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<sup>2</sup> Amended 8 June 2005, 29 March 2006, 17 October 2008, 29 January 2014, 4 June 2014, 3 September 2014, 31 August 2020, 17 December 2020, 27 December 2023

<sup>3</sup> Amended 22 April 2005, 29 March 2006, 27 April 2006, 17 October 2008, Launch of ICE Clear 2008, 29 January 2014, 4 June 2014, 3 September 2014, 07 October 2015, 17 December 2020, 14 August 2023, 27 December 2023

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<sup>5</sup> Inserted 3 January 2018

<sup>6</sup> Inserted 3 January 2018, amended 17 December 2020

<sup>7</sup> Inserted 3 January 2018

<sup>8</sup> 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, 3 September 2014, 18 September 2014, 3 June 2016, 31 August 2020, 17 December 2020

<sup>9</sup> Amended 22 April 2005, 29 March 2006, 17 October 2008, 15 October 2012, 29 January 2014, 4 June 2014, 18 September 2014, 3 June 2016, 17 December 2020, 27 December 2023

<sup>10</sup> 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, 3 September 2014, 18 September 2014, 3 June 2016, 31 August 2020, 17 December 2020, 27 December 2023

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<sup>16</sup> Amended 22 April 2005, 29 March 2006, 29 May 2007, 3 January 2018, 20 January 2020, 21 October 2020, 17 December 2020, 21 March 2023

<sup>17</sup> Amended 20 January 2020, 21 October 2020, 17 December 2020

<sup>18</sup> Amended Launch of ICE Clear 2008, 29 January 2014, 4 June 2014, 3 September 2014

<sup>19</sup> Amended 15 April 2005, 22 April 2005, 29 March 2006, 17 October 2008, 29 January 2014, 3 September 2014, 17 December 2020, 27 December 2023

<sup>20</sup> Amended 27 April 2006, 21 October 2020, 17 December 2020, 27 December 2023

<sup>21</sup> Inserted 29 May 2007, amended 17 December 2020

<sup>22</sup> Inserted 3 September 2014

**B.1 GENERAL PROVISIONS<sup>23</sup>**

- 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 and shall be non-refundable. The Directors or the ARC Committee shall have the same powers as an ARC Disciplinary Panel will have for a Full Hearing as set out in Rule E.5.3 in respect of a failure to pay the subscription by the due date, subject to the rights of reconsideration and appeal set out in Rule B.8 and with the following modifications:
- (a) in the event that the Directors are taking action under this Rule, Rule E.5.3(h) shall be read as providing the Directors with the direct power to terminate or expel a Member from membership of the Exchange under Rule B.7.1 or suspend the Member under Rule B.7.2; and
  - (b) references to the ARC Disciplinary Panel shall be read as references to the Directors or the ARC Committee taking action under this Rule, as appropriate.
- 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 shall be bound by the Regulations and any arrangement, provision or direction made, authorised or given thereunder and shall comply with all Applicable Laws at all times.
  - (b) Any failure by a Member or Person Subject to the Regulations to observe or comply with the Regulations or any such arrangement, provision or direction may lead to steps, including, without limitation disciplinary proceedings, being taken by the Exchange in respect of the Member or Person Subject to the Regulations.
  - (c) A Member or Person Subject to the Regulations being prohibited from engaging in a course of action or suspended or terminated from membership or its status as a Person Subject to the Regulations under the Regulations, shall, in the case of activities in respect of the ICE Platform, also result in a prohibition upon (i) any Person engaging in that course of action or, in the case of a suspension or termination, accessing the ICE Platform by or on behalf of the Member (including any Member's Representative acting through the Member) or Person Subject to the Regulations for the relevant period; and (ii) the Member or Person Subject to the Regulations engaging in that course of action or, in the case of a suspension or termination, accessing the ICE Platform through any Person for the relevant period, unless otherwise specified by the Exchange.
- 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 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 Regulations, or any question in such connection which is not provided for therein and which is not governed by any other process set forth in the Regulations, 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 A Member may terminate its membership of the Exchange by 30 business days prior notice in writing to the Exchange, Provided that:
- (a) the written notice must be in the form specified by the Exchange from time to time;
  - (b) the termination of membership shall only take effect on the date the Member has satisfied all outstanding obligations to the Exchange and, in the event the Member is also a Clearing Member, such Clearing Member's obligations to the Clearing House; and

<sup>23</sup> Amended 8 April 2005, 22 April 2005, 29 March 2006, 4 June 2014, 18 September 2014, 07 October 2015, 21 October 2020, 17 December 2020, 27 December 2023

- (c) if the Member has been declared a Defaulter under Rule D.4 before the expiry of its notice of termination (whether the declaration is made before or after its giving of such notice) its membership shall continue until the completion of Default Proceedings.

The Exchange may publish details of any such termination or a copy of any such termination notice in or together with a Circular, at its discretion.

B.1.8 [Not used]

B.1.9 Notwithstanding the effectiveness of any termination or expulsion of membership or other status under the Regulations, a former Person Subject to the Regulations shall remain subject to the jurisdiction of the Exchange for one year after such termination or expulsion, or such other period as determined by the Compliance Officer as required for the determination of any proceedings including, without limitation, any appeal (including, without limitation, the payment of any fine or application of any other sanction imposed), as if continuing to be a Person Subject to the Regulations, in respect of:

- (a) things done or omitted by the Person Subject to the Regulations before its membership or other status being terminated or expelled; and
- (b) steps taken by the Exchange, the ARC Committee or other Person or body under Sections D (Default), E (Disciplinary), H (Arbitration) or Rules I.18 or I.19 in relation to the ARC Committee in respect of things so done or omitted.

B.1.10 In connection with its membership of the Exchange and its business and activities as a Member, each Member that provides any trading services to third parties or which acts for any third party shall at all times represent and warrant that it has carried out its customer due diligence to the standards set out under the Money Laundering Directive or such other Applicable Laws as determined acceptable by the Exchange at its discretion in relation to all of its customers and all other "beneficial owners" (for the purposes of this Rule B.1.10 having the meaning given to it in article 3(6) of the Money Laundering Directive) of such customers in respect of any Contracts entered into on the Exchange or any deliveries made pursuant to such Contracts.

