



## **ICE Futures Europe**

# **FAQ - Position Reporting, Management, Accountability and Limits**

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# Position Reporting, Management, Accountability and Limits

## Frequently Asked Questions

This FAQ document should be read in conjunction with the ICE Futures Europe (“IFEU”, the “Exchange”) [Position Limits and Accountability Levels Policy \(July 2026\)](#) (“the Policy”) and [Section P](#) of the Exchange Regulations.

### 1. What is changing?

From 6 July 2026, changes to the FCA Handbook with regard to position limits and position monitoring on commodity derivatives will transfer first line responsibility for setting and enforcing position limits, and the granting of any exemptions, from the FCA to IFEU. This transfer of responsibility is set out in the FCA’s Market Conduct Sourcebook (MAR 10).<sup>1</sup>

Among the new provisions set out in MAR 10, the Exchange is required to establish and administer position limits and accountability thresholds (also known as accountability levels) on ‘critical’ commodity derivative contracts and those contracts determined to be ‘related’ to such critical contracts, in addition to its existing obligations to operate position reporting for all commodity and emission allowance derivative contracts (“FCA Regime Contracts”).

Concurrently, the Exchange will continue to operate position reporting, limits and accountability levels with respect to ‘referenced contracts’ and ‘linked contracts’ in its capacity as a Foreign Board of Trade registered with the CFTC (“CFTC Regime Contracts”). Similarly, the Exchange will continue to operate equivalent position reporting with respect to other IFEU contracts (“Exchange Regime Contracts”) as well as operate position limits and accountability levels on certain of these contracts, as well as delivery limits on certain physically deliverable contracts.

## [Position and Delivery Limits and Accountability Levels](#)

### 2. Which contracts are subject to limits and accountability levels and when are they effective?

The complete list of limits and levels that will be imposed by the Exchange from 6 July 2026 is provided in the [Table of Position and Delivery Limits and Accountability Levels \(July 2026\)](#)<sup>2</sup>. The limits are set out in the ‘Limits’ tab and the effective periods are detailed in the ‘Limit effective periods’ tab.

The limits and levels imposed until 6 July 2026 can be found [here](#).

### 3. What types of limits and accountability levels are imposed?

The Exchange may impose position limits in the spot month of a contract (i.e. the nearest dated contract), any single month, all months, or other months (all months except spot), as well as a delivery limit. The Exchange may also impose accountability levels in the spot month or other months (all months except spot).

Further information on the types of limit and accountability levels is provided in the Policy.

### 4. What are step-down position limits and how do they operate?

Step-down position limits are utilised in some contracts whereby the position limit in the spot month reduces in the days leading up to the contract expiry. This helps to ensure the orderly reduction or rolling of positions as the contract approaches expiry and a period of lower liquidity.

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<sup>1</sup> [MAR 10 \(Commodity derivative position limits and controls, and position reporting\)](#) - Version effective from 06 July 2026

<sup>2</sup> Please note that the limits are currently subject to regulatory approval

**5. How will IFEU notify the market of changes to limits or accountability levels and how much notice will be given?**

The Exchange will publish a Circular to notify market participants of any proposed or planned changes to limits or accountability levels. The Exchange will consult with market participants prior to implementing new or amended limits unless it is not reasonably practicable to do so. The Exchange may be required to enact changes promptly and without consultation in order to protect the orderly functioning of the market.

**6. How will position limits operate on WTI Crude Futures?**

From 6 July 2026, WTI Crude Futures (“WTI”) will be subject to position limits under both the FCA and CFTC regimes. Previously, WTI has been subject to position limits in the two days prior to expiry of the spot contract only. From 6 July 2026, WTI will be subject to a position limit for the entire spot month period and a position limit in other month contracts at all times.

**7. What happens in the event of a limit breach?**

The Exchange expects Clearing Members and their clients to actively monitor positions to prevent a breach of a limit and Clearing Members are responsible and fully liable for ensuring that their clients comply with limits (and the requirements of Section P more broadly). In the event of a breach, the Exchange will contact the Clearing Member and client (where applicable) to ensure that the position is reduced below the limit as soon as possible and in an orderly manner. The Exchange may, among things, seek further information on the cause of the breach and may determine to instigate an investigation or disciplinary proceedings in accordance with Section E of the Exchange Regulations.

