

# ICE Futures U.S.<sup>®</sup>, Inc.

## TRADING RULES

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# ICE FUTURES U.S.<sup>®</sup>, INC.

## TRADING RULES

### GENERAL TRADING RULES

#### **Rule 4.00. Compliance with Rules and Orders, Consent to Jurisdiction**

(a) Any Person initiating or executing a Transaction on or subject to the Rules of the Exchange directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated or executed, expressly consents to the jurisdiction of the Exchange and agrees to be bound by and comply with the Rules of the Exchange in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. Any futures commission merchant, introducing broker, associated person, or foreign Person performing a similar role that charges a commission or fee in connection with a Transaction on or subject to the Rules of the Exchange also expressly consents to the Exchange's jurisdiction.

(b) It shall be a violation of the Rules for any Person to furnish false information, or fail to furnish information when requested, to the Board or to any committee, subcommittee, officer or employee of the Exchange in the course of its, their, or his duties.

(c) It shall be a violation of the Rules for any Person to violate, or fail to comply with, the terms of any agreement with the Exchange or any order or decision of, or any suspension imposed by, the Exchange, the Board or any committee or subcommittee of the Exchange, including, without limitation, any Hearing, Arbitration or Appeals Panel.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board January 22, 2020; effective February 7, 2020 [¶ (a)].**

#### **Rule 4.01. Duty to Supervise**

(a) Every Person shall diligently supervise the Exchange-related activities of such Person's employees and agents. For purposes of this Rule, the term "agent" includes any Exchange-related activities associated with automated trading systems that generate, submit and/or cancel messages without human intervention. Every Person shall also be responsible for the acts and omissions of such employees and agents.

(b) Each Firm shall establish, administer and enforce supervisory systems, policies and procedures, based on the nature and size of its Exchange-related activities, which are reasonably designed to achieve compliance with Exchange Rules.

(c) Each Member and Member Firm which employs a Clerk must be present or have a Member who is either an associate of the Brokers Association or Member Firm that employs such Clerk present on the premises occupied by the Exchange at all times during which such Clerk is engaged in Exchange-related activities.

**Amended by the Board September 30, 2015; effective January 1, 2016 [¶¶ (a) and (b)].**

**Amended by the Board June 22, 2017; effective July 26, 2017 [¶ (a)].**

**Amended by the Board June 22, 2017; effective July 26, 2017 [¶ (a)].**

**Amended by the Board September 25, 2019; effective January 1, 2020 [¶¶ (b) and (c)].**

#### **Rule 4.02. Trade Practice Violations**

In connection with the placement of any order or execution of any Transaction, it shall be a violation of the Rules for any Person to:

(a) Manipulate, or attempt to manipulate, the price of any Commodity traded on the Exchange;

(b) Corner, or attempt to corner, any Commodity traded on the Exchange;

(c) Execute a wash sale, accommodation Trade, fictitious sale or prearranged Trade;

(d) Commit or attempt to commit fraudulent action on the Exchange or use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;

(e) Withhold or withdraw from the market any order or any part of an order for the convenience of another Person;

(f) Prearrange the execution of transactions in Exchange products for the purpose of passing or transferring equity between accounts;

(g) Engage in cross trading other than in accordance with the following procedures:

(1) Independently initiated orders on opposite sides of the market for different beneficial account owners that are immediately executable against each other may be entered without delay provided that the orders did not involve pre-execution communications as defined in sub-paragraph (k) of this Rule.

(2) Futures orders on opposite sides of the market that are simultaneously placed for different beneficial accounts by a Person with discretion over both accounts may be entered into ETS as Crossing Order (“CO”) which contains both the buy and sell orders; or by separately entering one order and allowing it to be exposed on the ETS for a minimum of five (5) seconds before entering the opposing order.

(3) A futures order that allows for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite a second order received by the same intermediary using a CO which contains both the buy and sell orders; or by entering the second order immediately upon receipt and allowing it to be exposed on the ETS for a minimum of five (5) seconds before entering the opposing order.

(4) In the case of Options which are listed on the ETS, orders on opposite sides of the market that are simultaneously placed for different beneficial accounts by a Person with discretion over both accounts must be entered into the ETS as a CO which contains both the buy and sell orders.

(5) In the case of Options which are listed on the ETS, an order that allows for price and/or time discretion, if not entered immediately upon receipt, may be knowingly entered opposite a second order received by the same intermediary only as part of a CO which contains both the buy and sell orders.

(h) Engage in front running;

(i) Disclose or divulge the buy or sell order of another Person except (1) in furtherance of executing the order, (2) at the request of an authorized representative of the CFTC or (3) pursuant to sub-paragraph (k) of this Rule regarding certain pre-execution communications.

(j) knowingly enter, or cause to be entered, a Transaction in which the opposite side of a Customer order is executed for an account which is owned or controlled, or in which an ownership interest is held, by an intermediary handling the Customer order, or for the proprietary account of the employer of such an intermediary, without submitting to ETS a Crossing Order (“CO”) consisting of both the Customer order and the order for such other account, provided, however, that any Transaction that is consummated without the knowledge of the intermediary shall not be considered to have violated this Rule.

(k) Engage in pre-execution communications, except in accordance with the following procedures:

(1) For the purposes of this Chapter, pre-execution communications shall mean communications between two (2) market participants for the purpose of discerning interest in the execution of a Transaction prior to the terms of an order being entered on the ETS and visible to all market participants on the electronic trading screen.

(2) A market participant may engage in pre-execution communications with regard to Transactions executed on ETS where a market participant wishes to be assured that another market participant will take the opposite side of an order under the following circumstances:

(A) If a Customer order is involved, the Customer has previously consented to such communications being made on its behalf;

(B) A party to pre-execution communications shall not disclose the details of such communications to any Person who is not a party to the communications;

(C) A party to pre-execution communications shall not enter an order to take advantage of information conveyed during such communications, except in accordance with this Rule;

(D) Each Options order that results from pre-execution communications must be executed by entry into the ETS of a CO consisting of both the buy and sell orders. A party that has agreed to an Options CO resulting from pre-execution communications may enter an order in a related market to hedge the risk associated with the pending CO, except for an intermediary taking the opposite side of its own Customer order. The CO must transact in the ETS before an order to hedge may be entered for: (i) any account in which the intermediary has a direct or indirect interest; or (ii) the account of any Person(s) that holds a relationship to the intermediary of a type enumerated in the definition of “proprietary account” in CFTC Regulation 1.3;

(E) Each Futures order that results from pre-execution communications may be entered as a CO, which contains both the buy and sell order; or by separately entering one order and allowing it to be exposed on the ETS for a minimum of five (5) seconds before entering the opposing order;

(F) Once the terms of a CO have been agreed to, the parties may not delay entry of the CO and may not enter a Request for Quote (“RFQ”) with the intent to distract other participants from the pending CO.

(I) Engage in any other manipulative or disruptive trading practices prohibited by the Act or by the Commission pursuant to Commission regulation, including, but not limited to:

(1) Entering an order or market message, or cause an order or market message to be entered, with:

- (A) The intent to cancel the order before execution, or modify the order to avoid execution;
- (B) The intent to overload, delay, or disrupt the systems of the Exchange or other market participants;
- (C) The intent to disrupt the orderly conduct of trading, the fair execution of transactions or mislead other market participants, or
- (D) Reckless disregard for the adverse impact of the order or market message.

(2) Knowingly entering any bid or offer for the purpose of making a market price which does not reflect the true state of the market, or knowingly entering, or causing to be entered, bids or offers other than in good faith for the purpose of executing *bona fide* Transactions.

**Amended by the Board March 22, 2018; effective April 23, 2018 [¶¶ (k)(2)(E)].**

**Amended by the Board June 21, 2018; effective July 13, 2018 [¶¶ (g)(2) through (5) and (k)(D)]**

**Amended by the Board August 7, 2019; effective August 23, 2019 [¶¶ (k)(2)(D) through (k)(2)(F)].**

#### **Rule 4.03. Dual Trading Violations**

(a) Prohibited Purchases. It shall be a violation of the Rules for any Person to purchase, on the ETS market, any Exchange Futures Contract or any Exchange Call Option or sell any Exchange Put Option for his own account or for any account in which he has any direct or indirect interest while holding an order of another Person for the same Commodity for the purchase of an Exchange Futures Contract or Exchange Call Option or sale of an Exchange Put Option, which is executable at the market price or at the price at which such purchase can be made for such Person’s own account or for the account in which he has an interest.

(b) Prohibited Sales. It shall be a violation of the Rules for any Person to sell, on the ETS market, any Exchange Futures Contract or any Exchange Call Option or buy any Exchange Put Option for his own account or for any account in which he has any direct or indirect interest while holding an order of another Person for the same Commodity for the sale of an Exchange Futures Contract or Exchange Call Option or purchase of an Exchange Put Option, which is executable at the market price or at the price at which such sale can be made for such Person’s own account or for the account in which he has an interest.

#### **Rule 4.04. Conduct Detrimental to the Exchange**

It shall be a violation of the Rules for any Person to fail to conform to, the Rules or the procedures of the Exchange or the Clearing Organization, or to engage in conduct or practices inconsistent with just and equitable principles of trade or conduct detrimental to the best interests of the Exchange.

#### **Rule 4.05. Prohibition on Dissemination of False Information**

It shall be a violation of the Rules for any Person to disseminate any false, misleading or knowingly inaccurate information, including reports concerning crop or market information or conditions that affect or tend to affect the price of any Commodity traded on the Exchange.