## B.2 CATEGORIES OF MEMBERSHIP<sup>24</sup>

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, business for Affiliates and/or business for clients (whether such Affiliates and/or clients are other Members or non-Members) including, for the avoidance of doubt, on ICE Block;
- (b) Trade Participant - to transact own business and/or business for Affiliates, including, for the avoidance of doubt, on ICE Block;
- (c) [Not used];
- (d) General Participant ICE Block - (which, for the avoidance of doubt, is not a subset of the General Participant category set out in paragraph (a) above) to transact own business, business for Affiliates and/or business for clients (whether such Affiliates and/or clients are other Members or non-Members) and report through ICE Block; and
- (e) Trade Participant ICE Block - (which, for the avoidance of doubt, is not a subset of the Trade Participant category set out in paragraph (b) above) to transact own business and/or business for Affiliates and report through ICE Block.
- (f) [Not used].

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.2.1B A person is not required to be, or to apply to be, an ICE Block Member (or to have any particular privilege or permission as an ICE Block Member) in order to access or participate in a Block Transparency Auction. Neither access nor participation in a Block Transparency Auction shall of itself result in a person becoming an ICE Block Member or needing to become an ICE Block Member. References to ICE Block or ICE Block

<sup>24</sup> Amended 8 June 2005, 29 March 2006, 17 October 2008, 29 January 2014, 3 September 2014, 31 August 2020, 17 December 2020, 27 December 2023

Membership in this Section B shall be interpreted accordingly, including in particular as set forth in Rule B.4.8.

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 for the purposes of the Regulations, on the basis set out in Rule B.10 below.

### B.3 MEMBERSHIP CRITERIA<sup>25</sup>

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, its Member's Representative and shareholders are each fit and proper in order for the applicant to be a Member and has sufficient financial, compliance and managerial capacity, business integrity, reputation and competence as the Exchange, in its discretion, considers necessary or appropriate. The Exchange may set specific conditions or standards or publish guidance from time to time on what it considers to be "fit and proper" for the purposes of this Rule;
- (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, including ensuring compliance with Rule A.11;
- (c) maintain a properly established office (in a location which is acceptable to the Directors as they may determine in their 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 Membership Agreement, and any other such agreements as the Directors may require from time to time, 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 business, be a Clearing Member;
  - (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 Member in the case of (i) or (ii), be a party to or satisfy the Directors that it will become a party to:
    - (x) a Clearing Agreement with a Clearing Member; or
    - (y) an indirect clearing agreement with a client of a Clearing Member, where the client is an Affiliate of such Clearing Member and has a Clearing Agreement in place with that Clearing Member,

in respect of all types of Contract for which it is permitted to trade and/or clear under the Regulations.

Any such Clearing Agreement entered into with a Clearing Member must comply with the requirements of the Clearing House Rules, including Rule 202(b) and the F&O standard terms annex where the Clearing Member is not a U.S. registered futures commission merchant or broker dealer.

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<sup>25</sup> Amended 22 April 2005, 29 March 2006, 27 April 2006, Launch of ICE Clear 2008, 17 October 2008, 4 June 2014, 3 September 2014, 07 October 2015, 17 December 2020, 14 August 2023, 27 December 2023

Any such indirect clearing agreement must contain provisions that are substantively the same to those required hereunder for Clearing Agreements (including under Rule 202(b) of the Clearing House Rules and the F&O standard terms annex thereto), where the client is not a U.S. registered futures commission merchants or broker dealer;

- (h) hold all necessary Authorisations so as to allow it to carry on business as a Member on the ICE Platform, including ICE Block, in accordance with all Applicable Laws;
- (i) be able to demonstrate, to the satisfaction of the Exchange, that the applicant is permitted under Applicable Laws, these Regulations and any applicable Circulars or 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
- (j) have arrangements, systems, controls, policies and procedures in place in accordance with Rule A.11 and be able to demonstrate the same to the Directors' satisfaction in accordance with Rule A.11.4;
- (k) have policies, procedures, systems and controls which are adequate to ensure compliance with Applicable Laws relevant to its behaviour as a Member (including, but not limited to, Applicable Laws relating to anti-money laundering and financial crime) and appropriately mitigate the risks that the Exchange's facilities could be used for any improper purpose, and, at the request of the Exchange and/or the Clearing House, promptly provide satisfactory evidence of such policies, procedures, systems and controls (including, without limitation, copies of all relevant documentation) and of the adequate implementation and maintenance of such policies, procedures, systems and controls; and
- (l) have been subject to customer due diligence measures under the Money Laundering Directive to the Exchange's satisfaction.

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

- (a) [Not used];
- (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 or Trade 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 may be restricted by the Exchange in the types and categories of Contracts in relation to which they may trade;
- (e) where access is granted by a Member to clients and the client orders are placed and/or trades are executed under that access granted by the Member, the Exchange will, and will be entitled to, rely on representations and warranties, deemed automatically to arise pursuant to these Regulations from a Member, that the Member acknowledges its obligation in Rules B.1.4(a) and/or B.1.4(b) and that compliance with Applicable Laws includes, without limitation, compliance with Applicable Laws relating to customer due diligence in respect of its customer; and
- (f) any Member with access to the Softs Deliveries Platform must comply with the Softs Deliveries Platform Rulebook.

### **B.3A ADDITIONAL MEMBERSHIP CRITERIA FOR DIRECT ELECTRONIC ACCESS PROVIDERS<sup>26</sup>**

B.3A.1 The Exchange may permit Members to provide Direct Electronic Access subject to these Regulations. The provision of Sponsored Access by Members to clients is subject to the Exchange's written approval in advance of providing such access. For the avoidance of doubt, clients to whom the Member provides Direct Electronic Access will not be considered in any way to be a Member of the Exchange by virtue of such access.