**8. What happens in the event of an accountability level breach?**

Market participants are permitted to exceed an accountability level. However, doing so may result in further engagement with the Exchange, including requests for information relating to the position concerned. The Exchange may also require enhanced reporting for a period of time or it may issue directions not to increase the position further or to reduce the position. Any failure to comply with further engagement and requirements in this respect may result in the Exchange taking further action, including the instigation of an investigation of disciplinary proceedings in accordance with Section E of the Exchange Regulations.

**9. What are the expectations on Clearing Members whose client holds positions with multiple Clearing Members?**

The Exchange expects Clearing Members to monitor their clients’ positions. Where a client chooses to hold positions with multiple Clearing Members, the Exchange expects each Clearing Member to monitor the positions over which it has visibility and to ensure that the client is aware that the regime applies to the aggregated positions.

Per Rule P.3.3(c), where a breach of a limit results from the aggregate position held by a client across more than one Clearing Member, the Exchange may notify all relevant Clearing Members of the breach and may direct each Clearing Member to take such steps as are necessary to reduce the client’s positions.

## **Exemptions**

**10. Who can apply for an exemption?**

Any participant who believes that they may exceed a position limit can apply to the Exchange for an exemption provided they meet the application criteria and requirements.

For FCA Regime Contracts, exemptions are applicable at the position holder level (not at the parent entity level).

For CFTC Regime Contracts and Exchange Regime Contracts, exemptions are applicable at the position controller level. Entities that share mutual ownership and whose positions are aggregated for position reporting purposes can collectively apply for one exemption.

## **11. What types of exemptions are available?**

### Position Limits

For FCA Regime Contracts which are Critical Contracts and Related Contracts, participants may apply for a hedging exemption (for non-financial entities), a pass-through exemption (for financial entities), or a liquidity provider exemption. Exemptions on these contracts allow for qualifying positions to be exempt from position aggregation calculations, up to a pre-determined amount (an exemption ceiling). For example, risk reducing/hedging positions held by a non-financial participant that has an approved hedge exemption will be excluded from aggregation calculations when determining the position size of the participant and their parent entity (provided the positions are reported as being subject to a valid exemption).

For CFTC Regime Contracts and Exchange Regime Contracts, participants may apply for a bona fide hedging exemption, or an exemption for positions resulting from spread transactions or financial distress scenarios. Exemptions on these contracts allow the participant to hold positions greater than the position limit, up to a pre-determined amount (an exemption ceiling).

### Delivery Limits

The Exchange may also grant exemptions from delivery limits for participants who can demonstrate a commercial need and an ability to execute deliveries for a volume greater than the limit.

See the Policy and Section P for further information.

## **12. What is the process for applying for an exemption?**

To request an exemption, position holders, or a Clearing Member acting on their behalf, must complete the relevant application form and return it to Market Regulation. Applications should be made to the Exchange as soon as the applicant is aware that it is likely to require an exemption and, in any event, at least 10 business days prior to the date on which the exemption is intended to take effect. Incomplete applications, or applications received fewer than 10 business days before the intended effective date, may not be processed by the Exchange in time.

Links to the exemption application forms are provided in the Policy.

## **13. What is an exemption ceiling and how is it determined?**

For FCA Regime Contracts, an exemption ceiling is the maximum position that will be exempt from aggregation calculations (e.g. the maximum risk reducing/hedging position required by a non-financial participant).

For CFTC Regime Contracts and Exchange Regime Contracts, an exemption ceiling is the maximum position allowed to be held by the exemption holder.

The Exchange will assign an exemption ceiling to each exemption it grants. The level provided by the Exchange will depend on the information provided by the participant in their application, their historical trading activity, their compliance with previous exemptions and Exchange Regulations, and the characteristics and liquidity of the contract in which the exemption is requested.

#### **14. What happens to existing exemptions?**

An existing exemption on a CFTC Regime Contract or Exchange Regime Contract, which is not also an FCA Regime Contract, will continue to be effective until its expiry date. For WTI and other FCA Regime Contracts a new application will be required ahead of July 2026.

#### **15. How long are exemptions valid for?**

Exemptions will be valid for a maximum of 12 months and do not renew automatically. Where the holder of an exemption wishes to remain exempt from the applicable limit following the exemption's expiry, a new application must be submitted to the Exchange at least 10 business days in advance of the expiry. An exemption shall remain in full force and effect until it expires or is revoked, modified or made subject to further limitations or conditions by the Exchange.

Exemptions from agricultural commodity contract delivery limits will be provided on an individual expiry basis.

#### **16. Can exemptions be amended or revoked?**

Yes, failure to adhere to the conditions of the exemption, including those stated in Rules P.7.3 and P.7.4, may result in the revocation of the exemption.

Per Rule P.7.7, the Exchange may revise an exemption if the information provided in the application has changed or whenever the Exchange considers it necessary to maintain an orderly market.

#### **17. How will the exemption process change for WTI?**

Given that WTI will be subject to both FCA and CFTC regimes from 6 July 2026, applications for a position limit exemption must meet the requirements of both regulations. The FCA regime does not allow for exemptions on positions resulting from spread transactions or financial distress scenarios, therefore these exemption types will not be available on WTI, and participants will need to adhere to the applicable position limits. Hedging exemptions and pass-through hedging exemptions will continue to be available on WTI.

#### **18. What evidence is required for pass-through exemption applications?**

A financial entity applying for a pass-through exemption will need to attest in its application that it has written confirmation from the relevant non-financial client(s) that the applicable transactions and positions facilitate hedging activity by the non-financial client(s), and be able to provide such evidence upon request from the Exchange. ISDA's [Model Representations](#) is satisfactory evidence of such agreement.

#### **19. FCA Regime Contracts: How should positions subject to an exemption be reported to IFEU?**

Exemptions are granted at the product level for a specified duration and assigned a unique reference number. Where positions are subject to an exemption, the exemption type and reference number must be identified in position reports. Positions that are not subject to an exemption (e.g. speculative positions) should be reported separately and without an exemption reference. Further information on position reporting is provided below.

#### **20. FCA Regime Contracts: What happens if a position holder reports a position subject to an exemption that is greater than the exemption ceiling granted by IFEU?**

If a Clearing Member or their client reports a position subject to an exemption that exceeds the exemption ceiling granted by the Exchange, the amount in excess will be considered by the Exchange to be a speculative position subject to the position limit.

## **21. FCA Regime Contracts: How will Clearing Members know if their client has been granted an exemption?**

The Exchange will provide Clearing Members with a daily report detailing the exemptions that have been granted to their clients (including the exemption reference, type and duration, but not the size of the exemption ceiling). Further details on the format and delivery method of this report will be published in due course.

Clearing Members' clients will need to inform the Clearing Member which positions are subject to an exemption; the regime does not operate on the basis that all positions in the relevant contracts are exempt once an exemption has been granted.

## **Commodity Position Reporting (CPR) - FCA Regime Contracts**

### **22. What is changing?**

From 6 July 2026, additional data is required to be provided in CPR files to identify any exemptions applicable to positions. The 'Exemption Type' and the 'Exemption Reference' fields will allow the Exchange to identify positions that should not be subject to aggregation. The Exemption Type can be either 'LIQD', 'PASS' or 'RISK', and the Exemption Reference is a unique 19-character reference provided to the participant by the Exchange upon confirmation of an exemption.

Risk reducing positions no longer need to be reported with the legacy XML tag.

Further information is provided in the [IFEU CPR guidance document](#).

### **23. Does the end client always have to be identified?**

Yes. Per Rule P.8.1 and MAR 10.4.7 D(2), Clearing Members must report positions they hold as well as those of any clients until the end client is reached.

### **24. What if the end client is unknown to the Clearing Member?**

If the Clearing Member does not know the identity of the end client holding a position (for example, where it is their client's client), they must report to the Exchange the positions held at the omnibus client level and put in place suitable arrangements to ensure that their client submits position reports to the Exchange to identify the end client.

