



# **ICE Futures Europe Block Trades and Asset Allocations Policy**

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# Block Trades and Asset Allocations Policy

This Policy provides details, requirements and restrictions on reporting Block Trades and Asset Allocations to ICE Futures Europe (the “Exchange” or “IFEU”) for registration and subsequent clearing by ICE Clear Europe.

## 1. General

- i) For the purposes of this policy, a Block Trade is a privately negotiated transaction agreed away from the central limit order book, directly between counterparties or via an intermediary, and subsequently registered on the Exchange. A Block Trade must be agreed at fair market value and for a volume at or above a defined minimum threshold. An Asset Allocation is a similar transaction involving a combination of two fixed income contracts.
- ii) A Member shall include all registered General Participants, Trade Participants and ICE Block Members, and all Member representatives such as traders, brokers and back-office staff, as appropriate.
- iii) Each Member and its representatives should ensure that, in accordance with Exchange Rule **B.3.1**, it is appropriately authorised and holds all necessary licenses and consents, and that it has appropriate systems and controls in place in order to conduct business on the ICE Platform.
- iv) Members must ensure that Block Trades and Asset Allocations are reported in accordance with this policy and Exchange Rules (including F.5.D, F.7, Trading Procedures 16C, 17 and 19 as applicable).
- v) Members must ensure that they act with due skill, care and diligence at all times and the interests of the client(s) are not prejudiced during negotiations or registration. Members must be mindful of applicable regulatory requirements, e.g. the FCA’s Conduct of Business Sourcebook and the Market Abuse Regulation (EU) No 596/2014, as well as any fiduciary requirements under law when conducting business on the ICE Platform.
- vi) The Block Trade and Asset Allocation facilities are not to be used to facilitate the transfer of funds between parties and/or locations, the resolution of errors or any other purpose other than for normal commercial activity.
- vii) The Exchange undertakes regular audits of transactions negotiated away from the central limit order book and may take disciplinary action against Members where it identifies violations of Exchange Rules or this Policy document.

## 2. Eligible Contracts

- i) Block Trades may take place in respect of Futures or Options (including Swap Futures Contracts<sup>1</sup>) designated by the Exchange from time to time as Block Trade contracts. At

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<sup>1</sup> Swap Futures Contracts are those contracts listed in Section TTT of the ICE Futures Europe Regulations.

present, all contracts specified in Appendices A, B, C and D of this Policy are eligible to be registered as Block Trades.

- ii) Asset Allocations may take place in respect of Futures or Options as designated by the Exchange from time to time as Asset Allocation contracts. At present, only contracts specified in Appendix C are eligible to be registered as Asset Allocations.
- iii) Block Trades may be for single outright contract months, intra-commodity spreads (e.g. calendar spreads), inter-commodity spreads, volatility trades and other combination trades. For the avoidance of doubt, a combination trade consists of two or more contract months from the same contract or different contracts, and must be a recognised strategy in ICE Block. Additionally, Block Trades may be agreed for the ICE Brent Futures leg of an ICE Brent Futures/NYMEX WTI arbitrage, the ICE Gasoil Futures leg of an ICE Gasoil Futures/NYMEX Heating Oil arbitrage, the IFEU White Sugar Futures leg of an ICE Futures US (IFUS) Sugar No.11/IFEU White Sugar Futures arbitrage and similar cross-exchange arbitrage transactions.
- iv) Members may submit a single ticket for a recognised cross-exchange Block Trade strategy across multiple ICE Exchanges, where they have all appropriate permissions and authorisations to conduct such activity. Each strategy and its component legs must be transacted in compliance with all applicable laws, rules, policies and guidance of all respective ICE Exchanges.
- v) For certain contracts as designated by the Exchange from time to time, Members can register Block Trades that price against the relevant futures settlement price using the Trade at Settlement (TAS) facility in ICE Block - eligible contracts are listed [here](#). Similarly, for certain contracts as designated by the Exchange from time to time, Members can register Block Trades that price against the relevant Platts Market on Close assessment using the Trade at Platts Settlement (“TAPS”) facility in ICE Block - eligible contracts are listed [here](#).

### 3. Trading Hours and Fees

- i) Block Trades and Asset Allocations may, pursuant to Rule F.7.1 and F.5.D, only be agreed during the trading hours for the relevant contract(s), or as otherwise prescribed by the Exchange.
- ii) TAS trades in the ICE Low Sulphur Gasoil Futures and ICE Brent Crude Futures contracts are not available for trading on the last day of trading for the expiring contract month.
- iii) Asset Allocations for fixed income contracts are not permitted on the last day of trading for the expiring contract month in accordance with Trading Procedure 16C.4.
- iv) Block Trades and Asset Allocations may not be agreed at any other times or after the expiry of the relevant contract month.
- v) Block Trades and Asset Allocations will be charged fees as published at <https://www.theice.com/fees>.

### 4. Participation

- i) Block Trades and Asset Allocations may only be reported to the Exchange by ICE Futures Europe Members who have been permitted to enter Block Trades or Asset Allocations (as appropriate) by the Exchange or by their client’s Clearing Member. Where more than one

Exchange Member is involved in the agreement, registration and subsequent clearing of a Block Trade or an Asset Allocation, each Member must ensure that the business conducted by it or through it shall not cause it or the Exchange to be in breach of any applicable laws and Regulations.