#### **Rule 4.06. Exchange for Related Position**

(a) The following transactions shall be permitted by arrangement between the parties in accordance with the requirements of this Rule, each type of transaction being referred to as an Exchange for Related Position (“EFRP”):

(i) AA or EFP Transaction: A privately negotiated and simultaneous exchange of an Exchange futures position for a corresponding related cash position;

(ii) EFS or Exchange for Risk (“EFR”): A privately negotiated and simultaneous exchange of an Exchange futures position for a corresponding related OTC swap or other OTC instrument;

(iii) Exchange of Options for options (“EOO”): A privately negotiated and simultaneous exchange of an Exchange Option position for a corresponding related OTC option position or other OTC instrument with similar characteristics.

#### **(b) EFRP Transaction Requirements**

(i) An EFRP Transaction shall consist of two discrete but related simultaneous transactions in which one party must be the buyer of (or the holder of the long market exposure associated with) the related position and seller of the corresponding Exchange contract, and the other party to the EFRP Transaction must be the seller of (or the holder of the short market exposure associated with) the related position and the buyer of the corresponding Exchange contract. The related position must involve the commodity underlying the Exchange Futures Contract or Option (or any by-product or related product) in a quantity that is approximately equivalent to the quantity covered by the Exchange Futures Contract or Option. Exchange Traded Funds (“ETFs”) are an acceptable cash or physical component of an EFP. Notwithstanding the foregoing, a third party may facilitate an EFRP by acting as the principal on the cash or OTC component of the transaction (the “Related Position”). Except as provided in paragraph (b)(vii)(A) below, the Related Position must pass through to the Person that receives the Exchange Futures Contract as part of the EFRP transaction.

(ii) Each EFRP requires a bona fide transfer of ownership of the Cash Commodity between the parties or a bona fide, legally binding contract between the parties consistent with relevant market conventions for the particular related product transaction.

(iii) The execution of an EFRP transaction may not be contingent upon the execution of another EFRP or related position transaction between the parties where the transactions result in the offset of the related position without the incurrence of market risk that is material in the context of the related position transactions.

(iv) The accounts involved in the execution of an EFRP Transaction must be (A) independently controlled with different beneficial ownership; or (B) independently controlled accounts of separate legal entities with the same beneficial ownership; or (C) independently controlled accounts within the same legal entity, provided that the account controllers operate in separate business units.

(v) The parties to an EFRP Transaction shall maintain all documents relevant to the Exchange contract and the related position including all documents customarily generated in accordance with the relevant market practices, including, as applicable, copies of the documents evidencing title to, or the contract or contracts to buy or sell, the Cash Commodity (or the by-product or related product) involved in such Transaction, and master swap agreements and any supplements thereto. Any such documents and information shall be furnished to the Exchange upon request. The carrying Clearing Member shall be responsible to provide such requested documents and information on a timely basis.

(vi) EFRP Transactions executed on the Last Trading Day for any delivery month in any Sugar No. 11 or Sugar No. 16 Futures Contract must be executed and reported before the final five (5) minutes of trading.

(vii) EFPs which result in the parties immediately offsetting (i) a foreign currency cash transaction with the cash leg of a foreign currency EFP and (ii) an ICE Benchmark Administration (“IBA”) London Gold Auction and/or London Silver Auction (“Auction”) delivery obligation with the cash leg of a Gold Daily Futures Contract or a Silver Daily Futures Contract (as applicable) EFP are permitted. Such transactions are not permitted for any other asset classes or Commodity Contracts.

#### (A) Foreign Currency EFP Transactions

The Exchange would expect to see confirmation statements issued by the bank/foreign exchange dealer party to the Transaction. These confirmation statements should be the type normally produced by the bank/foreign exchange dealer for confirmation of currency deals and must indicate, by name or account number, the identity of the counter party principal to the Transaction. However, in circumstances where the EFP Transaction is between a bank/foreign exchange dealer and a CTA, account controller, or other Person (“Account Controller”) facilitating, as principal, the cash/OTC component of the transaction, the confirmation statement issued by the bank/foreign exchange dealer or a written allocation instruction issued by the Account Controller as soon as practicable after the entire transaction is complete, must identify, at minimum, the name of the Account Controller, the name of the Carrying Clearing Member and the account number (or other account specific designation), but need not identify the customer of the Account Controller by name.

#### (B) Gold Daily and Silver Daily EFP Transactions

The Exchange requires documentation to be furnished upon request evidencing the IBA matching of the parties in the Auction. Such documentation should indicate the date of the Auction, the date of delivery and amount of Gold or Silver to be delivered. Documentation may be in the form of a standard confirmation statement issued by a party or may be furnished directly by IBA. A party should be able to demonstrate that it, or its Clearing Member, has the capability to settle transactions in the spot loco London Gold and Silver market.

(viii) A Person providing inventory financing may enter into an AA/EFP Transaction in which there is a purchase of the storable agricultural, energy or metals commodity and the sale of an equivalent quantity of Exchange Futures Contracts and simultaneously grant to the same counterparty the nontransferable right, but not the obligation, to effectuate a second AA/EFP Transaction during a specified time period in the future which will have the effect of reversing the original AA/EFP Transaction.

(c) Reporting Requirements

The parties to an EFRP Transaction shall cause the Transaction to be identified and reported to the Exchange in accordance with such procedures as are determined by the Exchange from time to time.

(d) All Commodity Contracts effected as part of EFRP Transactions shall be cleared in the usual manner. If a Clearing Member has actual or constructive notice or knowledge of the execution of non-bona fide EFRPs by its customer and the Clearing Member fails to take appropriate action, the Clearing Member may be found to have committed an act detrimental to the best interests of the Exchange.

**Amended by the Board July 28, 2017, effective September 5, 2017 [¶¶ (b)(vii) and (b)(vii)(B)].**

**Amended by the Board October 24, 2017; effective November 8, 2017 [¶(d)].**

**Amended by the Board December 11, 2019; effective January 1, 2020 [¶¶ (b)(i)].**

**Amended by the Board June 21, 2023; effective July 31, 2023 [¶ (b)(i)].**

**Rule 4.07. Block Trading**

(a) Privately negotiated Transactions may be entered into with respect to Commodity Contracts designated by the Exchange for such purpose (hereinafter referred to as "Block Trades"), provided that all of the following conditions are satisfied:

(i) Each party to a Block Trade must be:

(A) an eligible contract participant as that term is defined in Section 1a(18) of the Act; *provided that*, if the Block Trade is entered into on behalf of Customers by (1) a commodity trading advisor registered under the Act ("CTA"), including without limitation any investment advisor registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act or CFTC regulations ("Exempt Investment Adviser"), with total assets under management exceeding US \$25 million, or by (2) a foreign entity performing a similar role or function to a CTA or investment advisor that is subject to foreign regulation ("Foreign Adviser"), with total assets under management exceeding US \$50 million, the individual Customers need not so qualify, or

(B) a corporation, business trust, partnership, limited liability company or similar business venture (other than a commodity pool), which, at the time of entering into the first block trade on the Exchange, has total assets in excess of \$5 million and meets one of the portfolio requirements specified in CFTC Regulation 4.7(a)(1)(v), or

(C) a natural person whose individual net worth, or joint net worth with that person's spouse, at the time of entering into the first block trade on the Exchange, would qualify the individual as an 'accredited investor' as defined in SEC Rule 230.501(a)(5) and who meets one of the portfolio requirements specified in CFTC Regulation 4.7(a)(1)(v); or

(D) a natural person whose income, at the time of entering into the first block trade on the Exchange, would qualify the individual as an 'accredited investor' as defined in SEC Rule 230.501(a)(6) and who meets one of the portfolio requirements specified in CFTC Regulation 4.7(a)(1)(v), or

(E) a 'Non-United States person', as such term is defined in CFTC Regulation 4.7(a)(1)(iv).

(ii) Each buy or sell order underlying a Block Trade must:

(A) state explicitly that it is to be, or may be, executed by means of a Block Trade; and

(B) be for at least the applicable minimum threshold as specified by the Exchange; *provided that* only a CTA, including without limitation an Exempt Investment Adviser, with total assets under management exceeding US \$25 million or a Foreign Adviser with total assets under management exceeding US \$50 million, may satisfy this requirement by aggregating orders for different accounts.

(iii) The price at which a Block Trade is executed must be fair and reasonable in light of (A) the size of such Block Trade, (B) the price and size of other Trades in the same contract at the relevant time; and (C) the price and size of Trades in other relevant markets, at the relevant time.

(iv) Block Trades shall not set off conditional orders, including but not limited to, stop orders, limit orders or market-if-touched orders, or otherwise affect orders in the regular market.

(v) Block Trades executed on the Last Trading Day for any delivery month in Sugar No. 11 Futures Contract must be executed and reported before the final five (5) minutes of trading.

(b) Block Trades may be executed in Exchange Futures and Options Contracts as determined by the Board and must meet the applicable minimum thresholds for such contracts as determined by the Board from time to time.

(c) The parties to a Block Trade shall cause the Transaction to be reported to the Exchange in accordance with such procedure as are determined by the Exchange from time to time.

(d) If a Clearing Member has actual or constructive knowledge that an account it carries does not meet the requirements of paragraph (a)(i) of this Rule and fails to take appropriate action, the Clearing Member may be found to have committed an act detrimental to the best interests of the Exchange. Upon request from the Exchange, a Clearing Member carrying an account for which a Block Trade has been executed shall verify that the account holder meets the requirements of paragraph (a)(i) of this Rule and shall advise the Exchange of the basis of such determination.

(e) Block Trades may not be used to establish positions upon which a cash and carry exemption request made in accordance with Rule 6.29 is based.

