

APPENDIX III

Self-Trade Prevention Functionality Policy

All market participants engaging in proprietary trading are required to implement procedures to protect against self-trading that violates the Exchange's wash trading prohibition set out in Rule 4.02(c).

The ICE Platform has functionality, called the "Self Trade Prevention Functionality" ("STPF") that can assist participants in preventing violations of wash trading prohibitions. As set out below, certain participant categories are required to utilize the STPF.

Description of Functionality

The STPF resides within the ICE trading engine and provides various automated configurations to prevent self-trading of orders entered with the same STPF ID. This may include orders entered within the same trading firm, or across trading firms. All STPF ID configurations are required to be set up and managed by trading firms through ICE's proprietary user portal.

Note that the STPF does not apply to derived orders from spreads or other strategies that trade across outright orders. Only outright-to-outright orders and spread to same spread orders will be prevented from self-trading.

Further information is set out in the FAQ on [Self Trade Prevention Functionality](#).

Mandatory Use of STPF

The use of STPF is mandatory for Proprietary Traders with direct market access ("DMA") who utilize algorithmic trading applications. For the purposes of this Policy, "Proprietary Trader" means: an entity (company or individual) that trades for its own account or their company's account, and which does not trade for customer/client accounts.

The Exchange intends that the mandatory use of the STPF may be extended over time to cover other Proprietary Traders and/or commercial/merchant entities other than those which trade for customer/client accounts. However, the STPF is available and may be utilized by all DMA firms.

Those who are required to utilize the STPF to prohibit self-trading may not opt out or otherwise override the use of the STPF.

Other market participants are encouraged to utilize the STPF in a manner that is appropriate to the nature of their trading operations and organizational structure.

It is incumbent upon all market participants to be able to demonstrate compliance with the rules that prohibit wash trading. The failure to utilize the STPF will be deemed an aggravating factor if such market participant is found to have engaged in wash trading, that would have been prevented by the STPF.

Appendix III was amended March 1, 2021.