- ii) Affiliate or group companies may be eligible to register Block Trades and Asset Allocations on behalf of an Exchange Member, provided the specific written permission of the Member to that effect has first been lodged with the Exchange membership department. In such cases, the affiliate or group company is a Representative of the Exchange Member and must comply with all applicable Exchange and regulatory requirements. The Exchange may request signed legal agreements as evidence of the relationship between the entities.
- iii) Where a Member is authorised by the FCA, Block Trades and Asset Allocations may only be agreed on behalf of clients by a person on that Member's staff who is appropriately authorised, such as being registered with the FCA as an Approved Person or is a Senior Manager or is performing a relevant Certification Function within the FCA's Senior Managers and Certification Regime.
- iv) Where a Member is not authorised by the FCA e.g., because they are located outside the United Kingdom, they should conform to corresponding local statutes in respect of such approval.
- v) Members are reminded of their responsibility under Rule A.9. for the conduct of their Member Representatives.

## 5. Prohibitions

- i) A Member must not disclose the identity of the party to a Block Trade or Asset Allocation order to potential counterparties or disclose information from which their identity can reasonably be inferred, unless the Member has previously received that party's permission to do so. Consent must be obtained in writing or on a recorded phone line and must be evidenced to the Exchange upon request. Where consent is received, disclosure of identity may only be made to parties involved in the Block Trade negotiation; disclosure to anyone else is prohibited. There is no right under Exchange Rules to insist on disclosure of names of counterparties as a condition of completing the trade.<sup>2</sup>
- ii) Members are reminded of Rule E.1.2A which states that any behaviour amounting to market abuse as set out in relevant market abuse legislation will constitute a breach of Exchange Rules. This includes front-running or pre-positioning. Members are not permitted to enter into a transaction for their own benefit, which is transacted on the basis of and ahead of an order which it, or an associate, is to carry out with or for another person, which takes advantage of the anticipated impact of the order on the market. Per Rule G.8.1, Members must also not withdraw nor withhold a client's order in whole or in part for their own benefit or the benefit of others.
- iii) Members involved in the solicitation or negotiation of a Block Trade or Asset Allocation may only disclose relevant details such as price, direction or volume to potential counterparties where this is necessary to facilitate its negotiation or agreement. Members should exercise care with respect to when and to whom they disclose these details.

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<sup>2</sup> With regard to the requirement under Rule F.7.1(f) of the Exchange Regulations on name disclosure, participants in the Platts eWindow will be deemed by the Exchange to have consented to the disclosure of their identity to potential counterparties, in relation to Platts eWindow activity only. Participants in the Platts eWindow will be required to comply with the Exchange Regulations only to the extent that their participation in the Platts eWindow gives rise to a Contingent Agreement to Trade in respect of a Block Trade that is subsequently submitted to the Exchange for registration via the ICE Block Facility.

Members and their clients should be aware that the details of a Contingent Agreement to Trade are non-public information and could be inside information.

- iv) Once a Contingent Agreement to Trade has been reached, the details must not be disclosed to anyone except those party to the agreement prior to the details of the resultant Block Trade or Asset Allocation being broadcast by the Exchange.

## 6. Price

- i) Exchange Rule F.7.5 requires Members to ensure that the price of any Block Trade or an Asset Allocation represents fair market value for that trade. Fair market value is interpreted as being a price that the Member considers to be the best available price for a trade of that type at the time of agreeing the Block Trade or Asset Allocation. Moreover, Rule F.7.5 also requires Members to ensure that they take into account the prevailing price and volume currently available in the market, the liquidity of the market and general market conditions. In doing so, the Member is not obliged to obtain prices from other Members, unless this would be appropriate in the circumstances.
- ii) When quoting a Block Trade or an Asset Allocation price, the Member must, at the time, make it clear to the potential counterparty(ies) that the price being quoted is a Block Trade or an Asset Allocation price and is not necessarily the prevailing market price.
- iii) There are a number of practical steps which Members can take in order to ensure that they are adhering to the Exchange's Rules in relation to the pricing of Block Trades and Asset Allocations.
  - o Firstly, in relation to products where the central limit order book is populated, the Member should determine whether the difference (if any) between the Block Trade price and central limit order book prices is excessive, taking into account the liquidity of the product concerned, market depth in the central limit order book and the size of the Block Trade. In particular, Members should compare the intended price of the Block Trade with the price which could be achieved through execution in the central limit order book. In doing so, Members should consider the impact of any price slippage or execution delay which might be experienced in the case of execution in the central limit order book.
  - o Secondly, if the central limit order book has no bids or offers, the Member should consider both prices which have traded in the market earlier that day in the product concerned and spread relationships with related products. The Member should also assess whether the Block Trade price falls within or outside the daily high/low price for the product concerned as, depending on the size of the Block Trade and market conditions, this may be an indicator of excessive price slippage in the Block Trade or Asset Allocation price.
- iv) The Exchange monitors the prices of Block Trades and Asset Allocations, taking into account the considerations described above. Block Trades and Asset Allocations may become the subject of further investigation by the Exchange if, prima facie, they do not appear to represent fair market value.
- v) Block Trades and Asset Allocations are neither included in the determination or calculation of any settlement price, index or marker published by the Exchange, nor do they affect the daily published high and low trades.
- vi) With the exception of Short Term Interest Rate Options, Members shall be able to request or make contingent quotes or agree to facilitate contingent orders from a client in the same series, delivery month or strategy which may have the effect of achieving a transaction at

an aggregate or average price inside the minimum price movement of the Contract concerned provided that, with the exception of Ratio trades for IFEU energy contracts (see Table 1), each component is greater than or equal to the relevant Block Trade minimum volume threshold. Furthermore, the average price may only be derived from two price levels which are one price level apart.