(f) Notwithstanding paragraph (a)(i) of this Rule, the Chief Regulatory Officer or his designee may authorize an exception to the minimum threshold quantity or permit a block trade at a price within the historical range for the contract(s) being traded, where, in the opinion of the Exchange official, it is deemed: (i) to be in the best interests of the Exchange; or (ii) to be the most appropriate means to remedy an error that results from the good faith acts or omissions of any Person.

**Amended by the Board March 21, 2019, effective July 29, 2019 [¶¶ (a)(i)(A) through (a)(i)(E)].**

**Amended by the Board March 21, 2019; effective January 27, 2020 [¶ (d)].**

**Amended by the Board August 12, 2020; effective August 28, 2020 [¶ (f)].**

## **ACCESS**

### **Rule 4.08. Access to ETS**

(a) All Clearing Members are eligible for Direct Access to the ETS upon execution of a Participant Agreement and such other agreements required by the Exchange or its Affiliates relating to such ETS access.

(b) A Clearing Member may authorize any eligible Person to have Direct Access to the ETS. A Person is eligible for Direct Access to the ETS upon execution of a Participant Agreement and such other agreements required by the Exchange or its Affiliates relating to such ETS access.

(c) Clearing Members and Persons with Direct Access may connect to the ETS through Direct Access by using an application provided by WebICE or another independent software vendor (“ISV”) which has been approved and authorized by the Exchange, or by developing their own application program interface (“API”) which has been approved and authorized by the Exchange

(d) A Clearing Member may permit its Customers to connect to the ETS by Order Routing. A Customer that connects to the ETS by Order Routing does not itself have Direct Access.

(e) The Exchange may refuse to grant Direct Access to any Person which a Clearing Member seeks to authorize if the Exchange determines that granting Direct Access to such Person is not consistent with the best interests of the Exchange. Any such refusal by the Exchange may be appealed by the Clearing Member and shall be considered by a panel of the Business Conduct Committee comprised of three members of the committee. Each panel shall determine the specific procedures to be applied, provided that the Clearing Member shall be afforded the opportunity to present such evidence as it deems relevant. Such a presentation shall be conducted informally with no transcript taken.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board September 8, 2023; effective September 25, 2023 [¶¶ (a) and (b)].**

#### **Rule 4.09. Access for Submitting Block Trades and Other Non-Competitive Transactions**

(a) Block Trades, EFPs, EFSs and EOOs are non-competitive Transactions that may be executed in accordance with the Rules specifically applicable to them and submitted to the Exchange by the Customer or another Person authorized to do so by the Clearing Member carrying the account for which the Transactions are submitted (an “Authorized Person”).

(b) An Authorized Person must execute a Participant Agreement to Access the ETS to submit non-competitive trades permitted by the Exchange.

(c) Any Block Trade submitted to the ETS by an Authorized Person in accordance with this Rule that is not otherwise accepted by a Clearing Member shall be automatically cleared on the Trade date to the Clearing Member which authorized the submission of non-competitive trades by the relevant Authorized Person for the account to which the Authorized Person allocated such Block Trade.

(d) Each Block Trade and each EFRP submitted to the Exchange with complete details for each Trade side will be allocated to, and deemed accepted by, the Clearing Member which authorized the respective account(s) and Authorized Person(s) to submit the Transaction. Each such Clearing Member shall be financially liable for their Trade side in accordance with Rule 4.10 unless it is subsequently accepted, in accordance with Exchange Rules, by another Clearing Member through a post-trade position management interface made available by the Exchange or Clearing House. The re-allocation of a Trade side to another Clearing Member through a post-

trade position management interface shall be made as soon as practicable after the Trade is reported, and the receiving Clearing Member shall become financially liable under Rule 4.10 upon affirmatively accepting the Trade in accordance with the procedures specified by the Exchange from time to time. Acceptance by the receiving Clearing Member shall take place as soon as practicable, but in no event later than the end of the first Trading Session after the Trade is reported.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board December 15, 2021; effective February 18, 2022 [¶ (d)].**

#### **Rule 4.10 Clearing Member Responsibilities**

(a) Each Clearing Member is responsible for the financial obligations arising from Direct Access it authorizes for any Person and for each Customer for which it provides Order Routing access, with respect to all orders entered and Transactions executed under its Clearing Member Mnemonic.

(b) A Clearing Member is obligated to accept for clearance on the Trade date all Trades allocated to such Clearing Member that have been executed (i) by a Person through Direct Access that has been authorized by such Clearing Member and (ii) by a Customer for which it provides Order Routing access. Except as provided in Rule 4.14, a Clearing Member's obligation to accept such Trades for clearance shall remain in full force and effect until the Exchange terminates such Direct Access or Order Routing access and cancels all orders as a result of the Clearing Member's written notice to the Exchange revoking its authorization of such access.

(c) With respect to each Person for which it has authorized Direct Access or Customer for which it provides Order Routing access, the Clearing Member shall:

(i) take any and all actions requested or required by the Exchange with respect to such Person, including, but not limited to, assisting the Exchange in any investigation into potential violations of the Rules or of the Act, and requiring them to produce documents, provide information, answer questions and/or to appear in connection with any investigation;

(ii) suspend or terminate the Direct Access if the Clearing Member has reason to believe that the Person is enjoined by order, judgment or decree of any court of competent jurisdiction or of the CFTC or the Securities and Exchange Commission or of any state securities authority or agency from engaging in or continuing any conduct or practice in connection with the purchase or sale of any Commodity, security, option or similar instrument; or if a Person with Direct Access fails to have adequate systems and controls for risk management to monitor its orders and trades effected through Direct Access on a real time basis;

(iii) suspend or terminate such Person if the Clearing Member has reason to believe that their actions threaten the integrity or liquidity of any Exchange Contract, violate the Rules or the Act, or if they fail to cooperate in any investigation; and

(iv) independently maintain appropriate controls designed to facilitate the Clearing Member's management of financial risk and also utilize such controls designed to facilitate the Clearing Member's management of financial risk as may be provided by the Exchange from time to time.

(d) In accordance with subparagraph (c)(iv) of this Rule, a Clearing Member may authorize, as its agent, a Carrying Member or foreign broker carrying a Customer omnibus account, to utilize functionality provided by the Exchange to facilitate management of such Clearing Member's financial risk. The authorizing Clearing Member and any Carrying Member or foreign broker so authorized shall execute such agreements as required by the Exchange from time to time regarding the use of such functionality. The foregoing does not relieve a Clearing Member of its obligations to comply with any provision of this Rule or any other Exchange Rule.

(e) If a Clearing Member has actual or constructive notice of a violation or potential violation of the Rules or the Act in connection with the use of ETS by a Customer for which it provides Order Routing access or by a Person with Direct Access which has been authorized by such Clearing Member, and the Clearing Member fails to take appropriate action, the Clearing Member may be found to have violated Rule 4.04 and subject to disciplinary action under the Rules.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board December 1, 2017; effective January 15, 2018 [¶¶ (d) and (e)].**

#### **Rule 4.11 Reserved**

#### **Rule 4.12. Revocation of Direct Access Authorization by Clearing Member**

A Clearing Member that authorizes Direct Access for a Person may revoke such authorization without prior notice to the Person. Written notice of the revocation of such authorization shall be immediately provided to the Exchange, which shall thereby terminate the Direct Access that had been authorized by such Clearing Member and cancel all orders of the Person in the system under the revoking Clearing Member's Mnemonic.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.13. eBadges and Mnemonics**

Each Clearing Member shall request one (1) or more eBadges or Mnemonics as it deems necessary to accommodate the nature and volume of its business.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board March 22, 2023; effective June 1, 2023 [¶ (a)].**

**Amended by the Board September 26, 2024; effective January 24, 2024.**

#### **Rule 4.14. Effect of Termination or Suspension of Clearing Member**

If a Clearing Member terminates its Clearing Membership with the Exchange or has its Clearing Member privileges terminated or suspended by the Exchange or the Clearing Organization, the Direct Access of the Clearing Member, the Direct Access authorized by such Clearing Member to any Person, and any Order Routing provided to Customer shall automatically terminate on the effective date of the termination or suspension of such clearing privileges.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.15. Required Identifications**

(a) Each individual Person with Direct Access, employee of a Clearing Member or of a Person with Direct Access, automated trading system and Customer that connects to the ETS by Order Routing must have a unique identification assigned to them in accordance with the procedure adopted by the Exchange from time to time in order to utilize ETS. Each Person or automated trading system assigned a unique identification shall be referred to as a “Registered Operator”. The unique identification assigned to a Registered Operator may not be reassigned to another Registered Operator.

(b) Orders entered on the ETS must include the unique identification assigned to the Registered Operator. A Registered Operator is prohibited from allowing any other Person or automated trading system to use such unique identification to enter orders on the ETS. A Registered Operator may not enter orders on the ETS using a unique identification that has not been assigned to the Registered Operator.

(c) Each Clearing Member and Person with Direct Access shall file with the Exchange, in a method and format prescribed by the Exchange, information regarding each Registered Operator for whom the Clearing Member and/or the Person with Direct Access has authorized access to the ETS and who is either (i) a Member, (ii) an employee of a Member, Member Firm, Person with Direct Access or Clearing Member, (iii) individuals or employees of firms who participate in an Exchange market maker, market specialist or fee program, or (iv) any other Registered Operator as determined by the Exchange. Said information shall be filed with the Exchange prior to the date the Registered Operator is given access to ETS. Each Clearing Member and Person with Direct Access shall ensure the accuracy of the registration information on file with the Exchange regarding its Registered Operators.

(d) Each order entered through an eBadge must contain the unique identification assigned in accordance with paragraph (a) of this Rule that identifies the Registered Operator who entered the order. Each Registered Operator must utilize a client application that automatically populates the unique identification for every order.

