

NOTICE

April 22, 2014

Summary of content

Amendments to the
Pre-Execution
Communications FAQ

For more information please contact:

Kerry Demitriou
Chief Compliance Officer
Market Regulation
(212)748-4014
kerry.demitriou@theice.com

-or-

Vito Naimoli
Manager
Market Regulation
(312)836-6729
vito.naimoli@theice.com

Media Inquiries:

Brookly McLaughlin
312-836-6728
Brookly.McLaughlin@theice.com

To sign up to receive
Exchange Notices
automatically, please go to
our Subscriptions page at:

<https://www.theice.com/subscribe.html>

AMENDMENTS TO PRE-EXECUTION COMMUNICATIONS FAQ

Effective May 7, 2014, clarifying amendments to the Exchange's Pre-Execution Communication FAQ ("FAQ") shall go into effect.

In accordance with Exchange Rules, all orders which result from pre-execution communications that are submitted to the electronic trading system ("ETS") for execution, must be entered as a cross trade using the Crossing Order ("CO") functionality. Entry of the CO onto the ETS will trigger a Request For Quote ("RFQ") message to the market soliciting bids and offers for the relevant futures for the contracts being crossed and will trigger the start of an automatic waiting period before the CO will be executed. During that waiting period while the CO is being executed, the parties to the transaction are prohibited from engaging in certain activities under Exchange rules.

Currently, Question 13 of the FAQ provides that parties to a cross trade are prohibited from entering better bids and offers in the contract(s) while the CO transacts. Such activity is prohibited under Rule 4.02(m)(2)(C), which provides that the parties to pre-execution communications may not enter orders that take advantage of information obtained through the pre-execution communication, such as the price at which the CO will execute. The amendment to question 13 of the FAQ expressly provides that if a party to the CO enters a bettering bid or offer it is a violation of that Rule.

Question 14 of the FAQ is being amended to conform with Exchange Rule 4.02(m)(2)(E), which provides that the parties to a CO may not submit RFQs while the CO is transacting. This prohibition is in place to prevent the parties from diverting the attention of potential participants away from a pending CO. Question 14 of the FAQ currently does not track the language of the rule and limits the prohibition to the submitter of the CO rather than applying it to the parties.

Additional amendments to the FAQ update cross references to Exchange rules that recently were moved and renumbered.

The revised Pre-execution Communication FAQ can be found at:

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