- vii) The use of volatility trades, where options are combined with futures at a specified delta, to achieve an overall price inside the minimum price increment of the contract concerned, is permissible in respect of all contracts, including Short Term Interest Rate Options.

## 7. Minimum Volume Thresholds

- i) The minimum volume threshold is the minimum number of lots as determined by the Exchange, from time to time, that can be submitted as a Block Trade or an Asset Allocation.
- ii) Minimum volume thresholds can be found in the following tables:
  - a. Energy Contracts – **Appendix A**.
  - b. Soft Commodity Contracts – **Appendix B**.
  - c. Fixed Income Contracts – **Appendix C**.
  - d. Equity Derivatives Contracts – **Appendix D**.
- iii) Minimum volume thresholds applicable to strategies are explained in **Table 1** and **Table 2** in the Appendix.
- iv) For Asset Allocations, when trading two fixed income contracts falling within one of the Product Groups listed in Appendix C, the following should be noted:
  - a. Details of applicable minimum volume threshold requirements can be found in **Table 3**
  - b. The number of Futures lots traded should be derived from a hedge ratio between the two contracts in accordance with Trading Procedure 16C.
  - c. The number of Option lots traded per Asset Allocation leg should be of commensurate weighting.
  - d. Each Options Asset Allocation leg must conform to the custom options strategy constraints enforced by the Exchange.
  - e. The Asset Allocation product must not be available via the central limit order book.
- v) See **Section 11** for details on aggregation of orders.
- vi) All option strategy trades may also be submitted as volatility trades. The minimum volume block threshold applicable to a volatility trade is in respect of the options leg, i.e. the volume of the related futures leg may be less than the options leg, depending on the relevant delta.
- vii) Orders that form part of a Contingent Agreement to Trade that initiate a **Block Transparency Auction** must meet the applicable minimum volume threshold. Orders subsequently joining the Block Transparency Auction, after that auction has been initiated, are permitted at the applicable minimum volume threshold or above; however, such orders may legitimately result in Block Trades that are below the minimum volume threshold. Members initiating a Block Transparency Auction shall not engage in any practice which is intended to circumvent the minimum volume threshold via that

auction. Moreover, Members initiating a Block Transparency Auction shall act in accordance with Trading Procedure Section 19.

- viii) Members may choose to defer publication of Block Trades for those contracts listed in Appendices C and D where such functionality is available, provided that the relevant block minimum volume thresholds are met or exceeded on an outright or aggregate basis (as applicable).

## 8. Reporting Time Requirements

- i) Details of a Block Trade or an Asset Allocation must be entered into ICE Block within the specified time limit after agreement on the terms of the Block Trade or the Asset Allocation was reached between the parties, as set out in Tables 1-3. In the case of Non-crossed Trades, the details of the Block Trade or the Asset Allocation must be both entered into ICE Block and accepted by the other Member within the specified time limit.
- ii) On the day of expiry of a contract, a Block Trade must be reported within the specified reporting time requirements or at any rate before the contract expires.
- iii) The time of the agreement of the Block Trade or an Asset Allocation must be recorded by the Members on a durable medium.
- iv) For those contracts listed in Appendix A and B, the reporting time requirements are outlined in Table 1. For those contracts listed in Appendix C and D, the reporting time requirements are outlined in Tables 2 and 3 respectively.
- v) No Block Trade or Asset Allocation can be reported, or accepted, later than the reporting times prescribed in Tables 1, 2 and 3, noting that Equity Derivative Block Only Contracts can be reported up to 1 hour after close of trading on any business day other than the Last Trading Day.

## 9. Recordkeeping

- i) Members must ensure that orders and communications relating to Block Trades and Asset Allocations are performed on recordable mediums. Records must be maintained in accordance with Exchange Regulations, including but not limited to Rule F.3, Rule G.16 and Trading Procedures Section 3.1. All relevant records must be centrally stored, uneditable and, where requested, provided to the Exchange in a comprehensible format and in a timely manner.

## 10. Mini and Micro Contracts

- i) Mini and micro contracts are intended to be used where a hedge, delta-hedge, or other valid commercial requirement calls for the splitting of a full-size lot into tranches smaller than one such lot.
- ii) Where a valid commercial rationale as described in iii (below) does not exist, it is not a legitimate use of the block facility to trade a larger number of the mini or micro contracts to bypass or evade the minimum threshold of the standard size contract. Mini and micro contracts may be combined with standard sized contracts in the same Block Trade, provided the minimum volume threshold is met and a valid commercial rationale exists.