(e) A Registered Operator shall be subject to the Rules, including, but not limited to, the Rules of this Chapter and Rules relating to order handling, trade practices and disciplinary proceedings. It shall be the duty of the Person who employs the Registered Operator to supervise the Registered Operator’s compliance with the Rules, and any violation thereof by such Registered Operator may be considered a violation by the employer.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

## **ORDERS**

#### **Rule 4.16. Customer Disclosure Statement**

No Clearing Member or Member who is an FCM or introducing broker shall accept an order from, or on behalf of, a Customer for entry into ETS, unless such Customer is first provided with the Uniform Electronic Trading and Order Routing System Disclosure Statement required by the National Futures Association.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.17. Acceptable Orders**

(a) The following order types are supported by the ETS and shall be available in such futures and options contracts as determined by the Exchange from time to time (listed in alphabetical order):

(i) “Calendar Spread orders” – Calendar Spread orders are orders to purchase one (1) or more Exchange Futures Contracts and sell an equal number of Exchange Futures Contracts in the same Commodity at a stated price difference. All Exchange Futures Contracts comprising the Calendar Spread Order must be for the same Person. Calendar Spread orders may either trade against other matching Calendar Spread orders or may be traded against outright contracts. When traded against outright contracts, the outright contract prices are always used for each of the legs of the Calendar Spread order. When traded against another Calendar Spread order, the prices of the legs of such Transactions will be generated by a Calendar Spread algorithm determined by the Exchange and the prices of the legs of such Transactions may exceed the daily price limit for the respective product.

(A) For ETS Calendar Spread orders for Cocoa, Coffee “C”<sup>®</sup>, Cotton No. 2<sup>®</sup>, FCOJ, Sugar No. 11<sup>®</sup>, Sugar No. 16, Canola, Energy, ICE Mortgage Index and all physically settled Gold and Silver Contracts, a buy order is defined as purchasing the near month and selling the far month, and a sell order is defined as a selling the near month and purchasing the far month.

(B) For ETS Calendar Spread orders for Financial Contracts and other Index Contracts, a buy order is defined as purchasing the far month and selling the near month, and a sell order is defined as selling the far month and purchasing the near month.

(ii) “Intercommodity Spread Orders” – Intercommodity Spread orders are orders to purchase one (1) or more Exchange Futures Contracts and sell an equal number of Exchange Futures Contracts in a different Commodity at a stated price difference. All Exchange Futures Contracts comprising the Intercommodity Spread Order must be for the same Person. Intercommodity Spread orders may only trade against other matching Intercommodity spread orders and the prices of the legs, which may exceed the daily price limit for the respective product, will be generated by an algorithm determined by the Exchange. An order to buy an Intercommodity Spread is defined as purchasing the first named commodity and selling the second named commodity, and an order to sell an Intercommodity Spread is defined as a selling the first named commodity and purchasing the second named commodity.

(iii) “Limit orders” – Limit orders are orders to buy or sell a stated quantity at a specified price, or at a better price, if obtainable. Unless otherwise specified, any residual volume from an incomplete limit order is retained in the central order book until the end of the day unless it is a GTC order, it is withdrawn or executed.

(iv) “Market orders” – Market orders are executed at the best price or prices available in the order book at the time the order is received by ETS until the order has been filled in its entirety. However, a market order in the Exchange’s agricultural and Henry Hub products will not trade outside of the Reasonability Limits, a market order in all of the Exchange’s other Energy Contracts shall not trade outside 100% of the No Cancellation Range (“NCR”) and a market order in the Exchange’s Financial, Digital Currency and Index Contracts will not trade outside of 200% of the NCR and any residual volume from an incomplete market order is canceled. Market orders are rejected if the market is not open.

(v) “Options Spread orders” – Options Spread orders are orders to effect one (1) Exchange Options Contract in conjunction with one (1) or more other Exchange Options Contracts(s) in the same commodity or to effect a Combination Transaction. All Exchange Options Contracts comprising the Options Spread Order must be for the same Person.

(A) A “Combination Transaction” shall mean two (2) or more Commodity Contracts traded simultaneously and comprised of an Exchange Options Position and a related Exchange Futures Position.

(B) Combination Transactions may only be executed when both the Exchange Futures Contract and its related Exchange Options Contract are listed for trading.

(C) All Commodity Contracts comprising the Combination Transaction must be for the same Person.

(D) The Exchange Futures Contract must be priced within its respective daily price limits.

(E) No Registered Operator, upon receiving separate orders for Exchange Futures Contracts and for Exchange Options contracts for the same or different customers, may combine and execute such orders as a Combination Transaction but must execute each order separately.

(F) The futures position must offset the net Options position of the Combination Transaction.

(G) The number of Exchange Futures Contracts should not exceed the number of Exchange Options Contracts for the Combination Transaction.

(vi) “Stop Orders” – Acceptable Types

(A) In the event that a particular Commodity Contract is subject to different NCRs based on the delivery months, the widest NCR that is listed for the particular Commodity Contract shall be applied for Stop Limit Orders and Stop Orders with Protection (collectively, “Stop Orders”), regardless of the delivery month specified in such order.

(B) “Stop-Limit Orders” – A Stop-Limit Order has two components: (1) the stop price and (2) the limit price. When a trade has occurred on ETS at or through the stop price, the order becomes executable and enters the market as a Limit order at the limit price. The order will be executed at all price levels from the stop price up to and including the limit price. If the order is not fully executed, the remaining quantity of the order will remain active in ETS at the limit price.

(a) With respect to Stop-Limit Orders for non-Calendar Spread Transactions, the allowable price range between the stop price and the limit price of a Stop-Limit Order will be restricted to 100% of the NCR for the specified Commodity Contract.

(b) With respect to Stop-Limit Orders for Calendar Spreads, the allowable price range between the stop price differential and the limit price differential of a Stop-Limit Order

will be restricted to the range specified for the Commodity Contract as determined by the Exchange from time to time (the “Calendar Spread Stop-Limit Order Range”).

(c) A buy Stop-Limit becomes executable when a trade occurs at or higher than the stop price. When entered, the stop price must be above the current best offer or, if no working offer, above the current anchor price. The limit price must be equal to or greater than the stop price.

(d) A sell Stop-Limit becomes executable when a trade occurs at or lower than the stop price. When entered, the stop price must be below the current best bid or, if no working bid, then below the current anchor price. The limit price must be equal to or less than the stop price.

(C) “Stop Orders with Protection” – A Stop Order with Protection has two components: (1) the stop price and (2) an Exchange set protection limit price. The Exchange set limit price is the NCR for the specified Commodity Contract from the stated stop price. When a trade has occurred on ETS at or through the stop price, the order becomes executable and enters the market as a Limit order at the Exchange set limit price. The order will be executed at all price levels from the stop price up to and including the limit price. If the order is not fully executed, the remaining quantity of the order will remain active in ETS at the limit price.

(a) A buy Stop will have as its Exchange set limit price the stated stop price plus the NCR for the specified Commodity Contract.

(b) A sell Stop will have as its Exchange set limit price the stated stop price minus the NCR for the specified Commodity Contract.

(c) For Commodity Contracts with daily price limits, the Exchange set limit price will not exceed the absolute maximum price permitted.

(d) A buy Stop for a Calendar Spread will have as its Exchange set limit price differential the stated stop price differential plus the Calendar Spread Stop-Limit Order Range then in effect for the specified Commodity Contract.

(e) A sell Stop for a Calendar Spread will have as its Exchange set limit price differential the stated stop price differential minus the Calendar Spread Stop-Limit Order Range then in effect for the specified Commodity Contract.

(vii) “Trade At Index Close orders” – Trade At Index Close (“TIC”) orders are orders to buy or sell a stated quantity of an index-based futures contract at the end of the day Spot Index Value for the index upon which the futures contract is based, or up to a maximum number of minimum price fluctuations above or below the Spot Index Value. TIC orders may be submitted only for those Commodity Contracts and delivery months, during such time periods and for such maximum number of minimum price fluctuations above or below the Spot Index Value, as specified by the Exchange from time to time.

(viii) Trade at Morning Marker Price orders – Trade At Morning Marker Price (“TAMM”) orders are orders to buy or sell a stated quantity at:

(A) the Trading Session’s Morning Marker Price or up to two (2) minimum price fluctuations above or below the Trading Session’s Morning Marker Price; or

(B) if a Calendar Spread, at the spread differential between the Trading Session’s Morning Marker Prices of the two (2) delivery months or up to two (2) minimum price fluctuations above or below the spread differential between the Trading Session’s Morning Marker Prices of the two (2) delivery months;

For purposes of this Rule, the Morning Marker Price for an Exchange Futures Contract month shall be determined by the Exchange following the same procedures used to calculate Daily Settlement Prices as provided in Rule 4.34 and using prices traded or, if not traded, bid and offered during the Morning Marker Period.

For purposes of this Rule, the Morning Marker Period for each Exchange Futures Contract shall commence at the same time as the floor trading session for the related Exchange Options Contract begins and shall last for two (2) minutes for Sugar No. 11, Coffee “C” and Cocoa Futures Contracts and for one (1) minute for Cotton No. 2 and FCOJ Futures Contracts.

TAMM orders may be submitted only for those Commodity Contracts and delivery months and during such time periods as specified by the Exchange from time to time. TAMM orders may result in transactions priced outside the daily price limits.