B.3A.2 A Member may provide its clients with Direct Electronic Access only if the Member is:

- (a) an Investment Firm;
- (b) a Credit Institution;

<sup>26</sup> Inserted 3 January 2018, amended 17 December 2020, 27 December 2023

- (c) a UK firm to which MiFID II does not apply pursuant to an exemption under Articles 2(1)(a), (e), (i), or (j) of MiFID II and which is authorised under the Financial Services and Markets Act 2000 to provide Investment Services and Activities for the purposes of MiFID II;
- (d) a Third Country Firm registered with ESMA under Article 46 of MiFIR or has the right under Article 47 of MiFIR to provide Direct Electronic Access;
- (e) a Third Country Firm providing Direct Electronic Access pursuant to the overseas persons exclusion under Article 72 of the Financial Services and Markets Act (Regulated Activities) Order 2001 for the purposes of Article 54(1) of MiFIR; or
- (f) a Third Country Firm which does not come within paragraph (d) or (e) but which is permitted to provide Direct Electronic Access in accordance with the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 or otherwise under English or UK laws.

B.3A.3 DEA Providers must have in place effective systems and controls before they provide their clients with access to the Exchange. Such systems and controls must ensure that:

- (a) the suitability of the DEA clients using the service can be properly reviewed and assessed;
- (b) DEA clients using the service are prevented from exceeding appropriate pre-set trading and credit thresholds;
- (c) trading by DEA clients is properly monitored; and
- (d) appropriate risk controls prevent trading by DEA clients which:
  - (i) may create risks to the DEA Provider itself;
  - (ii) may create, or contribute to, a disorderly market; or
  - (iii) may breach the Market Abuse Regulation or these Regulations.

B.3A.4 DEA Providers must, at the time of receiving the Exchange's approval to act as such and at all times thereafter:

- (a) be responsible for ensuring that DEA clients comply with the requirements of MiFID II and these Regulations, including by:
  - (i) establishing policies and procedures to ensure that the trading of its DEA clients complies with these Regulations; and
  - (ii) monitoring transactions in order to identify any infringements of MiFID II and these Regulations, disorderly trading conditions or conduct that may involve market abuse;
- (b) apply pre- and post-trade controls on the order flow of each of their DEA clients and have in place real-time monitoring and market surveillance control to detect market manipulation, which controls and monitoring meet the following criteria:
  - (i) the controls shall be separate and distinct from the controls and monitoring applied by DEA clients;
  - (ii) the orders of DEA clients shall always pass through such controls and monitoring;
  - (iii) notwithstanding the fact that the DEA Provider may use its own pre-trade and post-trade controls, controls provided by a third party or controls offered by the Exchange and real time monitoring, the DEA Provider shall remain responsible for the effectiveness of such controls and monitoring in all circumstances and be solely entitled to set or modify the parameters or limits of such controls and monitoring;
  - (iv) the performance of the controls shall be monitored by the DEA Provider on an ongoing basis; and
  - (v) the limits of the pre-trade controls on order submission shall be based on the credit and risk limits which the DEA Provider applies to the trading activity of its DEA clients, and the risk limits shall be based on the initial due diligence and periodic review of the DEA client by the DEA Provider; and
- (c) in relation to providing Sponsored Access, ensure that the parameters and limits of the controls applied to DEA clients using Sponsored Access are as stringent as those imposed on DEA clients using Direct Market Access, and that DEA Providers providing Sponsored Access are at all times exclusively

entitled to set or modify the parameters that apply to the controls over the order flow of their Sponsored Access clients.

- B.3A.5 DEA Providers must perform due diligence on prospective DEA clients to ensure that they meet the requirements under these Regulations or otherwise set by the Exchange or under any Applicable Law, before giving such clients access to the Exchange. This due diligence must cover relevant matters including, but not limited to, the following:
- (a) the governance and ownership structure of the prospective DEA client;
  - (b) the types of strategies to be undertaken by the prospective DEA client;
  - (c) the operational set-up, systems, pre-trade and post-trade controls and real-time monitoring of the prospective DEA client, provided that where the DEA Provider allows clients to use third-party trading software for accessing the Exchange, it must ensure that the software includes pre-trade controls that are equivalent to the pre-trade controls as required under any Applicable Law (including, but not limited to, MiFID II) and these Regulations;
  - (d) the responsibilities within the prospective DEA client for dealing with actions and errors;
  - (e) the historical trading pattern and behaviour of the prospective DEA client;
  - (f) the level of expected trading and order volume of the prospective DEA client;
  - (g) the ability of the prospective DEA client to meet its financial obligations to the DEA Provider; and
  - (h) the disciplinary history of the prospective DEA client, where available.
- B.3A.6 Where a DEA Provider allows a DEA client to sub-delegate the access it receives to its own clients, the DEA Provider must ensure that, before granting that DEA client access, the DEA client has a due diligence framework in place that is at least equivalent to the due diligence framework set out in Rule B.3A.5.
- B.3A.7 DEA Providers must perform a risk-based reassessment of the adequacy of their DEA clients' systems and controls on an annual basis, in particular taking into account changes to the scale, nature or complexity of their trading activities or strategies, changes to their staffing, ownership structure, trading or bank account, regulatory status, financial position and whether a DEA client has expressed an intention to sub-delegate the access it receives from the DEA Provider.
- B.3A.8 DEA Providers must have in place a binding written agreement between themselves and their DEA clients which:
- (a) details the rights and obligations of both parties arising from the provision of their services;
  - (b) states that the DEA Provider is responsible for ensuring the client complies with the requirements of MiFID II and these Regulations; and
  - (c) when the DEA client is itself providing access to its clients, requires its DEA client to agree to all the terms set forth in Rules B.3A.3 to B.3A.13 with respect to all of such DEA client's clients.
- B.3A.9 A DEA Provider must ensure that its trading systems enable it to:
- (a) monitor any orders submitted by a DEA client using the trading code of the DEA Provider;
  - (b) automatically block or cancel orders from:
    - (i) individuals which operate trading systems that submit orders related to Algorithmic Trading and which lack authorisation to send orders through DEA;
    - (ii) a DEA client for Financial Instruments that the DEA client does not have permission to trade, using an internal flagging system to identify and block single DEA clients or a group of DEA clients; and
    - (iii) a DEA client that breaches the DEA Provider's risk management thresholds, applying controls to exposures of individual DEA clients, Financial Instruments or groups of DEA clients;
  - (c) stop order flow transmitted by its DEA clients;
  - (d) suspend or withdraw DEA services to any DEA client where the DEA Provider is not satisfied that continued access would be consistent with its rules and procedures for fair and orderly trading and market integrity; and
  - (e) carry out, whenever necessary, a review of the internal risk control systems of a DEA client.