- iii) The Exchange will make routine enquiries where mini and micro contracts are utilised and will expect to see a commercial purpose in each case, which may include executing such a hedge, or providing it to another participant, or rolling/reducing a mini contract or micro contract position, or other commercial purpose. As evidence of valid commercial purpose, the Exchange will accept:
  - o From hedgers, extracts from the trade capture system or other documentation that shows the trade was against a physical exposure (recognising that each such individual trade will not necessarily be against one specific physical transaction but may be against aggregate exposure across a book) or accumulated Mini and Micro position.
  - o From those standing as counterparties to such trades, evidence (emails, IMs, call records) that shows the existence of a valid commercial purpose as above was established in the course of agreeing the trade.

## 11. Aggregation of Orders

- i) Members must not aggregate separate client orders in order to meet the minimum volume thresholds, except in the following circumstances:
  - a. The separate orders have the same beneficial owner;
  - b. The separate orders have different beneficial owners provided that each such order individually meets or exceeds the applicable minimum volume;
  - c. The orders are for funds which are operated by the same Fund Manager and traded by the same Fund Manager, pursuant to the same strategy.
  - d. In respect of options contracts, where a Member receives a Block Trade order which meets or exceeds the relevant minimum volume threshold, they may aggregate orders on the matching side only in order to facilitate negotiation of the Block Trade order (Rule F.7.3 refers).
- ii) Block Trade orders (for futures contracts only) for outright contract months or intra-commodity spreads may be combined to facilitate Block Trade orders for combination trades, so long as the volume of the order for the combination trade meets the minimum volume threshold of the relevant outright contract month or intra-commodity spread.

Members must ensure that combining orders in this way is not to the detriment of any client order.

## 12. Reporting to the Exchange and Registration

- i) Once a Block Trade or an Asset Allocation has been agreed, Members must report the Block Trade or the Asset Allocation details to the Exchange in accordance with ICE Futures Europe Trading Procedures 16C and 17.
- ii) Block Trades and Asset Allocations may be reported to the Exchange by the entry of the Block Trade or the Asset Allocation details into ICE Block (or by any other means determined by the Exchange from time to time).
  - a. Where the Block Trade or Asset Allocation is agreed between different Members (“Non-crossed Trade”) one of the Members inputs into ICE Block its own side of the deal (i.e. either the buy or sell side of the trade) alleging the counterparty Member to the deal. The counterparty Member to the deal is required to accept the

alleged Non-crossed Trade in ICE Block within the specified time period. Once the Non-crossed Trade has been accepted by the counterparty it flows through to the ICE Systems in the usual manner.

- i. In order to facilitate the swift matching of Non-crossed Trades the submitting Member must complete mandatory Order Reference and Contact Number fields in ICE Block to assist any queries prior to acceptance by the counterparty Member.
    - ii. Unless otherwise agreed by the relevant Members, Non-crossed Trades shall be entered by the buying Member in respect of Non-crossed Trades in single contract months. All legs pertaining to multi-legged combination Block trades should be entered into ICE Block by the Buyer of the front month.
  - b. Members may also directly allocate trades agreed on behalf of clients into the clients' accounts at the relevant clearing Member(s) through ICE Block. Members must have the permission of the relevant clearing Member(s) to register business on behalf of clients and must be set up in the system before agreeing the Block Trade or the Asset Allocation.
  - c. Members who do not have direct access to ICE Block may report the details of agreed Block Transactions or the Asset Allocation to the ICE Help Desk for entry into ICE Block provided that the Member, or the client(s) on whose behalf the Member is acting, has a clearing account with a Clearing Member.
- iii) The period of time for the submission of a Block Trade to the Exchange commences as soon as verbal agreement on the terms of the Block Trade is reached between the parties to the Block Trade. Verbal agreement on the terms of the Block Trade is synonymous with there being a Contingent Agreement to Trade, meaning that all trade details have been agreed between the parties and that the completion of the transaction is only subject to the confirmation of the Exchange. If there are any outstanding matters between the parties, such as the agreement to the transaction depending upon completion of related volume, a Contingent Agreement to Trade does not yet exist. In such circumstances, a broker may seek to elicit such related volume before submitting the original Contingent Agreement to Trade to the Exchange, provided such broker has a reasonable expectation of success in doing so within a reasonable period of time. Where this is not the case, the original Contingent Agreement to Trade should be submitted to the Exchange without delay. For example, if a broker states to a client that their fill is subject to completion of remaining volumes then the Exchange considers that no Contingent Agreement to Trade yet exists. Upon completion of the fills, the broker should confirm the Contingent Agreement to Trade with each client. All trading activity should have regard to Rule E.1.2 and Rule E.1.2A (and any other applicable Exchange Rule pertaining to potential Market Abuse or other act of misconduct).

For the avoidance of doubt, verbal agreement in relation to spread Block Trades is deemed to have been achieved at the time at which the parties agree to the differential or combination price.
- iv) For Block Trades that are priced with reference to the futures settlement price or a Platts Market on Close assessment price, Members should report the transaction to the Exchange using the relevant **TAS** or **TAPS** contract, including any agreed premium or discount, following the agreement of terms and within the reporting time threshold. The correct trade price will update in the clearing system once the underlying contract's settlement price has been published by the Exchange.

