



RUSSELL INDEX CONTRACTS PRICE MULTIPLIER CHANGE - FREQUENTLY ASKED QUESTIONS

1. What is happening and when?

Effective with the start of trading for trade date Monday, December 5, 2016, pending regulatory approval, the price multiplier for all Russell Index futures and option contracts will change to \$50 per index point, from the current \$100 multiplier.

This means that at the new \$50 multiplier, the notional value of a futures contract that has a price of 1183.00 would be \$59,150 (vs. a notional value of twice that amount at the \$100 multiplier).

2. What contracts are affected by this change?

All ICE Futures US Russell Index futures and options contracts are affected. The contracts are:

Russell 2000 Index futures and options, Russell 2000 Value Index futures and Russell 2000 Growth Index futures
Russell 1000 Index futures and options, Russell 1000 Value Index futures and Russell 1000 Growth Index futures

3. Why is this change to the multiplier being made?

The change is being made to respond to feedback from market participants, who have pointed out that the notional values of the Russell contracts are close to all-time highs and who have suggested that a smaller sized product would be more conducive for trading and would return the notional value of the contracts to a level closer to what the value was when the contracts were originally listed for trading.

4. How will GTC orders open as of the close of business on December 2, 2016 be handled?

All GTC orders that remain active at the close of trading at the close on December 2, 2016 will be cancelled by the Exchange. Market participants who expect to be affected by this should take appropriate steps to reenter new orders during the pre-open period for trade date December 5, 2016.

5. How will open positions held at the close of trading on December 2, 2016 be handled?

The Exchange and ICE Clear US (and their clearing member firms) will convert all open interest held at the close of trading on December 2, 2016 to reflect the change to the contract multiplier as of the start of trading on the next business day. Each lot of open interest as of the close of business on December 2

will be converted to two lots of open interest as of the start of trading for trade date Monday, December 5, 2016.

For more information about how the Russell contracts price multiplier change will be handled operationally at ICE Clear U.S., please see [ICE Clear U.S. Clearing Notice 16-072](#) (October 27, 2016).

6. What about Exchange and Clearing fees?

Exchange and Clearing fees for the contracts will be cut in half to reflect the new multiplier. Effective with the change to the multiplier, the Exchange and Clearing fees for the Russell contracts will be 30 cents per side for all Russell 1000 Index futures and option contracts (including the Growth and Value contracts) and 65 cents per side for all Russell 2000 Index futures and options contracts (including the Growth and Value contracts).

The previously announced waiver of exchange and clearing fees for December 2017 and later contract months will remain in effect after the change to the multiplier, and there will be no change to the current miscellaneous fees and charges already in place. Current fees for the Russell contracts and all other ICE Futures US contracts can be found at:

https://www.theice.com/publicdocs/futures_us/Exchange_and_Clearing_Fees.pdf.

7. What about Exchange margin levels?

The initial and maintenance margin levels for the Russell contracts will be adjusted at the time of the change to the multiplier. These margin levels change over time based upon market conditions; current Exchange margin levels can be found at:

https://www.theice.com/publicdocs/futures_us_reports/all/Futures_US_Margin_Requirements.pdf.

8. Will the position limit and reportable levels for the contracts change?

The position limit levels for the contracts will be doubled vs. the current levels, to reflect the change to the multiplier. Current position limit levels for all Exchange products can be found at

https://www.theice.com/publicdocs/futures_us_reports/all/IFUS_Position_Limits_Accountability_and_Reportable_Levels_for_Non-Energy_Products.xlsx

The reportable level for these products will remain unchanged at 200 lots.

9. Will the block trade minimum quantity change?

The block trade minimum quantity for the Russell contracts will be adjusted to reflect the change to the multiplier. The new block trade minimum quantity will be 40 lots for Russell Index futures and 100 lots for Russell Index options contracts.

10. What else is changing?

The minimum price change/tick increment for these contracts is not changing, which means that the dollar value of the minimum tick will be \$5.00 per contract (vs. the current \$10.00 per contract).

All other contract terms - including trading hours, daily settlement times and listed contracts months - are not changing.