- B.3A.10 DEA Providers must have in place procedures to evaluate, manage and mitigate market disruption and firm-wide risk, and must be able to identify the Persons to be notified in the event of an error resulting in violations of the risk profile or potential breaches of these Regulations.
- B.3A.11 DEA Providers must at all times be able to identify its different DEA clients and the trading desks and traders of those DEA clients, who submit orders through the DEA Provider's systems, by assigning unique identification codes to them.
- B.3A.12 Where a DEA Provider allows a DEA client to sub-delegate the DEA access it receives to its own clients, the DEA Provider must be able to identify the different order flows from the clients. For these purposes, it will not be necessary for the DEA Provider to know the identity of these clients.
- B.3A.13 DEA Providers must record data relating to the orders submitted by their DEA clients, including modifications and cancellations, the alerts generated by their monitoring systems and the modifications made to their filtering process.
- B.3A.14 The parameters and limits of the controls applied by DEA Providers to DEA clients using Sponsored Access shall be as stringent as those imposed by them on DEA clients using Direct Market Access.
- B.3A.15 In accordance with Rule B.7, the Exchange may:
- (a) suspend or withdraw the provision of Direct Electronic Access or Sponsored Access by DEA Providers or their clients who are in breach of MiFID II, MiFIR, these Regulations or any other Applicable Law; and
  - (b) stop orders or trading by a DEA client separately from other orders or trading by the DEA Provider.
- B.3A.16 The Exchange may set additional standards regarding risk controls and thresholds on trading through Direct Electronic Access.

### **B.3B ADDITIONAL MEMBERSHIP CRITERIA FOR MEMBERS THAT ARE INVESTMENT FIRMS ENGAGING IN ALGORITHMIC TRADING<sup>27</sup>**

In addition to meeting the general criteria in Rule B.3, a Member that is an Investment Firm engaging or intending to engage in Algorithmic Trading must demonstrate to the satisfaction of the Exchange that it has sufficient systems and controls in place in accordance with the requirements set out in Rule A.11A.

### **B.3C ADDITIONAL MEMBERSHIP CRITERIA FOR MEMBERS THAT ARE CLEARING MEMBERS<sup>28</sup>**

In addition to meeting the general criteria in Rule B.3, a Member that is a Clearing Member must:

- (a) comply with the membership criteria of the Clearing House; and
- (b) ensure that any systems used by the Member to support the provision of its clearing services to its clients are subject to appropriate due diligence assessments, controls and monitoring.

### **B.3D ADDITIONAL MEMBERSHIP CRITERIA FOR MEMBERS THAT ARE INVESTMENT FIRMS AND ALSO CLEARING MEMBERS CLEARING FOR CLIENTS<sup>29</sup>**

- B.3D.1 In addition to meeting the general criteria in Rule B.3, a Member that is an Investment Firm and also a Clearing Member who is a General Participant with the permissions set out in Rule B.6.1(c) or (e) must:
- (a) have in place effective systems and controls to ensure that:
    - (i) clearing services are only applied to Persons who are suitable and meet clear criteria; and
    - (ii) appropriate requirements are imposed on those Persons to reduce risks to the Member and to the market;
  - (b) enter into binding written agreements with such Persons regarding the essential rights and obligations arising from the provision of that service in accordance with MiFID II and the Clearing House Rules;

<sup>27</sup> Inserted 3 January 2018

<sup>28</sup> Inserted 3 January 2018

<sup>29</sup> Inserted 3 January 2018, 17 December 2020

- (c) set out and communicate to its clearing clients appropriate trading and position limits to mitigate and manage its own counterparty, liquidity, operational and other risks;
- (d) monitor its clearing clients' positions against the limits referred to in paragraph (c) as close to real-time as possible and have appropriate pre-trade and post-trade procedures for managing the risk of breaches of the position limits, by way of appropriate margining practice and other appropriate means;
- (e) publish the conditions under which it offers its clearing services; and
- (f) inform its prospective and existing clearing clients of:
  - (i) the level of protection and of the costs associated with the different levels of segregation it provides; and
  - (ii) the main legal effects of the respective levels of segregation offered, including information on the Applicable Law relating to Insolvency in the relevant jurisdiction.

B.3D.2 For the purposes of Rule B.3D.1(a), a Member shall, as a minimum:

- (a) make initial assessments of prospective clearing clients against the following criteria, taking into account the nature, scale and complexity of the prospective client's business:
  - (i) credit strength, including any guarantees given;
  - (ii) internal risk control systems;
  - (iii) intended trading strategy;
  - (iv) payment systems and arrangements that enable the prospective clearing client to ensure a timely transfer of assets or cash as margin, as required by the Member in relation to the clearing services it provides;
  - (v) systems settings and access to information that helps the prospective clearing client to respect any maximum trading limit agreed with the Member;
  - (vi) any collateral provided to the Member by the prospective clearing client;
  - (vii) operational resources, including technological interfaces and connectivity; and
  - (viii) any involvement of the prospective clearing client in a breach of the rules ensuring the integrity of the financial markets, including involvement in market abuse, financial crime or money laundering activities; and
- (b) annually review the ongoing performance of its clearing clients against the criteria listed in paragraph (a) above.