- v) Participants who do not have the relevant permissions from the Exchange or from their client's Clearing Member to register Block Trades or Asset Allocations on their behalf are prohibited from doing so.
- vi) Members shall not be deemed to be in violation of Block Trade reporting time requirements where a trade was unable to be reported due to the Member's client having insufficient clearing limits. However, the Exchange expects Members to take all reasonable steps to ensure its clients have the appropriate clearing limits in place before transacting on their behalf.
- vii) Block Trades involving IFEU White Sugar Futures trades are permitted as part of an IFUS Sugar No. 11/IFEU White Sugar arbitrage transaction. Users will need to submit two separate block tickets (one on IFUS and the other on IFEU). The submitter must report the IFUS leg first, followed by the IFEU leg. The IFEU leg must contain the deal ID (of the IFUS Sugar No. 11 leg) in the "Transaction Details" text field on the Block Trade submission screen in ICE Block. Contact ICE Futures US Compliance department for further details on the information which is required to be submitted on the IFUS leg.
- viii) Block Trades involving IFEU Robusta Coffee Futures trades are permitted as part of an IFUS Coffee "C"/IFEU Robusta Coffee arbitrage transaction. Users will need to submit two separate block tickets (one on IFUS and the other on IFEU). The submitter must report the IFUS leg first, followed by the IFEU leg. The IFEU leg must contain the deal ID (of the IFUS Coffee "C" leg) in the "Transaction Details" text field on the Block Trade submission screen in ICE Block. Contact the ICE Futures US Compliance department for further details on the information which is required to be submitted on the IFUS leg.
- ix) For Equity Derivatives contracts, it may not be possible or practicable to determine the price of a Block Trade on the day in question, e.g. because the ICE Block Facility has closed before the relevant reference price has been established in the underlying market, or because such price is established outside of the normal trading hours applicable to the location of the broker or one or more of the parties to the Block Trade. In such circumstances, the Block Trade can be agreed in principle on such day, prior to being confirmed by the counterparties and should be registered with the Exchange between 8am and 9am London time on the next business day for such contracts.

For a sub-set of Equity Derivatives contracts that open at 1am London Time, the following approach should be applied:

- Where the counterparties to the Block Trade are based in Australasia and Asia, the Block Trade should be confirmed and registered between 1am and 2am London time.
  - Where the counterparties to the Block Trade are not based in Australasia and Asia, and the Block Trade can only be confirmed by the counterparties during European trading hours, the Block Trade should be registered with the Exchange by 9am London time.
- x) A Member submitting an outright Block Trade or a Block Trade strategy via ICE Block may permissibly use the following flags within ICE Block in the following instances:

- **Minimum Quantity Requirement ("MQR") bypass**

Members registering strategies that meet the applicable minimum volume threshold and LIS threshold for the strategy, but where it is not a recognised strategy in ICE Block and the individual legs are below the applicable minimums, may submit the individual legs of the strategy via ICE Block using the Minimum Quantity Requirement ("MQR") bypass checkbox. Members must ensure that the "Transaction Details" text field

on the Block Trade submission screen in ICE Block is populated with details the entire strategy (for example, Deal IDs of associated legs or, if one or more legs were executed on another exchange, the details including volume and product traded). Selecting Pre-Confirm in ICE Block without checking the MQR bypass checkbox will initiate a **Block Transparency Auction** for the respective leg of an Energy Contract.

- **Risk Reducing Override**

Members are able to register a Block Trade that is above the minimum volume threshold but below the applicable LIS volume threshold by using the Risk Reducing Override checkbox in ICE Block. However, this checkbox should only be used where at least one counterparty to the Contingent Agreement to Trade is a non-financial counterparty that is conducting reducing risk business directly related to its commercial activity or treasury financing activity (as permitted under MiFIR Article 8(1)). Where the Risk Reducing Override flag is used, no Block Transparency Auction will be initiated. Where one counterparty to a Block Trade is using a risk reducing MiFID Compliance Profile, there is no requirement to use the Risk Reducing Override checkbox.

- xi) It is permissible to use communication platforms or technologies to bilaterally request block trade markets from one or more market participants and to conduct privately negotiated block trades. It is not permitted to facilitate the registration of Block Trades in Exchange-traded products on a system or facility accessible to multiple parties that allows for the electronic matching of or the electronic acceptance of anonymous bids and offers. See Rule F.7.1(g).

Parties may also use technologies supported by third parties which allow for the electronic posting of indicative block markets displayed to multiple market participants. However, Block Trades agreed between parties on the basis of such electronically displayed indicative markets may be transacted only through direct bilateral communications involving the broker, where applicable, and the parties to the trade. To demonstrate that the Block Trade based on such technologies was privately negotiated, the broker(s) or parties involved in a transaction must maintain and provide, when requested, documentation or correspondence that clearly evidences direct bilateral communications between the broker(s) and the parties to the trade.

### **13. Post Trade Confirmation & Publication**

- i) Subject to such details being within relevant clearing risk limits, the trade details will flow through to the ICE Systems and an ICE Futures Europe Contract shall arise. The process will not continue if there are any issues with limits; in such instance, the affected party should contact its Clearing Member to remedy the issue.
- ii) In the event that the details of a Block Trade or an Asset Allocation are reported to and entered into ICE Block by the ICE Help Desk, both parties to the Block Trade or the Asset Allocation will receive a confirmation email. For such trades, parties must respond to the email as soon as possible if they disagree with any of the details booked on the trade. Note that if no objection is received within the reporting time period, or by the reporting deadline

as the case may be, both parties to the Block Trade or the Asset Allocation will be deemed to have accepted the trade.

