

# ICE Futures U.S.<sup>®</sup>, Inc.

## MARGIN RULES

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# ICE FUTURES U.S.<sup>®</sup>, INC.

## MARGIN RULES

### Rule 5.01. Scope of Chapter and Definitions

This chapter governs the Margins and Premiums required for Exchange Futures and Options Contracts. The following terms are defined for purposes of this chapter only, and do not apply to other Rules.

#### **Current Margin Call**

A bona fide Margin call which has been outstanding a Reasonable Time as defined in this Rule.

#### **Customer**

An account holder trading in any Commodity Contract, except the holder of a proprietary account as defined by CFTC Regulation 1.17(b)(3), or Non-Customer account as defined by CFTC Regulation 1.17(b)(4).

#### **Margin Call**

A request for Margin funds to bring an account up to the Original Margin requirement when Margin equity in the account is less than the Maintenance Margin requirement.

#### **Non-Customer**

An account holder trading in any Commodity Contract which satisfies the definition in CFTC Regulation 1.17(b)(4).

#### **Omnibus Account**

An account held in the name of an FCM or foreign broker that is utilized for placing and clearing Trades of one (1) or more undisclosed Persons.

#### **Reasonable Time**

Less than five (5) Business Days for Customers and less than four (4) Business Days for Non-Customer and Omnibus Accounts. Note: Days are counted from and including the day the account became undermargined.

**Amended by the Board March 22, 2023; effective June 1, 2023.**

#### **Risk Reducing Trades**

The establishment or closure of a futures or options Position that reduces the risk of existing Positions in an account.

### Rule 5.02. Reserved

### Rule 5.03. Margin

(a) Member Firms shall calculate the amount of Original Margin required to be collected from each Person for which it carries an account holding Exchange Futures and/or Options Contracts using the ICE<sup>®</sup> Risk Model margining system unless otherwise determined by the Board. Original and Maintenance Margin requirements for any account that is subject to cross margining pursuant to the terms of a Cross Margining Program under Clearing Organization Rule

502B shall be calculated in accordance with the terms of such Cross Margining Program and collected by the Carrying Firm in accordance with this Chapter 5.

(b)(i) The minimum amount of Original Margin which must be obtained by a Carrying Member from each Person for which it carries an account holding Exchange Futures and/or Options Contracts shall be the same as the minimum amounts which must be so obtained by Clearing Members, as specified by the applicable Clearing Organization, provided however, that in the case of an omnibus account, a Carrying Member that is not a member of the Clearing Organization shall collect such minimum amount of Original Margin from each account within the omnibus account.

(ii) For purpose of margining any account carrying positions in Cotton and FCOJ Futures and Options Contracts, the net liquidating value of each account at the close of trading on any Business Day on which trading ceases because of the application of price limits may be computed by using as the Settlement Price such synthetic price as the Exchange and/or the Clearing Organization shall determine.

(c) Before the opening of trading on each Business Day, each Carrying Member shall compute, for each account with an open Position in Exchange Futures and Options Contracts, the net liquidating value, the Original Margin and Maintenance Margin Level required (pursuant to these Rules or such greater Margin requirement as may be established by the Carrying Member), the amount of any unpaid Margin Call and the length of time any such Margin Call has been outstanding, all as of the close of trading on the preceding Business Day; provided, however, that such computations shall not be required before the opening of trading if prevented by cause beyond the control of the Carrying Member, including computer malfunction or similar cause, in which case such computations shall be made as soon as possible under the circumstances. