



## ICE Futures Europe application for exemption from referenced contract position limits

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Exemptions are available from the position limits that apply to certain Exchange futures contracts, and are permissible on any of the following bases<sup>1</sup>:

**Enumerated *Bona fide*** hedging transactions or positions i.e.

- Hedges of inventory and cash commodity fixed-price purchase contracts
- Hedges of cash commodity fixed-price sales contracts
- Hedges of offsetting unfixed-price cash commodity sales and purchases
- Hedges of unsold anticipated production
- Hedges of unfilled anticipated requirements
- Hedges of anticipated merchandising
- Hedges by agents
- Hedges of anticipated mineral royalties
- Hedges of anticipated services
- Offsets of commodity trade options
- Cross-commodity hedges

### Spread transactions

...intra-market spread, inter-market spread, intra-commodity spread, or inter-commodity spread, including a calendar spread, quality differential spread, processing spread, product or by-product differential spread, or futures-option spread

### Other Cases inclusive of but not limited to Non-enumerated *Bona fide* hedging or financial distress scenarios with CFTC approval

Financial distress circumstances include, but are not limited to, situations involving the potential default or bankruptcy of a customer of the requesting person or persons, an affiliate of the

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<sup>1</sup> For a full description of all the available bases for exemption, applicants should refer to the Part 150 of the CFTC Regulations, in particular Sections [§ 150.1 Definitions](#) and [§ 150.3 Exemptions](#).

requesting person or persons, or a potential acquisition target of the requesting person or persons

Applicants for an exemption from any limit should do so by completing the form attached as pages 4 to 8 of this document. A separate form should be completed for each product; where an exemption is sought on more than one product, these can be submitted separately or simultaneously as convenient.

Exemption requests must include information that demonstrates that the proposed positions are *bona fide* hedging positions or spread positions, by providing a description of the business undertaken against each exemption basis and instance. This should indicate the nature of the underlying business (e.g. refinery margin hedging), the risk being hedged, the need for the exemption, the futures contracts typically involved, the applicant's activity in the cash and swap markets for the relevant commodity, geography where applicable, etc. The Exchange will consider hedge exemptions sought due to sudden unforeseen circumstances; in this situation a person must apply for a *bona fide* hedging exemption within five business days after the person established the position that exceeded the applicable Position Limit in good faith.

The application should indicate either:

1. the amount of exemption required in each case, or
2. where the management, structure or internal exposure netting of a book means this figure cannot be reliably provided, then the overall level sought. This should be expressed as a total position requirement i.e. if the request is to hold a position of up to 11,000 lots this should be the amount stated.

The application should also indicate direction, i.e., whether the level sought is long, short, or both.

Applicants should further note:

- Exemptions are normally granted for a maximum of one year. Applications for renewal of exemptions should be made at least annually, unless the Exchange exercises its discretion to waive this requirement.
- The Exchange may require additional information from the applicant relevant to the exemption at any time.
- Where there is a material change to the circumstances cited in support of an exemption request, the Exchange may require that an updated application be submitted.
- Where the Exchange has granted an exemption but considers it no longer consistent with its published guidance or with Exchange Rules P.3 or P.4, then at its discretion the Exchange may revoke such exemption.

- ICE Futures Europe may consider requests by participants for exemptions for non-enumerated *bona fide* hedging activity in a manner compatible with CFTC Rule 150.3(a)(ii) and CFTC Rule 150.9. Any such exemptions may be subject to additional requirements and conditions.
- Risk Management Exemptions can only be applied for up to the 31 December 2021 and if approved will thereafter only be valid until 31 December 2022. Participants with existing approved Risk Management Exemptions may request these be renewed and extended to 31 December 2022.