- iii) ICE Block assigns each new trade a unique deal ID and provides an audit of all actions undertaken on ICE Block for that particular day.
- iv) The Exchange may check the validity of the details of a registered Block Trade or the Asset Allocation. If the Exchange (following consultation, where necessary, with ICE Clear Europe and subject to their right to refuse registration) is not satisfied that all such details are valid, it will void the Block Trade or the Asset Allocation. Any decision by the Exchange not to register a Block Trade or an Asset Allocation is final.
- v) Registration of a transaction does not preclude the Exchange from instigating disciplinary procedures in the event that the transaction is subsequently found to have been made other than in compliance with the Regulations.
- vi) Price and volume will be broadcast to the market immediately following acceptance by the Exchange for Block Trades and Asset Allocations, apart from where deferred publication has been selected.
- vii) For deferred publication, price and volume will be broadcast at the daily close of trading in the contract.
- viii) Block Trades and Asset Allocations are identifiable with the following trade type codes:

Type of Trade	Trade Type Code
Block Trades	K
Block TAS trades	W
Asset Allocations	AA
Block TAP trades	TAK

## 14. Cancellation and Amendment

- i) A Member may cancel Block Trades or Asset Allocations reported to the Exchange through ICE Block. The self-cancellation of Block Trades and Asset Allocations will only be permitted for cross trades, or trades where both sides have been entered by the same Member, which were entered earlier on the same Trading Day. Members using this facility must ensure they enter a reason for the Block Trade or the Asset Allocation cancellation when confirming the request for cancellation.
- ii) Members should contact ICE Futures Europe Market Supervision regarding cancellation requests for all other non-crossed trades.
- iii) Adjustment of Block Trades and Asset Allocations entered via ICE Block is also available at any time on the business day following the reporting of the Block Trade and the Asset Allocation to the Exchange. This next-day adjustment establishes an offsetting trade and a new trade with the corrected details.

This facility will not apply to Block Trade at settlement trades (“Block TAS”), or Block Trade at Platts Settlement trades (TAK) or balmo contracts.

- iv) The Exchange will monitor all requests for trade cancellations and may take disciplinary action against Members that make excessive requests compared to the level of business they undertake. Deliberate submission of inaccurate trades would be regarded as potentially manipulative and amount to serious misconduct.
- v) Block trades arising as a result of a consummation of a join order in the Block Transparency Auction may not be cancelled.
- vi) The Exchange reserves the right to apply its discretion to cancel a Block Trade where it deems such a cancellation would be in the interests of the maintenance of a fair and orderly market.

## Appendix - Block Trade Volume and Reporting Time Requirements

**Table 1 - Energy and Soft Commodities**

Block trade type	Description	Block Minimum Volume Threshold	Reporting time
<b>1. Outright</b>	One maturity of any IFEU Futures or Options Contract	Minimum volume threshold applicable to the Contract being traded	<p><u>5 minutes:</u>                      Brent Crude Futures (B)                      Low Sulphur Gasoil Futures (G)                      WTI Crude Futures (T)                      Midland WTI American Gulf Coast Futures (HOU)                      Heating Oil Futures (O)                      RBOB Gasoline Futures (N)                      NYH Heating Oil Last Day Future (OLD)                      (RBOB) Gasoline Last Day Future (NLD)                      WTI Crude Oil Last Day Future (WLD)                      Permian WTI Storage Futures (HOS)                      NYH ULSD Futures (O62)                      NYH ULSHO Futures (O67)</p> <p><u>15 minutes:</u> All other energy and soft commodity IFEU Futures and Options Contracts</p>
<b>2. Intra-commodity IFEU Futures or Options Contract</b>	Two or more contract months and/or strike prices of the <u>same</u> IFEU Futures or Options Contract	<u>Sum of the legs</u> of the Block Trade must meet the minimum volume threshold applicable to the Contract [being traded]	15 minutes
<b>3. Inter-commodity IFEU Futures or Options Contract</b>	Two or more contract months and/or strike prices of two or more <u>different</u> IFEU Futures or Options Contracts; or any same-month combination of standard size plus mini contracts	<u>Sum of the legs</u> of the Block Trade must meet the <u>larger</u> of the minimum volume thresholds applicable to the Contracts being traded	15 minutes
<b>4. Ratio</b>	Standard crack and spark/clean spark spreads listed on the ICE Platform or non-standard crack and spark/clean spark spreads	<u>Sum of the legs</u> of the Block Trade must meet the <u>larger</u> of the minimum volume thresholds applicable to the Contracts being traded	15 minutes

5. Cross Exchange	Any of Block Trade types 2, 3 or 4 (non-standard crack spreads) where one or more of the legs is registered on an Exchange other than IFEU.	Treated as Block Trade type 3 as set out above.	15 minutes
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## Notes to Table 1

These notes give illustrative examples of how the above rules apply.

