect until the Person requests a withdrawal or the Exchange revokes, modifies or places further limitations thereon.
- (d) A Person approved to exceed position limits must initiate and liquidate such positions in an orderly manner consistent with sound commercial practices, and must not initiate or liquidate such positions in a manner calculated to cause unreasonable or unwarranted price changes or fluctuations, breach or circumvent Exchange rules, or otherwise impair the good name of the Exchange.
- (e) In the event a Person exceeds its Position Limit specifically due to sudden unforeseen increases in its bona fide hedging needs, such Person shall not be considered in breach of the Rules provided that the Member on behalf of such Person requests a hedge exemption to carry such increased position within two Business Days following the day on which the Person's Position Limit was exceeded, provided however that no such request shall be granted during the last three days of trading in an expiring ~~futures contract~~Futures Contract.

P.4 BONA FIDE HEDGING POSITIONS¹⁷

The Exchange may grant exemptions from the position limits for positions qualifying as bona fide hedge positions.

Bona fide hedging transactions and positions shall mean transactions or positions in an Exchange ~~Futures contract~~Contract or Option ~~contract~~Contract, where such transactions or positions normally represent a substitute for transactions to be made or positions to be taken at a later time in a physical market, and where they are economically appropriate to the reduction of risk in the conduct and management of a commercial enterprise, and where they arise from:

- (i) the potential change in the value of assets which a Person owns, produces, manufactures, processes, or merchandises or anticipates owning, producing, manufacturing, processing, or merchandising;
- (ii) the potential change in the value of liabilities which a Person owes or anticipates incurring; or
- (iii) the potential change in the value of services which a Person provides, purchases or anticipates providing or purchasing.

Notwithstanding the foregoing, no transactions or positions shall be classified as bona fide hedging for purposes of the Rules unless their purpose is to offset price risks incidental to commercial cash or spot operations and such positions are established and liquidated in an orderly manner in accordance with sound commercial practices.

P.5 RISK MANAGEMENT POSITIONS¹⁸

For the purposes of the Rules contained in this Section P, risk management positions are defined as ~~Futures~~futures and ~~Options~~options positions which are held by or on behalf of a commercial entity or an affiliate of a commercial entity, which typically buys, sells or holds positions in the underlying physical or forward market, a related cash market, or a related over-the-counter market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportunities for arbitrage which provide a close linkage between the futures or options market and the underlying market in question.

¹⁷ Amended ~~in~~ 2014

¹⁸ Amended ~~in~~ 2014

P

POSITIONS REPORTING, ACCOUNTABILITY AND LIMITS

P.6 ARBITRAGE AND SPREAD POSITIONS¹⁹

The Exchange may grant exemptions from the position limits for arbitrage, intra-commodity spread, inter-commodity spread, and eligible ~~Option/Option or Option/Futures~~option/option or option/futures spread positions.

P.7 AGGREGATION OF POSITIONS¹⁷²⁰

In determining whether a position is a reportable position or any Person has exceeded the limits published by the Exchange or limits determined pursuant to an exemption granted by the Exchange pursuant to the Rules, the following shall apply:

- (i) all positions in accounts for which such Person by power of attorney or otherwise directly or indirectly holds positions or controls trading, shall be included with the positions held by such Person;
- (ii) the limits upon positions shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if all the positions were held, or the trading of the positions was conducted, by a single person;
- (iii) the positions of Persons in the same household shall be aggregated;
- (iv) if a Person can demonstrate to the satisfaction of the Exchange that a position is independently controlled, then that position will not be considered as contributing to any Limit.

P.8 POSITION ACCOUNTABILITY²¹

A Member who holds or controls, or carries for another person, aggregate positions in excess of those Accountability Limits specified by the Exchange from time to time in respect of those contracts designated in Rule P.3 shall

- (i) provide, in a timely manner upon request by the Exchange, information regarding the nature of the Person's related cash, ~~Futures~~futures and ~~Options~~options positions, trading strategy, and hedging information, if applicable; and
- (ii) shall not, when so directed by the Exchange, further increase positions which exceed the levels published by the Exchange. All such positions must be initiated and liquidated in an orderly manner.


For purposes of this Rule, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this Rule shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single Person.