The Clearing Member is responsible for ensuring that their client submits complete, accurate and timely position data to the Exchange. Failure by the client to report complete, accurate and timely position data may result in the Exchange requiring the Clearing Member to submit position reports identifying all clients without delegation (see Rule P.8.2).

### **25. If the Clearing Member reports positions for its omnibus client and the omnibus client also reports the positions identifying the end clients will this not lead to duplicate position reporting?**

No, the Exchange's systems will accept all the positions but then exclude the omnibus account positions from further processing and only use the end client positions reported by the omnibus client.

The Clearing Member is required to report the omnibus client position so that the Exchange can provide the Clearing Member with a daily file reconciling their net cleared positions with their net CPR reported positions. This reconciliation assists Clearing Members in adhering to Rule P.8.1 which requires that "*position information in such daily reports matches corresponding position information in reports submitted to a Clearing House regarding open contract positions*".

## 26. Should positions be reported following expiry of a contract?

Positions held at the close of business on the final day of a contract must be reported to the Exchange. Where an option is exercised into a future the resulting futures position should be aggregated with any other position held in that future and reported.

## Aggregation and Netting

### 27. How are positions aggregated by the Exchange?

#### CFTC and Exchange Regime Contracts

All positions for accounts with common ownership for the same business date will be aggregated. Offsetting positions (i.e. both long and short) will be netted. Positions in a related contract will be converted into an equivalent position in the parent contract and aggregated. For options positions, a futures equivalent is calculated by applying the Exchange's published delta value to the position.

#### FCA Regime Contracts

All positions for the same position holder for the same business date with the same exemption status will be aggregated. Offsetting positions (i.e. both long and short) will be netted. Positions in a related contract will be converted into an equivalent position in the critical contract and aggregated. For options positions, a futures equivalent is calculated by applying the Exchange's published delta value to the position.

Additionally, a parent entity's positions will be aggregated with the net positions held by each of its subsidiaries.

FCA Regime Contract aggregation examples:

#### **a) Related Future**

A position holder has a speculative position of +400 lots in the Mar27 Brent Bullet Future (related contract).

The same position holder has a speculative position of -300 lots in the Mar27 Brent Future (critical contract).

The net position will be  $(+400 - 300) = +100$  lots, speculative in the Mar27 Brent Future.

#### **b) Option Position**

A position holder has a risk reducing position of +400 lots in the \$60 strike call option on Mar27 WTI future (related contract) and a risk reducing position of -200 lots in the WTI Mar27 future (critical contract). Both positions are reported with a valid hedging exemption reference.

The option has a delta of 0.45. The net position in the Mar27 will be  $((+400 \times 0.45) - 200) = -20$  lots.

*NB: Positions not reported with the same exemption reference will not be netted.*

#### **c) Other Months Positions**

A position holder has the following positions in Other Months, with no exemptions:

Dec27 Brent Future + 300 lots

Mar28 Brent Future -350 lots

Jun28 Brent Future +200 lots

The net Other Months position =  $(+300 - 350 + 200) = +150$  lots.

#### **d) Parent Entity Aggregation**

Example 1: The spot month in Brent Future is Aug26 with a limit of 20,000 lots

Parent entity has two subsidiaries: Subsidiary A and Subsidiary B.

Subsidiary A has a speculative position of +15,000 lots in the August 2026 Brent Future.  
Subsidiary B has a speculative position of +15,000 lots in the August 2026 Brent Future.  
The parent entity's spot month position will be  $(+15,000 + 15,000) = 30,000$  lots.  
Whilst the subsidiaries are not in breach of the limit individually, the parent entity's aggregate position is in breach of the limit.

Example 2: The spot month in Brent Future is Aug26 with a limit of 20,000 lots  
Parent entity has two subsidiaries: Subsidiary A and Subsidiary B.  
Subsidiary A has a speculative position of +15,000 lots in the August 2026 Brent Future.  
Subsidiary B has a risk reducing position of +15,000 lots in the August 2026 Brent Future for which it has a valid hedging exemption.  
The parent entity's spot month position will be  $(+15,000 + 0) = 15,000$  lots.  
Whilst the parent entity does not have a hedging exemption, Subsidiary B does and therefore its 15,000-lot position is not included in the calculation of the parent's aggregate position.