- i) Examples of a “Type 2” block - two or more contract months and / or strike prices of the same IFEU Futures or Options Contract.
  - a. For a time spread such as February / March Brent spreads, each leg must be at least 50 lots, so that the sum is 100, which equals the minimum size for Brent.
  - b. For a butterfly spread trade such as February / March / March / April in Brent, each leg must be at least 25 lots, so that the sum is 100, which equals the minimum size for Brent.
  - c. For seasons, such as April to Sep RBOB, each leg must be at least 9 lots, so that the total is 54, which exceeds the minimum size for RBOB of 50 lots.
  - d. For combination trades, such as January to June Brent, each leg must be at least 17 lots, so that the total is 102, which exceeds the 100 lots minimum threshold.

Examples of a “Type 3” block - two or more contract months and/or strike prices of two or more different IFEU Futures or Options Contracts

- ii) Where the products being blocked are different, there will often be specific minimum thresholds, one for each product. In such cases, the legs can be aggregated, but must sum to the largest threshold among the products involved.
  - a. For a WTI – RBOB crack spread, the WTI threshold is 50 lots and the RBOB is 50. The legs must aggregate to 50, implying at least 25 lots of each leg.
  - b. For a Brent option volatility trade, the options leg must be at least 25 lots, i.e. the minimum threshold for outright Oil option Contracts; and there is no minimum applied to the futures leg.

Examples of a “Type 4” block - standard crack spreads listed on the ICE Platform; or, non-standard crack spreads which involve months or a combination of months other than those listed on the ICE Platform; or, crack spreads with a ratio other than 4:3

- iii) For a LS Gasoil Futures (G) - Sing Gasoil 10ppm (GST) spread, the LS Gasoil threshold is 100 lots, the GST contract threshold is 10 lots; the legs must sum to at least 100 lots, but taking into account the unequal ratio required for this strategy, the LS Gasoil leg can be 57 lots and the GST leg 43 lots for a total of 100.
- iv) For a Heating Oil Futures (O) - LS Gasoil Futures (G) spread (sometimes referred to as “HOGO”), the Heating Oil threshold is 50 lots and the LS Gasoil threshold is 100 lots. Therefore, the sum of the legs must meet the larger of the minimum thresholds

which is 100 lots. If the agreed price is required to be at a rounded value, such as 0.05100 \$/gal for example, the volume per leg could be as follows: the LS Gasoil leg could be 67 lots at \$581.25 (1.85762 \$/gal) and the Heating Oil leg could be split into 39 lots at \$1.9086 and 11 lots at @ \$1.9087 (1.90862 \$/gal combined).

- v) For a Spark Spread, the UK Natural Gas (M) threshold is 40 lots and the UK Power (UBL) threshold is 1 lot. Therefore, the sum of the legs must meet the larger of the minimum thresholds which is 40 lots. By way of example, the following all meet the Block volume requirement:
  - a. Monthly: 25 UK Nat Gas, 15 UK Power. Total volume = 40 lots
  - b. Quarterly: 10 UK Nat Gas (30 lots), 6 UK Power (18 lots). Total volume = 48 lots.
  - c. Season: 5 UK Nat Gas (30 lots), 3 UK Power (18 lots). Total volume = 48 lots
- vi) For a Clean Spark Spread, UK the UK Natural Gas (M) threshold is 40 lots, the UK Power (UBL) threshold is 1 lot and the UK Emissions Allowance (UKA) threshold is 10 lots. Therefore, the sum of the legs must meet the larger of the minimum thresholds which is 40 lots. By way of example, the following all meet the Block volume requirement:
  - a. Monthly: 25 UK Nat Gas, 15 UK Power, 4 UKA. Total volume = 44 lots
  - b. Quarterly: 10 UK Nat Gas (30 lots), 6 UK Power (18 lots), 5 UKA (5 lots). Total volume = 53 lots.
  - c. Season: 5 UK Nat Gas (30 lots), 3 UK Power (18 lots). 5 UKA (5 lots). Total volume = 53 lots.

Examples of a "Type 5" block - any of Block Trade types 2, 3 or 4 where one or more of the legs are registered on an Exchange other than IFEU.

- vii) Where one or more legs are registered on another exchange, these are treated as Block Trade Type 3, i.e. encompassing two or more different commodities.
  - a. For a WTI arbitrage trade where one trade is registered on ICE and an opposite quantity on another Exchange, i.e. a switch trade, applying this constitutes a Type 3 block trade because two different commodities are involved. Hence the legs must sum to the highest ICE threshold. For a WTI switch trade the ICE leg would need to be at least 25 lots, and the sum of the legs 50.
  - b. For a Brent-WTI arbitrage trade where the Brent leg is registered on ICE and the WTI on another Exchange, the ICE leg would need to be 50 lots and the sum of the legs 100 (the larger threshold of the two).