## B.4 APPLICATION FOR MEMBERSHIP<sup>30</sup>

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:

- (a) which category of membership it is seeking;
- (b) the type of Contracts it wishes to trade and/or clear;
- (c) whether it is to be a Clearing Member, 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
- (d) 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's on ICE Block; and/or (ii) EFP's and EFS's on ICE Block; (iii) Basis Trades or Soft Commodity EFRP's on ICE Block; (iv) Asset Allocations on ICE Block and/or (v) the ICE Platform for the purpose of entering Cross Trades, and specifying the Contracts for which it wishes to have access.

<sup>30</sup> 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, 3 September 2014, 18 September 2014, 3 June 2016, 31 August 2020, 17 December 2020

- B.4.2 Any application must be submitted to the Membership Department along with the applicable application fee, which shall be non-refundable, 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 Approval of the application shall be at the Directors' absolute discretion, subject to the applicant's rights in respect of reconsideration and appeal under the Regulations. If they refuse the application, the Directors shall give the applicant a written statement of their reasons. The Exchange may at its discretion attach objective conditions to any application for membership prior to such status being granted, provided that such additional conditions are proportional to the risk brought by the applicant. The Exchange may grant approval to an applicant conditional upon satisfying certain requirements, provided that the applicant has expressed its intention to meet such requirements and provided evidence of its ability to do so.
- 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 Facility) will be confirmed. The membership shall become effective at the point in time notified by the Membership Department to the applicant. Membership 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 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, EFP, EFS, Basis Trades, Asset Allocations and/or Soft Commodity EFRPs (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 [Not used]
- B.4.8 Neither Rule B.4.1 nor Rule B.4.6 applies in respect of access to a Block Transparency Auction. Rules B.5.3, B.5.5 and B.6.5 shall be interpreted accordingly.

## **B.5 ONGOING NOTIFICATION REQUIREMENTS<sup>31</sup>**

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

<sup>31</sup> Amended 22 April 2005, 29 March 2006, 17 October 2008, 15 October 2012, 4 June 2014, 18 September 2014, 3 June 2016, 17 December 2020, 27 December 2023

- (b) any proposed change in the location from which the Member or their clients will access the ICE Platform (where the new location is in a different jurisdiction from that previously notified to the Exchange); and
  - (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 Regulations.
- B.5.3 If the Directors decline to approve any change notified under Rule B.5.1A 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 EFM, EFPs, EFSs, Basis Trades, Asset Allocations and/or Soft Commodity EFRPs (as applicable) on ICE Block Facility 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 in writing of such information and of any changes thereto in respect of such of the Member's Representatives and other Persons as the Directors or the ARC 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 Exchange Bodies (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 Bodies 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 EFM, EFPs, EFSs, Basis Trades, Asset Allocations and/or Soft Commodity EFRPs (as applicable) on ICE Block Facility 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, Exchange, Compliance Officer or the ARC Committee to commence disciplinary proceedings in respect of the failure.

## B.6 SCOPE OF PARTICIPANT ACTIVITIES<sup>32</sup>

- B.6.1 A General Participant, other than an ICE Block Member shall be permitted to:
  - (a) trade in such Contracts, only if it has been approved to trade such Contracts on the ICE Platform, as appropriate, for own business and in connection with client business in conformity with the Regulations;
  - (b) [Not used];
  - (c) in the case of a General Participant who is also a Clearing Member, become counterparty to the Clearing House in accordance with the Clearing House Rules in respect of:
    - (i) all Contracts arising pursuant to trades entered into the ICE Platform by the General Participant;
    - (ii) by agreement, any Contract arising pursuant to trades entered into the ICE Platform by another Member.
  - (d) accept allocations of Contracts arising pursuant to trades entered into on the ICE Platform by other General Participants in relation to the relevant Contracts approved under paragraph (a);

<sup>32</sup> 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, 3 September 2014, 3 June 2016, 31 August 2020, 17 December 2020, 27 December 2023

- (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); and
- (f) access and participate in Block Transparency Auctions.

B.6.1A [Deleted 29 January 2014]

B.6.2 A Trade Participant, other than an ICE Block Member shall be permitted to:

- (a) trade in such Contracts, only if it has been approved to trade such Contracts on the ICE Platform, as appropriate, for own business in conformity with the Regulations;
- (b) [Not used];
- (c) in the case of a Trade Participant who is also a Clearing Member, 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 all Contracts arising pursuant to trades entered into on the ICE Platform by the Trade Participant;
- (d) accept allocations of Contracts made on the ICE Platform by a General Participant in relation to Relevant Contracts approved under paragraph (a), provided that such Contracts are own business of the Trade Participant; and
- (e) access and participate in Block Transparency Auctions.

B.6.3 [Not used]:

B.6.4 The Trading Procedures shall apply to all Members who trade on the ICE Platform (and to any Person Subject to the Regulations).

B.6.5 A General Participant or Trade 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 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 EFM, EFPs, EFSs, Basis Trades, Asset Allocations and/or Soft Commodity EFRPs, and/or the ICE Platform for the purpose of entering Cross Trades for such communicated Contracts, as appropriate.

**B.6A [NOT USED]<sup>33</sup>**

**B.6B [NOT USED]<sup>34</sup>**

**B.6C [NOT USED]<sup>35</sup>**

**B.6D LIQUIDITY PROVIDER PROGRAMS<sup>36</sup>**

### Participants in Liquidity Provider Programs and Liquidity Providers

- B.6D.1 Participants in Liquidity Provider Programs may be required to meet participation criteria, conditions and/or obligations set by the Exchange as applicable to participants in a particular Liquidity Provider Program, as the same may be amended or added to from time to time, in order to be able to continue to participate in a particular Liquidity Provider Program.
- B.6D.2 Any Person applying to be a Liquidity Provider may be required to satisfy specific criteria in relation to liquidity providing arrangements and Liquidity Provider Commitments in relation to the trading of the Designated Products, as notified to the applicant by the Exchange.
- B.6D.3 Liquidity Providers shall carry out all of their Liquidity Provider Commitments, except that Liquidity Providers shall not be obliged to carry out a Liquidity Provider Commitment in the event that the Exchange confirms or the Liquidity Provider reasonably determines and promptly notifies in writing to the Exchange,

<sup>33</sup> Inserted 22 April 2005, 29 March 2006, Launch of ICE Clear 2008, 29 January 2014, 4 June 2014, 3 September 2014, 31 August 2020, deleted 17 December 2020

<sup>34</sup> Inserted 4 June 2014, amended 3 September 2014, 31 August 2020, deleted 17 December 2020

<sup>35</sup> Inserted 4 June 2014, amended 3 September 2014, 31 August 2020, deleted 17 December 2020

<sup>36</sup> Inserted 18 September 2014, amended 3 January 2018, 17 December 2020

that the conditions which pertain in relation to the trading of a Designated Product for that Liquidity Provider Program on the ICE Platform are abnormal.