(ix) “Trade At Settlement orders” – Trade At Settlement (“TAS”) orders are orders to buy or sell a stated quantity at:

(A) the Trading Session’s Settlement Price or up to one hundred (100) minimum price fluctuations above or below the Trading Session’s Settlement Price for Energy Futures Contracts or up to five (5) minimum price fluctuations above or below the Trading Session’s Settlement Price; for all other Exchange Futures Contracts; or

(B) if a Calendar Spread, at the spread differential between the Trading Session’s Settlement Prices of the two (2) delivery months up to one hundred (100) minimum price fluctuations above or below the spread differential between the Trading Session’s Settlement Price of the two delivery months for Calendar Spreads involving Energy Futures Contracts or five (5) minimum price fluctuations above or below the spread differential between the Trading Session’s Settlement Prices of the two (2) delivery months for all other Calendar Spreads; provided, however, that if either or both delivery months settles at a price that is limit up or limit down, then the price of the second leg of the Calendar Spread shall be determined by the Exchange on the basis of observed prices of Transactions involving such Calendar Spread executed during the settlement period or, in the absence of trades in such Calendar Spread during the settlement period by using the procedures used to determine Daily Settlement prices as provided in Rule 4.34.

TAS orders may be submitted only for those Commodity Contracts and delivery months and during such time periods as specified by the Exchange from time to time. TAS orders may result in transactions priced outside the daily price limits.

(x) “Intermarket Spread Orders” – Intermarket Spread Orders are orders to purchase (sell) one (1) or more Exchange Futures Contracts and, based on the ratio defined by the Exchange, sell and/or purchase one (1) or more Futures Contract(s) at ICE Futures Europe at a stated price difference. All Futures Contracts comprising the Intermarket Spread Order must be for the same Person. Intermarket Spread Orders may only trade against other matching Intermarket Spread Orders and the prices of the legs, which may exceed the daily price limit for the respective Futures Contract, will be determined by the Exchange and ICE Futures Europe.

(b) An ETS order may contain one (1) or more of the following functionalities for such futures and options contracts as determined by the Exchange from time to time:

(i) “Reserve Quantity orders” - An ETS order may specify a maximum disclosure volume to be shown to the market for an order enabling the order to be released gradually without revealing the full size. The unrevealed part of the order is released only when the first part of such order is completely filled. When each portion of the order is released, it is placed in its entirety at the end of the order priority queue.

(ii) “Good After Logout orders” – Good After Logout (“GAL”) orders remain in the ETS market even after the trader has logged out or the connection to the ETS platform is lost. However, all orders, including GAL orders, will be deleted when the system closes at the end of the trading session.

(iii) “Good ‘Til Canceled orders” – Good ‘Til Canceled (“GTC”) orders are orders to buy or sell a stated quantity at a stated price which remain active in ETS until such orders are either executed, canceled by the trader or automatically canceled at the Commodity Contract’s expiration. GTC orders retain their priority in the matching engine based on the date and time they were entered.

(iv) “Good ‘Til Date orders” – Good ‘Til Date (“GTD”) orders are orders to buy or sell a stated quantity at a stated price which remain active in ETS until such orders are either executed, canceled by the trader or automatically canceled at the end of the trading session for the date specified. GTD orders retain their priority in the matching engine based on the date and time they were entered.

(v) “Good ‘Til Date & Time orders” - Good ‘Til Date & Time (“GTD&T”) orders remain active in the ETS until the date and local time specified by the user, or until they are filled in their entirety or cancelled by the user. GTD&T orders retain their priority in the matching engine based on the date and time they were entered.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board June 21, 2018; effective July 30, 2018 [¶¶ (a)(i)(A)].**

**Effective September 23, 2019 [(a)(i)(B) with the listing of Bitcoin Futures contracts].**

**Amended by the Board February 13, 2020; effective March 3, 2020 [¶¶ (a)(iv)].**

**Adopted by the Board November 16, 2021; effective December 6, 2021 [¶¶ (a)(x)].**

**Amended by the Board May 27, 2022; effective June 14, 2022 [¶¶ (a)(i)(A) and (a)(iv)].**

#### **Rule 4.18. Order Entry**

(a) A Registered Operator entering an order, other than in a clerical capacity, on behalf of a Customer Account, other than an order for the Registered Operator's own account must have appropriate industry registration.

(b) A Registered Operator who is registered with the CFTC as an associated person or in a comparable capacity under applicable law may enter discretionary or non-discretionary orders on behalf of any account of a Clearing Member with the prior approval of the Clearing Member.

(c) A Registered Operator who is not registered as an associated person, or in a comparable capacity under applicable law, may enter non-discretionary orders on behalf of a Customer Account. Such Registered Operator may enter discretionary or non-discretionary orders for the account of his or her employer or for his or her own account if he or she is authorized by his employer to do so and does not enter or handle Customer orders.

(d) Orders for a Customer Account, other than an order entered by a Customer for its own account, may only be entered from:

(i) the premises of an entity appropriately registered to conduct Customer business or any other location designated by such entity by a Registered Operator who is also registered with such entity as an associated person or in a comparable capacity under applicable law.

(e) It shall be the duty of each Registered Operator to:

(i) submit orders that include his Log-In ID and, if applicable, authorized trader ID; and

(ii) input the price, quantity, Exchange Commodity Contract, expiration month, correct CTI code and appropriate account designation for each order.

(f) The account designation must be an account number, account name or other identifying notation that is uniquely tied to a specific account owner for whom the order is placed.

(i) A suspense account may be utilized at the time of order entry for bunched orders that are eligible for post-trade allocation and which are made, time-stamped and executed pursuant to and, in accordance with, Rule 6.08 and CFTC Regulation 1.35(a-1) (5), provided that the appropriate account designation is entered by the end of the Trading Session into ACT or such other system as may be designated by the Exchange from time to time.

(ii) A suspense account may be utilized at the time of order entry for any other order, provided, however, that a contemporaneous order record containing the correct account designation is made, time-stamped and maintained in accordance with Rule 6.08 and the appropriate account designation is entered, by the end of the Trading Session into ACT or such other system as may be designated by the Exchange from time to time.

(g) With respect to orders received by a Registered Operator who receives an order that is not immediately entered into ETS, an order record which includes the order instructions, account designation, date, time of receipt and any other information that is required by the Exchange must be made in accordance with Rule 6.08. The order must be entered into ETS when it becomes executable.

Amended by the Board June 22, 2017; effective July 13, 2017.

Amended by the Board September 22, 2021; effective October 19, 2021 [¶¶ (e)(ii)].

Amended by the Board March 22, 2023; effective June 1, 2023 [¶¶ (b) through (g)].

Amended by the Board June 21, 2023; effective July 21, 2023 [¶¶ (f)(ii) and (g)].

#### **Rule 4.19. Audit Trail Requirements for Electronic Orders Submitted Through Direct Access or Order Routing Systems**

(a) Each Clearing Member or Person with Direct Access shall ensure that all orders submitted to the Exchange through its Direct Access connection and any Order Routing system (as applicable) comply with the requirements set forth in this Rule.

(b) A Clearing Member or Person with Direct Access that has arrangements for a third party to populate and assign order data or maintain audit trail information on its behalf shall remain responsible for compliance with this Rule.

(c) Each Clearing Member or Person with Direct Access shall, in accordance with procedures adopted by the Exchange at the time of order generation:

(i) accurately assign and populate the following data elements: (1) Order Routing Trader & Authorized Trader (Tag 116 Left & 116 Right, respectively); (2) account number (Tag 440); and (3) Manual Order Identifier (Tag 1028); and

(ii) maintain, at a minimum, the following data for electronic orders:

(1) date and times of (A) order entry, (B) order receipt and (C) all modification and cancellation messages submitted to ETS and responses to such messages. (The times of order entry, order receipt, order modification and responses must reflect the highest level of precision provided by the API, but not less than one hundredth of a second and shall not be subject to modification or alteration by the Person entering the order); and

(2) the details for: (A) ICE Market ID (Tag 55); (B) buy/sell indicator (Tag 54); (C) futures or option indicator (Tag 167); (D) if option, put/call designation (Tag 201); (E) quantity (Tag 38); (F) if a reserve quantity order, the reserve quantity (Tag 210); (G) order type (Tag 40); (H) price (Tag 44); (I) stop price (Tag 99); (J) if option, strike price (Tag 202); (K) time-in-force (Tag 59); (L) Clearing Member ID (Tag 439); (M) account number (Tag 440); (N) customer type indicator (Tag 9208); (O) ETS log-in identification (Tag 9139); (P) client order identification (Tag 11); (Q) Exchange order identification (Tag 37); and (R) order status (Tag 9175); (S) customer account Reference ID (Tag 9207); (T) Order Routing Member & Authorized Member (Tag 115 Left & 115 Right, respectively); (U) Order Routing Trader & Authorized Trader (Tag 116 Left & 116 Right, respectively); (V) Order Routing Group & Authorized Group (Tag 144 Left & 144 Right, respectively); (W) Tag 9821 (SelfMatchPrevention ID); and (X) Tag 9822 (SelfMatchPreventionInstruction); and (Y) Manual Order Identifier (Tag 1028).

(d) In accordance with Rule 4.10, a Clearing Member must take appropriate action if it has actual or constructive knowledge that a Clearing Member or Person with Direct Access it authorized has failed to accurately input and/or maintain each order or data field required to be

populated by this Rule. Each Person with Direct Access is responsible for conforming to the above guidelines for all orders submitted to the Exchange through its Direct Access connection.