**Table 2 - Fixed Income and Equity Derivatives**

Block trade type	Description	Block Minimum Volume Threshold	Reporting time
1. Outright	One maturity of any IFEU Futures or Options Contract	Minimum volume threshold applicable to the Contract being traded	15 minutes
2. Intra-commodity strategy	Two or more contract months and/or strike prices of the <u>same</u> IFEU Futures/Options Contract	<u>Sum of the legs</u> of the Block Trade must meet the <u>larger</u> of the applicable minimum strategy Block Trade volume thresholds for the contract months and/or strike prices of the Contract being traded	15 minutes
3. Inter-commodity strategy	Strategies in IFEU Futures Contracts as listed in the 'Unique Equity Strategies' section of Appendix D	<u>Each</u> of the Futures legs must meet the <u>lower</u> of the applicable minimum outright Block Trade volume thresholds of the Contracts being traded	15 minutes

**Table 3 - Asset Allocation Trading Requirements**

Block trade type	Description	Block Minimum Volume Threshold	Reporting time
Futures Asset Allocation (ratio)	Two different IFEU Fixed Income Futures Contracts as listed in Appendix C	Sum of the Futures legs of the Asset Allocation must meet the lower of the applicable minimum outright Block Trade volume thresholds of the Contracts being traded	15 minutes
Option Asset Allocation (ratio)	Two different IFEU Fixed Income Option Contracts as listed in Appendix C	Sum of the Option legs of the Asset Allocation must meet the lower of the applicable minimum outright Block Trade volume thresholds of the Contracts being traded	15 minutes

## Notes to Table 2, 3 and Appendices C, D

- viii) These notes provide illustrative examples in order to assist with the interpretation of Appendices C and D (fixed income and equity derivative contracts).
- ix) For the avoidance of doubt, the contract delivery months, or expiries, which form the colours for Three Month SONIA Futures, Three Month SOFR Futures and Three Month SARON Futures are defined as follows:
  - a. White months constitute the front 5 expiries (the accruing contract and the next four contracts), Red months will be the following 4 expiries (contracts 6-9), Green months the following 4 expiries (contracts 10-13) etc.
- x) For all other Short Term Interest Rate Futures Contracts, White months constitute the front 4 expiries, Red months are the following 4 expiries (contracts 5-8), Green months are the following 4 expiries (contracts 9-12) etc.

### Fixed income

Examples of a “Type 1” block where outright thresholds are applicable, and the Block Trade involves no more than one contract month or options series.

- a. For a Red Month outright Euribor® Futures contract the size must meet at least the outright minimum volume threshold of 1,500 lots.
  - i. For the trade to be eligible for deferred publication, the minimum threshold to meet would be 8,000 lots.
- b. For a Green Month outright Euribor® Futures contract, the size must meet at least the outright minimum volume of 500 lots.
  - i. For the trade to be eligible for deferred publication the minimum threshold to meet would be 4,000 lots.
- c. For an outright in the front month of the Long Gilt contract, the size must meet at least 500 lots.
  - i. For the trade to be eligible for deferred publication, the minimum threshold to meet would be 1,500 lots.
- d. For a white month outright Euribor® option volatility trade, the options leg must be at least 3,000 lots, i.e. the minimum threshold for outright white months; there is no minimum applied to the futures leg.

Examples of a “Type 2” block where strategy thresholds apply and the Block Trade involves more than one contract month of the same IFEU Futures or Options Contract

- e. For a green pack (i.e. all four green quarterly contracts) in Three Month SONIA Index Futures the legs must sum to a minimum of 500 lots.
  - i. For the trade to be eligible for deferred publication the minimum strategy threshold to meet would be 3000 lots.
- f. For a 2 year bundle (i.e. first 8 quarterly contracts) in Euribor® Futures, the legs must sum to a minimum of 6,000 lots (the white months strategy minimum size), as a 2 year bundle involves white and red months and the white months’ minimum strategy size is higher than that for the red months.

- i. For the trade to be eligible for deferred publication the minimum strategy threshold to meet would be 15,000 lots.
- g. For a calendar spread in the Long Gilt contract (i.e. long front month short second month) the legs must sum to minimum of 1,000 lots (the larger of the minimum volume thresholds involving months other than the front month).
  - i. For the trade to be eligible for deferred publication the minimum strategy threshold to meet would be 3,000 lots.

## Equity derivatives

Examples of a “Type 1” block where outright thresholds are applicable, and the Block Trade involves no more than one contract month or options series.

- h. For a FTSE 100 Index Futures trade, the trade size must meet the minimum volume threshold of 500 lots.
  - i. For the trade to be eligible for deferred publication the trade size must meet the Post Trade Large in Scale (“LIS”) value, to be found in Appendix D.
- i. For a standard FTSE 100 Index Options trade, order book listed, the trade size must meet the minimum volume threshold of 500 lots.
  - i. For the trade to be eligible for deferred publication the trade size must meet the Post Trade LIS value, to be found in Appendix D.

Examples of a “Type 2” block where strategy thresholds apply and the Block Trade involves more than one contract month of the same IFEU Futures or Options Contract.

- j. For a calendar spread in the FTSE 100 Index Futures contract (e.g. long December expiry and short the March expiry), the legs must sum to a minimum of 1,000 lots.
- k. For a calendar spread in the FTSE 100 Index Standard Option contract (i.e. a put in the December expiry and a call in the March expiry), the legs must sum to a minimum of 1,000 lots.

## Asset Allocations

- l. When a White month Option on Three Month Euribor® Call Spread and a 1Yr Mid-Curve Option on Three Month Euribor® Call Spread are traded together as part of an Asset Allocation:
  - i. The legs must sum to 1,100 (the lower of the applicable outright minimum volume thresholds of the contracts being traded).
  - ii. The number of contracts traded must be commensurate in weighting.