- B.6D.4 In the event of the circumstances referred to in Rule B.6D.3 arising with regard to the Liquidity Provider, the Liquidity Provider may, acting reasonably, either:
- (a) widen the bid/offer spread applicable to the relevant Liquidity Provider Commitment (and promptly notify the Exchange accordingly); or
  - (b) withdraw from carrying out its Liquidity Provider Commitment with respect to the relevant Liquidity Provider Program so long as the abnormal trading circumstances are verified as such by the ICE Futures Market Supervision Department, such verification occurring on the request of the Liquidity Provider.

### **Liquidity Provider Programs**

- B.6D.5 The Exchange may make the availability of a Liquidity Provider Program contingent on certain cleared volume levels or other criteria relevant to the benefit of the market.
- B.6D.6 Transactions entered into by the Liquidity Provider pursuant to a Liquidity Provider Program will be appropriately identified as such in accordance with arrangements for identifying Transactions agreed upon by the Exchange and the Liquidity Providers. In the event that the Liquidity Provider has not complied with reasonable Liquidity Provider Program criteria or requests to assist Transaction identification for the purposes of the Liquidity Provider Program, the Exchange reserves the right to disqualify resulting unidentified Transactions.
- B.6D.7 The Exchange may withdraw any of its Liquidity Provider Programs at any time. The Exchange shall be entitled to terminate any Liquidity Provider's participation in a Liquidity Provider Program on notice at its sole discretion. A Liquidity Provider may terminate its participation in a Liquidity Provider Program upon one month's written notice.
- B.6D.8 The benefits receivable under Liquidity Provider Programs shall comprise rebates of transaction costs payable by the Liquidity Provider to the Exchange and/or the Clearing House as a result of trading in a Designated Product, and/or other benefits as determined by the Exchange (collectively, "Liquidity Provider Benefits"). The Liquidity Provider shall not:
- (a) cause any detriment to clients of the Liquidity Provider Program participants; or
  - (b) affect or distort the orderly functioning of the market in a Designated Product.

No Liquidity Provider Program shall affect the margin applicable to any contract cleared by the Clearing House.

The Liquidity Provider shall not enter into any transaction on the Exchange or with the Clearing House or another Liquidity Provider Program participant, other than for proper trading purposes (which may include, but are not limited to, hedging, investment, speculation, price determination, arbitrage and filling client orders from any client for whom the Liquidity Provider acts).

### **Confidentiality and Publicity**

- B.6D.9 The Exchange may publish details of any Liquidity Provider Program and name its participants from time to time. The Liquidity Provider shall not disclose the terms of any Liquidity Provider agreement, provided that the Liquidity Provider may disclose details of the terms of any Liquidity Provider agreement to a Regulatory Authority or in accordance with Applicable Law or Rule B.6D.10. In the case of the Exchange, confidential information held by it in relation to the Liquidity Provider Program shall be treated in accordance with Rule A.4.
- B.6D.10 The Liquidity Provider shall, to the extent required by Applicable Law, inform its clients of its participation in each Liquidity Provider Program and such details of the Liquidity Provider Program as are required to be disclosed. The Liquidity Provider (and not the Exchange) shall be responsible for any disclosure required to be made to clients of the Liquidity Provider, in relation to the Liquidity Provider Program and for any other risks or conflicts of interest that may arise from time to time as a result of participation.

### **Fees**

- B.6D.11 The Exchange shall, at its sole discretion, determine Liquidity Provider Benefits, including the Transaction Fee Amount and the Termination Fee Amount payable to Liquidity Providers.

- B.6D.12 Subject to Rule B.6D.13, Liquidity Provider Benefits in respect of Transactions in a particular calendar month shall be paid to the Liquidity Provider within 30 days of the end of the calendar month in which the relevant Transaction Fees are received by the Exchange, provided that, in the relevant calendar month, the Liquidity Provider complies with the relevant Liquidity Provider Commitments.
- B.6D.13 If the Liquidity Provider ceases to participate in a Liquidity Provider Program under Rule B.6D.7, then provided that the Liquidity Provider has complied with the relevant Liquidity Provider Commitments:
- (a) a Termination Fee Amount shall be payable to the Liquidity Provider on the Business Days in the relevant calendar month prior to the date on which the termination is effective; and
  - (b) any Liquidity Provider Benefit which does not comprise a rebate of transaction costs, and which therefore is excluded from the Termination Fee Amount, shall be subject to payment on a pro-rata basis.

### Payment

- B.6D.14 For each Liquidity Provider Program, the payer of the rebate, fee discount or incentive payment under the Liquidity Provider Program shall be the Exchange and the payee shall be the Liquidity Provider, regardless of whether such Person is or is not an Exchange Member.
- B.6D.15 The Exchange may arrange for the Clearing House to make any payment in respect of the Liquidity Provider Program on the payer's behalf. The Liquidity Provider may direct that payments be made directly to its account or to the account of a relevant Member or Clearing Member, as appropriate. Any payment in accordance with such instructions shall constitute due and final payment by the Exchange to the account of the Liquidity Provider. The Liquidity Provider may direct changes to such payment arrangements from time to time by providing written notice to the Exchange.
- B.6D.16 In the absence of any payment instructions, the Exchange shall be entitled (but shall not be required) to make payment in respect of any payment under a Liquidity Provider Program by crediting amounts to the proprietary account or customer account of the relevant Member or Clearing Member and in doing so shall have discharged its obligations in relation to the relevant Liquidity Provider Program payment.