(e) Each Person with Direct Access shall maintain (or cause to be maintained) and, upon request, produce the audit trail records required by this Rule; and each Clearing Member shall, upon request, obtain and produce the audit trail records required under this Rule for each Person with Direct Access that such Clearing Member has authorized. The electronic audit trail must be maintained for a minimum of five (5) years, in accordance with Rule 6.07(b). Upon the request of the Exchange, each Clearing Member or Person with Direct Access must produce to the Exchange the audit trail data in a format prescribed by the Exchange.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board June 22, 2022; effective January 3, 2023 [¶¶ (a) through (e)].**

#### **Rule 4.20. Revising Orders**

The price or volume of an ETS order that has not fully traded may be revised. If the volume is reduced, the time priority originally assigned to the order does not change. Revising the price or increasing the volume will change the order's time priority in the queue to the time ETS receives the revision.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.21. Deactivating and Deleting Orders**

When a Registered Operator logs off, all of his ETS orders are deactivated except for orders designated as GAL or GTC. If for any reason the connection to ETS is lost, all orders entered from that location are deactivated except for orders designated as GAL or GTC.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

## **TRADING**

#### **Rule 4.22. Pre-Trading Session**

(a) Prior to the opening of a trading session for an Exchange Commodity Contract, there will be a Pre-Trading Session designated by the Exchange during which time only Limit orders may be entered.

(b) Throughout the Pre-Trading Session, an Uncrossing Algorithm will run at regular intervals, which may vary by Commodity Contract, and will provide indicative opening prices to all Registered Operators logged on at that time.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.23. Opening Match**

(a) The period of time after the termination of the Pre-Trading Session and prior to the Open of trading, shall be referred to as the "Opening Match". During the Opening Match, all Limit orders entered and designated as active during the Pre-Trading Session may be matched, as appropriate, resulting in executed Trades at the Opening Match price.

(b) The price level and quantity of contracts traded during the Opening Match will be determined by an Uncrossing Algorithm determined by the Exchange. No new orders may be submitted during the Opening Match.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.24. Open and Close of Electronic Trading Session**

(a) The Open of an ETS Trading Session will be indicated by the display of the “open” indicator on ETS.

(b) The Close of an ETS Trading Session will be indicated by the display of the “closed” indicator on ETS.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.25. Trading Hours**

(a) The ETS trading hours shall be as specified by the Exchange from time to time. All times specified in this Rule for Energy Contracts shall refer to the prevailing time in New York City on the relevant day and shall be referred to as Eastern Prevailing Time or “EPT”.

(b) The time period during which daily Settlement Prices shall be determined is:

(i) for Cocoa Futures and Options Contracts, 11:48 AM – 11:50 AM;

(ii) for Coffee “C” Futures and Options Contracts, 12:23 PM – 12:25 PM;

(iii) for Cotton No. 2 Futures and Options Contracts, 2:14 PM – 2:15 PM;

(iv) for FCOJ Futures and Options Contracts, 1:29 PM – 1:30 PM;

(v) for Sugar No. 11 Futures and Options Contracts, 12:53 PM – 12:55 PM;

(vi) for Sugar No. 16 Futures Contracts, 12:59 PM – 1:00 PM;

(vii) for Canola Futures Contracts, 2:14 PM - 2:15 PM;

(viii) for Financial Futures and Options Contracts, 2:59 PM – 3:00 PM;

(ix) for Oil Contracts and Energy Futures and Options Contracts involving Power and Natural Gas, 2:28 PM-2:30 PM and for Environment products, 3:45-4:00 PM; and

(x) for 100oz Gold Futures, 33.2 oz. mini Gold Futures, Options on 100oz Gold Futures and Options on 33.2 oz. mini Gold Futures, between 1.29 and 1.30 p.m., and for Gold Daily Futures, between 3:00 and 3:05 pm London Time.

(xi) for Silver Daily Futures, 5000 oz Silver Futures, 1000oz Silver Futures, Options on 5000 oz Silver Futures Options on 1000 oz Silver Futures, 1:24pm – 1:25 pm, and;

(xii) for all MSCI Index Futures Contracts between 3:59 pm and 4pm NY Time;

(xiii) for the NYSE Index Futures Contracts, 3:59 PM and 4:00 PM; and

(xiv) for Mortgage Index and SOFR Index Futures Contracts, 2:58 PM to 3:00 PM.

(c) On the Last Trading Day for each Exchange Futures Contract, the Trading Session will end:

(i) for Sugar No. 16 Futures, at 12:45 PM;

(ii) for Cotton No. 2 Futures at 2:20 PM;

(iii) for Coffee “C” Futures at 12:25 PM;

(iv) for Cocoa Futures at 11:50 AM;

(v) for Sugar No. 11 Futures at 12:55 PM;

(vi) for Canola Futures, at 2:20 PM;

(vii) for the USDX Futures and Currency Futures, at 10:16 AM;

(viii) for NYSE Index Futures, at 9:30 AM

(ix) for Oil Futures Contracts and Energy Futures Contracts, unless otherwise specified in Rules setting forth the terms and conditions for such contract, at the same time as the regular Trading Session;

(x) for Gold Daily Futures Contracts and Silver Daily Futures Contracts, noon London time;

(xi) for MSCI Index Daily Futures Contracts 4:15 PM; and

(xii) for all other Exchange Futures Contracts, unless otherwise specified in Rules setting forth the terms and conditions for such contract, at the same time as the regular Trading Session.

(d) On the Last Trading Day for each Exchange Options Contracts, the Trading Session will end at the following times:

(i) for Cocoa Options and Coffee “C” Options at 1:30 PM;

(ii) for Sugar No. 11 Options at 1:00 PM;

(iii) for Cotton No. 2 Options at 2:20 PM;

(iv) for USDX Options at 3:00 PM;

(v) for Canola Options at 2:20 PM;

(vi) for Oil Options and Energy Options Contracts, at the times specified for each such Option in subchapter E of Chapter 18.

(vii) for all other Exchange Contracts unless otherwise specified in Rules setting forth the terms and conditions for such contract, at the same time as the regular Trading Session.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board July 28, 2017; effective September 5, 2017 [¶¶(b)(xiv) and (c)(xiii).**

**Amended by the Board September 27, 2017; effective November 8, 2017 [¶¶(b)(ix) and (c)(ix)].**

**Amendments to Paragraphs (b)(xi) and (c)(xi); effective February 19, 2018.**

**Amended by the Board June 21, 2018; effective July 30, 2018 [¶¶ (b)(vii) through (b)(xvii), (c)(ii) and (c)(iii), (c)(vii) through (c)(xiv) and (d)(i) through (i)(vii)].**

**Amended by the Board December 6, 2018; effective January 7, 2019 [¶¶ (b)(ii) and (c)(iii)].**

**Amended by the Board March 22, 2019; effective April 8, 2019 [¶¶ (c)(xi)].**

**Effective September 23, 2019 [¶¶ (b)(xviii), (c)(xiv) and (c)(xv) with the listing of Bitcoin Futures contracts.**

**Amended by the Board September 16, 2020; effective October 1, 2020 [¶¶ (b)(xv) through (b)(xvii).**

**Amended by the Board September 19, 2022; effective October 3, 2022 [¶¶ (b)(xv), (c)(xiii) and (d)(vii)].**

**Amended by the Board June 22, 2022; effective December 5, 2022 [¶¶ (b)(xv), (c)(xiii) through (c)(xiv)].**

**Amendments to (b)(xiii) and (c)(ix); effective November 3, 2023.**

**Amended by the Board April 10, 2024; effective June 10, 2024 [¶¶ (c)(vi) through (c)(xii)].**

#### **Rule 4.26. Order Execution**

(a) A Trade is executed in ETS when the following conditions occur:

(i) one order is a bid and the other is an offer;

(ii) the two orders are for the same Exchange Commodity Contract and delivery or expiration month and, if an Option order, the same Strike Price and Option type, if available; and

(iii) the price of the bid (offer) equals or is greater (less) than the price of the offer (bid).

(b) All orders entered and activated are queued by the time of entry or amendment and matched on a first-in-first-out price and time priority basis.

(c) Details of each Trade made on ETS will be recorded by the Exchange, and confirmation of the Trade will be displayed on ETS for each Registered Operator who is a party to the Trade.

(d) Each Trade executed in the ETS shall be allocated to, and deemed accepted by, the Clearing Member which authorized Direct Access or provided Order Routing access for their Trade side. Each such Clearing Member shall be financially liable for their Trade side in accordance with Rule 4.10 unless it is subsequently accepted, in accordance with Exchange Rules, by another Clearing Member through a post-trade position management interface made available by the Exchange or Clearing House. The re-allocation of a Trade side to another Clearing Member through a post-trade position management interface shall be made as soon as practicable after the Trade is executed, and the receiving Clearing Member shall become financially liable under Rule 4.10 upon affirmatively accepting the Trade in accordance with the procedures specified by the Exchange from time to time. Acceptance by the receiving Clearing Member shall take place as soon as practicable, but in no event later than the end of the Trading Session in which the Trade was executed.

(e) All mechanical adjustments shall be made through PTMS. Any submission of a mechanical adjustment shall include all information required by PTMS to process such mechanical adjustment.

(f) Failure of ETS to broadcast any message in respect of a Trade made in ETS, an order or any part thereof, shall not invalidate any Trade recorded by the Exchange.

(g) In the event that ETS or any part of ETS fails, the Exchange's determination that a Trade has or has not been made on ETS shall be conclusive and binding.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board December 15, 2021; effective February 18, 2022 [¶ (d)].**

#### **Rule 4.27. Priority of Execution**

Orders received by a Registered Operator shall be entered into ETS in the sequence received. Orders that, by their terms, cannot be immediately entered into ETS must be so entered when the orders become executable in the sequence in which the orders were received.

#### **Rule 4.28. Interval Price Limits**

(i) Definitions: As used in this Rule 4.28, the following terms shall have the meanings specified herein:

(A) Anchor Price: the price of the relevant contract month at the outset of an IPL Recalculation Period.