<b>APPLICANT COMPANY</b>	
<b>ACCOUNT NAME</b>	
<b>SUBMITTED BY</b>	
<b>POSITION</b>	
<b>DATE</b>	
<b>DURATION REQUESTED</b>	

<b>CLEARING MEMBER(S) WHERE ACCOUNTS WILL BE MAINTAINED (ATTACH AN ADDITIONAL SHEET IF NECESSARY)</b>	
<b>CLEARER NAME</b>	
<b>ACCOUNT EXECUTIVE</b>	
<b>ACCOUNT NUMBER</b>	

STATE PRODUCT FOR WHICH EXEMPTION IS SOUGHT (E.G., ICE WTI FUTURE, ICE HEATING OIL FUTURE, ICE NEW YORK HARBOUR RBOB GASOLINE FUTURE):			
BASIS	INSTANCE	DESCRIPTION OF APPLICANT'S QUALIFYING BUSINESS ACTIVITY	QTY SOUGHT (LOTS)
<i>Enumerated Bona fide hedging transactions or positions</i>	Hedges of inventory and cash commodity fixed-price purchase contracts		
	Hedges of cash commodity fixed-price sales contracts		
	Hedges of offsetting unfixed-price cash commodity sales and purchases		
	Hedges of unsold anticipated production		
	Hedges of unfilled anticipated requirements		
	Hedges of anticipated merchandising		
	Hedges by agents		
	Hedges of anticipated mineral royalties		
	Hedges of anticipated services		
	Offsets of commodity trade options		
	Cross-commodity hedges		
Spread transactions	intra-market spread, inter-market spread, intra-commodity spread, or inter-commodity spread, including a calendar spread, quality differential spread, processing spread, product or by-product differential spread, or futures-option spread		
<i>Bona fide hedging Non-Enumerated hedging of transactions or positions as per CFTC Rule</i>	<i>Bona fide hedging Non-Enumerated hedging of transactions or positions</i>		

150.3(a)(ii) and CFR 150.9			
Financial distress positions, where permitted under CFTC Rule 150.3(a)(3)	...financial distress circumstances include, but are not limited to, situations involving the potential default or bankruptcy of a customer of the requesting person or persons, an affiliate of the requesting person or persons, or a potential acquisition target of the requesting person or persons		
<b>Total sought</b>	Long:		
	Short:		

### Risk Management Exemptions

Additional Risk Management Exemptions can only be requested and approved by ICE Futures Europe prior to 31 December 2021. Such approval will continue, unless revoked by the Exchange, until 31 December 2022.

- Participants with existing approved Risk Management Exemptions can request these be extended up to 31 December 2022 by completing the field below - Section A.
- Where there has been a material change to a previously granted Risk Management Exemption, or a new Risk Management Exemption is being applied for prior to 31 December 2021, Section B must be completed.

#### Section A

- Has the participant previously applied for and does it currently hold an approved Risk Management Exemption that has been approved by ICE Futures Europe (Yes/No).

<ul style="list-style-type: none"> <li>• If “Yes”, please provide date of previous submission (DD/MM/YYYY)</li> <li>• Please confirm that there have been no material changes affecting the referenced previous submission since the date of the original submission.</li> </ul>	
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**Section B**

Basis	Instance	Description of applicant’s qualifying business activity	Qty sought (lots)
Additional Risk Management Exemptions	Risk Management		

**I CONFIRM THAT THE APPLICANT WILL COMPLY WITH ANY LIMITATIONS IMPOSED BY THE EXCHANGE WITH REGARD TO SUCH POSITIONS; AND THAT THE APPLICANT WILL IMMEDIATELY SUPPLY THE EXCHANGE WITH A SUPPLEMENTAL STATEMENT WHENEVER THERE IS A MATERIAL CHANGE TO THE INFORMATION PROVIDED IN THE APPLICANTS MOST RECENT APPLICATION.**

**SIGNED**

**DATE**

This form must be submitted no later than five (5) business days prior to exceeding the position limit to:

ICE Futures Europe Market Regulation  
ICE Futures Europe  
5<sup>th</sup> Flr Milton Gate,  
60 Chiswell Street,  
London  
EC1Y 4SA  
[compliance-europe-positionlimitoversight@ice.com](mailto:compliance-europe-positionlimitoversight@ice.com)