### General

- B.6D.17 Terms, conditions, rebates, fee discounts and incentive payments may be varied, amended, modified, extended or supplemented by the Exchange at its sole discretion, from time to time, by notice to a Liquidity Provider or by Circular.

## B.6E MiFID II MARKET MAKING SCHEMES<sup>37</sup>

### MiFID II Market Making Scheme

- B.6E.1 Rules B.6D.1 to B.6D.5, B.6D.7 to B.6D.8, B.6D.12 and B.6D.13 to B.6D.17 shall apply equally to MiFID II Market Making Schemes as they apply to Liquidity Provider Programs, to the extent permissible under Applicable Laws.
- B.6E.2 Details of MiFID II Market Making Schemes in relation to MiFID II Designated Products will be made available on the website of the Exchange.

### MiFID II Market Making Agreements

- B.6E.3 Members and any other Persons that are Investment Firms shall not be entitled to adopt a trading strategy that falls under Article 1 of Commission Delegated Regulation (EU) 2017/578 with regard to regulatory technical standards specifying the requirements on market making agreements and schemes unless they first enter into a MiFID II Market Making Agreement with the Exchange covering such strategy and comply with its terms.
- B.6E.4 Each MiFID II Market Maker shall:
- (a) provide liquidity in relation to the relevant MiFID II Designated Product on a regular and predictable basis to the Exchange as set out in Article 17(3)(a) of MiFID II; and
  - (b) have in place effective systems and controls to ensure that it fulfils its obligations under the MiFID II Market Making Agreement it enters into pursuant to Rule B.6E.3.

<sup>37</sup> Inserted 3 January 2018, amended 17 December 2020

**Identification**

- B.6E.5 Transactions entered into by a MiFID II Market Maker pursuant to a MiFID II Market Making Scheme will be appropriately identified as such in accordance with arrangements for identifying Transactions agreed upon by the Exchange and the MiFID II Market Makers.

**Pricing**

- B.6E.6 In respect of a MiFID II Market Making Scheme, the same incentives will be made available to all MiFID II Market Makers who perform equally in terms of presence, size and spread.
- B.6E.7 The Exchange may limit the access to the incentives included in a MiFID II Market Making Scheme to MiFID II Market Makers which have met pre-determined thresholds.

**Confidentiality and Publicity**

- B.6E.8 MiFID II Market Makers shall not disclose the terms of any MiFID II Market Making Agreement, except to a Regulatory Authority or in accordance with Applicable Laws or Rule B.6E.10. In the case of the Exchange, such confidential information shall be treated in accordance with Rule A.4.
- B.6E.9 Notwithstanding Rule B.6E.8, the Exchange may publish details of the names of MiFID II Market Makers that have signed MiFID II Market Making Agreements under each of its MiFID II Market Making Schemes and the MiFID II Designated Products covered by those MiFID II Market Making Agreements, in accordance with Applicable Laws and may publicise information concerning the MiFID II Market Making Schemes.
- B.6E.10 Each MiFID II Market Maker shall (to the extent required by Applicable Law) inform its clients of its participation in the Exchange's MiFID II Market Making Scheme, shall direct its clients to the details of such MiFID II Market Making Scheme as published on the Exchange's website pursuant to Rule B.6E.9 and shall disclose to the clients any other details of the MiFID II Market Making Scheme as are required or advisable to be disclosed. The MiFID II Market Maker (and not the Exchange) shall be responsible for any disclosure required to be made to clients of the MiFID II Market Maker, in relation to the MiFID II Market Making Scheme and for any other risks and conflicts of interest that may arise from time to time as a result of participation.

**B.7 SUSPENSION AND TERMINATION<sup>38</sup>**

- B.7.1 The Directors shall be entitled to terminate or expel a Member from membership of the Exchange, or, in the case of any other Person Subject to the Regulations, upon written notice to the Person Subject to the Regulations, terminate their status as a Person Subject to the Regulations, expel or permanently remove their right to access the ICE Platform:
- (a) following the recommendation of the ARC Committee under Rule B.1.2 or an ARC Disciplinary Panel under Rule E.5.3;
  - (b) at the request of that Member, that Member's Clearing Member, the Clearing House or any Regulatory Authority;
  - (c) following any material breach by the Person Subject to the Regulations of any provision of these Regulations;
  - (d) if the Directors consider that termination or expulsion is necessary to protect the interests of the Exchange or its Members (in the case of a Member, excluding the Member concerned), to ensure an orderly market or ensure the Exchange's compliance with Applicable Law; or
  - (e) in the exercise of any other power conferred on the Directors by the Regulations.
- B.7.2 The Exchange (including, without limitation, the Compliance Officer) shall be entitled to suspend a Member or any other Person Subject to the Regulations:
- (a) upon the recommendation of the ARC Committee under Rule B.1.2 or an ARC Disciplinary Panel under Rule E.5.3;
  - (b) at the request of that Member, that Member's Clearing Member, the Clearing House or any Regulatory Authority;

<sup>38</sup> Amended 22 April 2005, 29 March 2006, 29 May 2007, 3 January 2018, 20 January 2020, 21 October 2020, 17 December 2020, 21 March 2023