(B) IPL Amount: the maximum number of points, as determined by the Exchange, that a contract month is permitted to move above or below the Anchor Price during each IPL Recalculation Time for such contract month. The IPL Amount shall be added to and deducted from the Anchor Price to create a permitted price range applicable to such contract month for the current IPL Recalculation Time

(C) IPL Recalculation Time: the pre-set period of time, as determined by the Exchange, during which the intraday price range established in accordance with this Rule shall remain in effect. At the conclusion of each IPL Recalculation Time a new intraday price range shall be determined in accordance with this Rule.

(D) IPL Hold Period: the additional period of time, as determined by the Exchange, that the applicable intraday price range will remain in effect in the event that a trading hold has been triggered.

(ii) Interval price limits, which establish dynamic intraday price ranges outside of which trading in a particular contract month of an Exchange Futures Contract may not take place for a pre-set period of time, shall be applicable to those Exchange Futures Contracts and contract months as determined by the Exchange, in its discretion, from time to time. The Exchange shall specify, and may alter in its discretion, the IPL Amount, IPL Recalculation Time, and IPL Hold Period for each Exchange Futures Contracts.

(iii) In the event that a contract month seeks to trade at a price that would be outside the permitted price range calculated in accordance with this Rule, a trading hold shall be initiated for the applicable IPL Hold Period. Any buy (sell) order which attempts to execute a Trade or rest above (below) the permitted price range will trigger a trading hold for the applicable IPL Hold Period.

(iv) During an IPL Hold Period, the affected contract month shall continue to trade, but price movement shall be restricted to the price range that was in effect prior to the start of the IPL Hold Period. All resting Limit and Stop Orders will remain active in the ETS during an IPL Hold Period; no resting Limit or Stop Orders will be cancelled by the ETS.

(A) In the event that a Market or Limit Order triggers an IPL Hold Period, any unexecuted balance of such order will be cancelled. If the IPL Hold Period is triggered by a Stop-Limit Order or Stop Order with Protection, the unexecuted balance of such order will not be cancelled.

(B) In the event an IPL Hold Period is triggered, the ETS will temporarily reset the limit price of elected Stop Limit Orders and Stop Orders with Protection while the IPL Hold Period exists to the upper or lower end of the intraday price range, depending on the direction of the price movement. The limit price of Stop Orders to buy at prices above the price range will be reset to the high end of the range (in the case of an upward move); the limit price of Stop Orders to sell at prices below the price range will be reset to the low end of the range (in the case of a downward move). At the end of the IPL Hold Period, the limit price of any remaining unfilled order volume will be restored to its original limit price.

(C) A new Market Order or new Limit Order to buy at a price above the high end of the permitted price range (in the case of an upward move) or to sell at a price below the low end of the permitted price range (in the case of a downward move) will be rejected during the IPL Hold Period. If, at the time such Market Order or Limit Order is entered it is capable of being executed at a price that is within the permitted price range, it will be accepted and executed.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.29. Invalid Trades**

Notwithstanding the Reasonability Limits, where applicable, a Trade made or purported to be made on ETS may be declared invalid by the Exchange in the following circumstances:

(a) Unrepresentative Price

(i) If the Exchange determines that a Trade has taken place at an unrepresentative price, the Exchange, at its absolute discretion, may declare such Trade invalid. The Exchange may take into account such information as it deems appropriate when determining whether to invalidate a Trade, including, without limitation, the following:

(A) price movement in other delivery or expiration months of the same Exchange Commodity Contract;

(B) current market conditions, including levels of activity and volatility;

(C) time period between different quotes and between quoted and traded prices;

(D) market or other information regarding price movement in related Commodity Contracts;

(E) manifest error;

(F) proximity of the Trade to the close of the ETS trading session.

(b) Breach of Regulations and/or Rules

(i) If the Exchange determines that a Trade has been made in breach of CFTC Regulations or the Rules, the Exchange may declare the Trade invalid.

(c) Cancellation of a Trade

(i) An invalid Trade will be removed from PTMS, may be removed from the trading server and may be displayed on ETS as a cancelled Trade.

(d) Notification

(i) When a Trade is declared invalid by the Exchange and is removed from PTMS, the parties to the Trade will be notified of that fact and a message will be broadcast on ETS announcing the Exchange Commodity Contract, delivery or expiration month and price level of the invalid Trade.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Rule 4.30. Error Trades**

In order to ensure fair and orderly market conditions, the Exchange may cancel any order and may cancel any Trade executed in ETS pursuant to the Error Trade Policy contained in Appendix 1 to this Chapter.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Rule 4.31. Errors and Omissions in Handling Orders**

(a) If a Registered Operator who inadvertently, through error or omission, fails to execute an order in ETS at the time it should have been executed, and the order cannot be executed at a price which is better than or equal to that which the order should have received, the Registered Operator may, upon discovery of such error or omission, execute such order at the best obtainable price on the ETS. Such order should be executed in the next available Exchange Trading Session for the applicable listed Exchange Commodity Contract, but, in any event, no later than the close of the next ETS Trading Session and shall be reported to the Customer at the price at which the order was actually executed.

(b) In no case may a Customer receive a price which is worse than that which the Customer should have received had the error not occurred. If such price is to the advantage of the Customer, the Customer shall receive the benefit thereof, if not, the Customer shall receive such monetary adjustment as will afford the Customer the equivalent of the price at which such order should and could have been executed.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Rule 4.32. Misuse of ETS**

Misuse of ETS is strictly prohibited. It shall be a violation of the Rules for any Person to willfully or negligently engage in unauthorized access to ETS, to assist any Person in obtaining unauthorized access to ETS, to trade on ETS without the authorization of a Clearing Member, to alter the equipment associated with ETS, to interfere with the operation of ETS, to use or configure a component of ETS in a manner which does not conform to the Rules, to intercept or interfere with information provided on or through ETS, or in any way to use ETS in a manner contrary to the Rules.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Rule 4.33. Termination of ETS Connection**

Subject to the limitations and requirements of Rule 21.02(f), the Chief Regulatory Officer or his delegate, shall have the right to summarily deny electronic trading access to any Clearing Member or Direct Access Member and shall have the right to direct a Clearing Member to immediately deny any Person access to ETS.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board March 20, 2020; effective March 23, 2020.**

## **SETTLEMENT AND CLEARING**

**Rule 4.34. Settlement Prices**

(a) Settlement Prices for all Exchange Futures Contracts except as otherwise specified in the terms of an Oil Contract described in Chapter 19 of the Rules, shall be determined in the manner specified in this Rule. All prices, bids and offers during the applicable closing period as defined in Rule 4.25(b) (the “close”) shall be used to determine the Settlement Price of a delivery or expiration period unless otherwise specified herein. For purposes of this Rule 4.34, the phrase “delivery or expiration period” shall refer to the particular contract in the listing cycle of the Exchange Futures Contract for which the Settlement Price is being determined.

(b) Except as specified in paragraph (c) with respect to the Last Trading Day of certain Exchange Futures Contracts, the Settlement Price of each delivery or expiration period of an Exchange Futures Contract shall be determined as follows:

(i) For the delivery or expiration period with the highest open interest (the “Lead Contract”), the Settlement Price shall be the weighted average of all prices for outright Trades traded during the close. When the average is a fraction, the weighted average shall be rounded to the nearest minimum permissible price fluctuation for all products other than the USDX, for which the weighted average shall be rounded to the nearest .001 of a USDX index point. For purposes of this Rule, weighted average shall mean the average by volume of all transactions executed in such delivery or expiration period during the close.

(ii) The Settlement Price for each delivery or expiration period other than the Lead Contract shall be either the weighted average or the prevailing differential depending on the nature of the trading volume in such delivery or expiration month during the close.

(iii) If no Trades have been executed during the close in a delivery or expiration period, the Settlement Price for such delivery or expiration period shall be either the average of the bids and offers made during the close or the prevailing differential between such delivery or expiration period and the nearest active delivery or expiration period during the trading day depending on the nature of the bids and offers and spread Trades involving such delivery or expiration period.

(iv) Notwithstanding subparagraphs (b)(i) through (iii) and paragraph (c) of this Rule, if the Exchange concludes that the Settlement Price determined in accordance with such provisions does not fairly represent the market value of the relevant delivery or expiration period relative to the Settlement Price of any other delivery or expiration period, or is inconsistent with market information known to the Exchange, it may establish the Settlement Price of such delivery or expiration period at a level consistent with such other Settlement Price(s) or market information including the settlement prices for similar contracts trading on other markets, trading activity in the spot, OTC and swap markets, forward prices, pricing data obtained from OTC and swap market participants, and any other pricing data from sources deemed reliable by the Exchange.

(v) If the Exchange concludes that the Settlement Price of any contract is or was erroneous, it may correct the Settlement Price in accordance with Exchange procedures at any time prior to final settlement.

(vi) If, for any reason, the relevant index or other value on which final settlement of any Futures Contract is based is not published, or the Exchange believes there is an error in the calculation of the index or other value, or the Exchange is otherwise unable to issue a final Settlement Price on such day as specified in the Rules, then the Exchange may, in its discretion, either (A) publish a final Settlement Price on such day using such pricing data as it deems reliable, or (B) delay issuing a final Settlement Price and shall publish a final Settlement Price as soon as practicable using such pricing data as it deems reliable.

(c) On the Last Trading Day the Settlement Price shall be determined as follows:

(i) in the expiring Cocoa delivery month, the Settlement Price shall be determined by the differential between the value of the expiring delivery month and the value of the next delivery month for the last minute of trading.

(ii) in the expiring USDX contract month, the Settlement Price shall be determined as specified in Rule 15.06.