P.9 ENFORCEMENT OF LIMITS¹⁸²²

- (a) No Member may for itself or any other Person maintain a combination of Futures ~~contracts~~Contracts and Futures Equivalent Contracts which is, or which when aggregated in accordance with Rule P.7 is, in excess of the limits established by the Exchange. For the purpose of the Rules contained in this Section P:
 - (i) the Futures ~~equivalent~~Equivalent of each ~~Option—contract~~Options Contract is the delta ratio published daily by the Exchange; and

¹⁹ Amended  2014

¹⁷²⁰ Inserted 14 October 2008, Amended 15 October 2012

²¹ Amended  2014

¹⁸²² Inserted 14 October 2008, Amended 15 October ~~2012~~2012,  2014

- (ii) a long Futures ~~contract~~Contract, a long call option and a short put option are on the same side of the market; similarly, a short Futures ~~contract~~Contract, a short call option and a long put option are on the same side of the market.

Members are responsible for maintaining their position and their customers' positions within the limits established or specified by the Exchange pursuant to these Rules. If, however, a Member's or customer's position exceeds position limits on any Trading Day due to changes in the deltas of the ~~options~~Options Contract, the Member or customer shall have one Trading Day to bring the position within the limits.

- (b) In the event the Exchange learns that a Member or customer maintains positions in accounts with more than one Member such that the aggregate position in all such accounts exceeds the position limits established by the Exchange, the Exchange may notify all Members maintaining or carrying such accounts that the aggregate position held across all Members is in excess of the limits. Such notice may also instruct each such Member to reduce the positions in such accounts twenty-four hours after receipt of the notice, proportionately or otherwise so that the aggregate positions of such accounts at all such Members does not exceed the limits established by the Exchange, unless as provided by paragraph (c) below, a request for an exemption is made and granted by the Exchange pursuant to these Rules. Any Member receiving such notice shall immediately take such steps as may be necessary to liquidate such number of Futures Contracts and Options ~~contracts~~Contracts as shall be determined by the Exchange in order to cause the aggregate positions of such accounts at such Members to comply with the position limits established by the Exchange. Notwithstanding the foregoing, the Members may reduce the positions of such accounts by a different number of Futures Contracts and Options ~~contracts~~Contracts so long as after all reductions have been accomplished at all Members carrying such accounts, the aggregate positions at all such Members and across Combined Contracts complies with the limits established by the Exchange.
- (c) Subject to the foregoing provisions of this Rule, in the event that a Member's position (whether for his own account or for the account of a customer) exceeds the limits established by, or ordered by the Exchange, such Member shall liquidate such number of Contracts as the Exchange shall direct in order to eliminate the excess within such time as the Exchange may prescribe and shall report to the Exchange when such liquidations have been completed.
If a Member fails to liquidate such Contracts within the time prescribed by the Exchange, then, in addition to any other actions the Exchange may take, the Exchange may take such steps as it may deem necessary or appropriate to liquidate such Contracts on behalf and at the expense of such Member to the extent necessary to eliminate such excess.
- (d) Notwithstanding (b) and (c) above, and where in the opinion of the Exchange an excessive position, capable of affecting the Market is developing, or has developed, the Exchange may take any steps as it deems necessary to provide for, correct or check the further increase of such position and may give directions to Members accordingly. Such steps may (without prejudice to the generality of this Rule), if the Exchange thinks fit, extend to trading which occurred before or on the date that such step is instigated.
- (e) A Member contravening a direction of the Exchange under this Rule shall be liable to the same sanctions (including expulsion or suspension from membership) as if a breach of the Regulations were committed.

P.10 EXCHANGE ACCESS TO POSITION INFORMATION¹⁹²³

Without limiting any provision of these Rules, the Exchange shall have the authority to obtain from any Member information with respect to any positions of such Member or any customer of such Member. This authority shall include the authority to obtain information concerning positions maintained in omnibus accounts and positions held at other firms, and it shall be the obligation of a Member receiving such an inquiry to obtain such information from its customer. In the event a Member fails to provide the requested information the Exchange, in addition to any other remedy provided in these Rules, may order that the Member liquidate the positions which are related to the inquiry.

¹⁹²³ Inserted 14 October 2008, Amended 15 October 2012

P POSITIONS REPORTING, ACCOUNTABILITY AND LIMITS

P.11 EMERGENCY POWERS NOT LIMITED²⁰²⁴

Nothing contained in this Section P shall in any way be construed to limit the Emergency powers enumerated elsewhere in the Regulations, and, unless the Exchange in taking an Emergency action shall state otherwise, any such Emergency action shall be effective with respect to all Members, regardless of whether an exemption from the limits has previously been granted pursuant to these Rules.

²⁰²⁴ Inserted 14 October 2008, Amended 15 October 2012

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