- (c) following any breach of Rule B.3 or the Membership Agreement or any material breach by the Person Subject to the Regulations of any provision of these Regulations;
  - (d) if the Exchange (including, without limitation, the Compliance Officer) considers that suspension is necessary to protect the interests of the Exchange or its Members (in the case of a Member, excluding the Member concerned), to ensure an orderly market or ensure the Exchange's compliance with Applicable Law;
  - (e) in the event of any Force Majeure Event affecting the Person Subject to the Regulations; or
  - (f) in the exercise of any other power conferred on the Exchange by the Regulations.
- B.7.2A The Directors may, upon consideration, suspend any or all membership permissions, or terminate the membership of or expel any Exchange Member, where that Member fails to respond to the satisfaction of the Exchange within 30 calendar days from the date of the written notice to a request for information. Requests for information may include, but are not limited to, information regarding the Member's usage, requirements or need of the Membership.
- B.7.2B Unless otherwise stated in these Regulations, any decision to suspend a Member or any other Person Subject to the Regulations under these Regulations may occur for such term as may be determined by the Directors or Exchange (as applicable):
- (a) in the case of a Member, in relation to its status as a Member or in respect of certain rights of that Member only (for example, its rights in respect of certain Contracts only or its permission to access the ICE Platform); or
  - (b) in the case of any other Person Subject to the Regulations, in respect of its status as a Person Subject to the Regulations, or in respect of certain rights of that Person Subject to the Regulations only (for example, its rights in respect of certain Contracts only or its permission to access the ICE Platform).
- B.7.2C The Exchange shall be entitled to suspend or terminate the membership of any Member at its discretion, if:
- (a) the Member has had no trading activity or otherwise not used its Exchange membership for a 12-month period; or
  - (b) the Member has been dissolved.
- B.7.3 If Insolvency occurs in respect of a Member 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 Section D) or at the discretion of the Directors shall be terminated from the time of such occurrence, save that where the Member is declared a Defaulter, 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 Law, as the case may be.
- B.7.4 A Member or any other Person Subject to the Regulations that has been suspended shall, during the term of such suspension and thereafter, remain liable in respect of all its obligations incurred before, during or after such suspension under the Regulations and any agreements between it and the Exchange, including, without limitation, its obligation to pay an annual subscription or any other fees, fines, levies or charges, its obligations arising under Contracts, in respect of the relevant category of membership and its obligations in respect of any steps taken with regard to it under Section D. 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 Section D.
- B.7.5 Subject to any applicable provision of Section D, the termination or 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 ARC Committee under Rules I.17 and I.18 or to arbitration under Section H or the Clearing House Rules.
- B.7.6 Upon the termination or expulsion of a Member taking effect it shall cease to have any rights and privileges of membership of the Exchange including any trading permissions. The Exchange may direct the Member to close out all its positions prior to any such termination or expulsion taking effect.
- 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, 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, any other Member holding on its behalf an open position on the Market which is not discharged under Section D may, upon the completion of Default Proceedings in respect of the suspended Member, close such open position without prior notice.

- B.7.8 Upon the termination or 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 Exchange shall give notice of the termination or expulsion or suspension to all Members and to the Clearing House.

## **B.8 RECONSIDERATION AND APPEAL**<sup>39</sup>

- B.8.1 If the Directors or Exchange refuse an application for membership or refuse to approve a change in business particulars notified to the Exchange under Rule B.5.1A, impose sanctions on a Member under Rule B.1.2, make a decision under Rule B.1.6 and / or B.7 in respect of status, rights or obligations of a Member or suspend a Member's permission to trade for more than seven days or terminate or expel a Member, (other than pursuant to a recommendation made by the ARC Committee under Rule B.12 or an ARC Disciplinary Panel under Rule E.5.3) 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. No request or representation may be made under this Rule in respect of any determination made or step taken under Section D.
- 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 decision in respect of which the request has been received. The Exchange shall forthwith notify the applicant or Member of the outcome.
- B.8.3 Within fourteen days of receiving such notice from the Exchange the applicant or Member may serve notice on the Exchange of its intention to appeal against the Directors' determination.
- B.8.4 The appeal will be to an Appeals Panel appointed in accordance with the provisions of Rule E.6 and will be carried out in accordance with the procedure set out in Rule E.6. Subject to Rules B.8.3 and B.8.5, the provisions of Rule E.6 will apply to an appeal pursuant to Rule B.8.3 as if the determination by the Exchange were a sanction imposed on the applicant or Member by an ARC Disciplinary Panel.
- B.8.5 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 PLATFORM**<sup>40</sup>

- B.9.1 Contracts shall arise only at the times and subject to the conditions set out in the Clearing House Rules and Rule F.1.
- B.9.2 [Deleted, Launch of ICE Clear 2008]
- B.9.3 [Deleted 3 September 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 ACTIVITIES**<sup>41</sup>

- B.10.1 Only certain categories of membership are eligible to be Clearing Members for the purposes of the Regulations in relation to the ICE Platform, on the basis set out below:

<sup>39</sup> Amended 29 March 2006, 20 January 2020, 21 October 2020, 17 December 2020

<sup>40</sup> Amended 29 March 2006, Launch of ICE Clear 2008, 29 January 2014, 4 June 2014, 3 September 2014

<sup>41</sup> Amended 15 April 2005, 22 April 2005, 29 March 2006, 17 October 2008, Launch of ICE Clear 2008, 3 September 2014, 17 December 2020, 27 December 2023

- (a) [Not used];
- (b) Trade Participants may elect to be: (i) Clearing Members for the purpose of clearing own business (subject to them 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 Members, in which case they must have in place a Clearing Agreement or indirect clearing agreement as specified in Rule B.3.1(g)(iv);
- (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 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 Members, in which case they must have in place a Clearing Agreement or indirect clearing agreement as specified in Rule B.3.1(g)(iv);
- (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); and
- (e) [Not used];
- (f) ICE Block Members may not be Clearing Members and must itself have or ensure that their clients have in place a Clearing Agreement or an indirect clearing agreement as specified in Rule B.3.1(g)(iv).

B.10.2 [Deleted 15 April 2005]

B.10.3 A Member shall forthwith notify the Exchange upon becoming or ceasing to be a Clearing Member 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 Exchange 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 [NOT USED]<sup>42</sup>**

**B.12 APPLICABLE LAW<sup>43</sup>**

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 (for the purposes of this Rule B.12 only, 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 (for the purposes of this Rule B.12 only, 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 PRINCIPALS<sup>44</sup>**

<sup>42</sup> Amended 29 March 2006, 27 April 2006, 21 October 2020, 17 December 2020, deleted 27 December 2023<sup>43</sup> Inserted 29 May 2007, amended 17 December 2020

<sup>43</sup> Inserted 29 May 2007, amended 17 December 2020

<sup>44</sup> Inserted 3 September 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.