(d) (i) After the final settlement of an Exchange Futures Contract, if the Exchange discovers an error in the final Settlement Price published by the Exchange, or if an index provider or other third party makes a revision to the relevant index or other value on which the final Settlement Price of an Exchange Futures Contract is based, then:

(A) If such error is discovered or revision is made within thirty (30) calendar days after the final settlement, the Exchange may correct the final Settlement Price in accordance with Exchange procedures and republish a revised final Settlement Price for the Exchange Futures Contract, *provided however*, that if during such 30-day period the Exchange becomes aware that an index provider or other third party which publishes the price on which final settlement of an Exchange Futures Contract is based has indicated that such a price is under review by it, the Exchange may correct the final Settlement Price and republish a revised final Settlement Price for the affected Exchange Futures Contract(s) when the index provider or other third party provides public notice of the corrected or revised price (even if after such 30-day period);

(B) If the final Settlement Price of a daily Exchange Futures Contract is used as a data point in determining the final Settlement Price of another Exchange Futures Contract pursuant to the contract terms and conditions of such other Exchange Futures Contract, the Exchange may, in accordance with its settlement price procedures, correct the final Settlement Price of the daily contract within thirty (30) calendar days of the final settlement date of the related Exchange Futures Contract(s) to conform the final Settlement Price of the daily contract to the price used for such contract in the calculation of the final Settlement Price of the related Exchange Futures Contract;

(C) Notwithstanding the above, the Exchange may correct at any time the final Settlement Price for an Exchange Futures Contract which had no open interest at final settlement; and

(D) Any Settlement Price that is revised by the Exchange pursuant to this paragraph (d) shall be reported to, and applied by, the Clearing Organization in accordance with the Clearing Organization Rules.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amendments to Paragraph (a); effective February 19, 2018.**

**Amended by the Board June 21, 2018; effective July 30, 2018 [¶] (a)].**

**Amended by the Board November 16, 2018; effective December 4, 2018 [¶¶] (a) through (b)(iv).**

**Amended by the Board June 23, 2021; effective May 25, 2022 [¶¶] (b)(iv) through (b)(vi), (c)(ii) and (d)(i) through (d)(D)].**

#### **Rule 4.35. Settlement Premiums**

(a) Promptly after the close of trading in each Exchange Option Contract, the Exchange shall establish the Settlement Premium for each Striking Price of each Option Month of each Option listed for trading that has open interest. A Settlement Premium may be established for any Strike Price that has no open interest.

(b) Each such Settlement Premium shall be derived from available market information including, but not limited to, following:

(A) the weighted average price of all electronic Trades executed during the closing period which shall mean the average by volume of all electronic Trades executed during the closing period for all electronics Trades in a single Strike Price rounded to the nearest minimum permissible price fluctuation of such contract;

(B) bids and offers continuously made during the closing period on the ETS;

(C) the Option's intrinsic value;

(D) the implied volatility of the (1) corresponding Call or Put of the same Strike Price, (2) nearest active prices on the ETS of the particular contract, and (3) electronic Trades in that Strike Price executed during the day, including the volume of the electronic Trades, bids and offers used to calculate such implied volatility;

(E) the differential between the implied volatility of a Strike Price and the implied volatilities for Strike Prices of nearby contract months;

(F) the settlement price of the Underlying Futures Contract, and

(G) any other market information known to the Exchange.

(c) Notwithstanding the foregoing, if a Settlement Premium derived pursuant to the above methodology is inconsistent with trades, bids or offers in other Strike Prices during the closing period, or other relevant information, or if there is no relevant market activity, the Exchange may establish a Settlement Premium that best reflects market valuation at the time of the close.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board June 21, 2018; effective July 30, 2018 [¶(a)].**

#### **Rule 4.36. Allocation of Trades**

It shall be a violation of the Rules for any Person to allocate Trades among accounts except in the sequence in which the orders for such accounts have been received. The sequence of time stamping of orders when received by such Person shall be prima facie evidence of the sequence in which such orders were received. Trades executed for orders received at the same time shall be allocated on an equitable basis among the orders received; provided, however, that all orders received on the Trading Floor after the close on one (1) trading day and prior to the opening on the next trading day shall be considered as received at the same time.

**Amended by the Board June 22, 2017; effective July 13, 2017.**

#### **Rule 4.37. Transfer Transactions Not Required to Be Made Competitively**

(a) The following transfer Transactions need not be made competitively:

(i) transfers of open contracts on the books of a Clearing Member or from one (1) Clearing Member to another Clearing Member:

(A) made at the request of a client where no change in beneficial ownership is involved;

(B) to correct errors made in the clearing of a trade(s) provided that the transfer occurs within three Business Days after the date on which the error occurred and

(ii) transfers of open contracts following the close of trading on the Last Trading Day of a particular delivery month, as provided in paragraph (e) of this Rule.

Transfers referred to in subparagraph (a)(i)(A), which offset existing Positions in the spot month, may not occur on or after the first (1<sup>st</sup>) notice day of the delivery month. Concurrent long and short positions that are held by the same beneficial owner on or after the first (1<sup>st</sup>) notice day of the delivery month must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be transferred for offset if the trade date of the position being transferred is the same as the transfer date. The receiving Firm has the responsibility to assure compliance with this Rule.

(b) Transfers of Futures Contracts made pursuant to subparagraphs (a)(i)(A) may be effected at (i) the prior day's Settlement Price, (ii) the current day's Settlement Price, or (iii) at the original market price. Transfers of Options Contracts made pursuant to subparagraphs (a)(i)(A) may be effected at either the original market Premium or a Premium of zero. For all such transfers, the transferee must carry the transferred contracts on his or its books at either the original dates or the transfer date, with the exception of Canola Futures Contracts, which must be carried on the transferee's books at the original dates.

(c) Notwithstanding the requirements of subparagraph (a)(i)(A), the Chief Regulatory Officer or his designee may approve a transfer that results in a change of beneficial ownership in the following circumstances:

(i) transfers made for the purpose of facilitating a restructuring or consolidation of a partnership, investment fund or commodity pool—so long as the managing partner or pool operator remains the same, the transfers do not result in the liquidation of any open Positions, and the pro rata allocation of positions in the new account do not result in more than a de minimis change in the value of the interest of any participant; and

(ii) transfers made as a result of, a merger, asset purchase, consolidation or similar non-recurring corporate transaction between two (2) or more entities.

For purposes of this Rule, a change in beneficial ownership shall not be deemed to have occurred with respect to (A) transfers between Firms which are 100% owned by the same Person and (B) transfers between any Person and any entity owned 100% by such Person.

(d) Notwithstanding any other provision of this Rule, the President or his designee may, with the consent of the Clearing Member(s), authorize the transfer of existing Positions between accounts or between Clearing Members when the circumstances so require and such transfer is deemed: (i) to be in the best interests of the marketplace; or (ii) to be the most appropriate means to remedy an error that results from the good faith acts or omissions of any party.

(e)(i) After the close of trading on the Last Trading Day of any delivery month or Contract Date a Clearing Member carrying one (1) or more open contracts for that delivery month for its own account or the account of any other Person as the result of an error may transfer any or all of such contracts to any other account carried by such Clearing Member or to any other Clearing Member (together with any delivery documents evidencing an intention to deliver or receive with respect to such contracts); provided that such transfers shall be subject to the following time and quantity limitations unless otherwise specified in the Clearing Organization Rules and procedures:

Contract	Time/Day	Aggregate Quantity
Cocoa	4:30 p.m./LTD	10 contracts
Coffee “C”	4:30 p.m./LTD	10 contracts
Sugar No. 16	9:00 a.m./LTD+1	10 contracts
Gold Daily	10:30 a.m./LTD	No Limit
Silver Daily	10:30 a.m./LTD	No Limit
Cotton No. 2	4:30 p.m./LTD	20 contracts
Canola	10:00 a.m./LTD+1	20 contracts
Financial Contract	11:00 a.m./LTD	No Limit
Precious Metals	6:30 p.m./LTD	No Limit
FCOJ	4:30 p.m./LTD	20 contracts
Sugar No. 11	9:00 a.m./LTD+1	80 contracts

(ii) If a Clearing Member transferring purchase contracts pursuant to this paragraph (e) shall have received a Multiple Delivery Notice with respect to such contracts and:

(A) if the transfer is made to one (1) or more of the Deliverers identified in such Multiple Delivery Notice, then, after the transfer has been effected, such Multiple Delivery Notice shall be deemed amended to reflect the deletion of the contracts so transferred; or

(B) if the transfer is to any other Person, then all of the rights and obligations of the transferor under the Multiple Delivery Notice with respect to the contracts transferred will become the rights and obligations of the transferee, and the transferee will immediately notify the Deliverer of the transfer, specifying the name and address of the transferee and identifying the contracts transferred.

**Amended by the Board July 28, 2017; effective September 5, 2017 [¶¶ (e) and (e)(ii)]**

**Amended by the Board June 22, 2017; effective July 13, 2017.**

**Amended by the Board June 21, 2018; effective July 30, 2018 [¶¶ (b), (e), (e)(ii)].**

**Effective September 23, 2019 [¶¶ (e) and (e)(ii) with the listing of Bitcoin Futures contracts].**

**Amended by the Board September 9, 2019; effective September 24, 2019 [¶ (e)].**

**Amended by the Board March 20, 2020; effective March 23, 2020 [¶¶ (c)].**

**Amended by the Board September 25, 2020; effective October 1, 2020 [¶¶(e)(ii)].**

**Amended by the Board December 15, 2020; effective February 8, 2021 [¶¶ (e)(i) through (e)(ii)].**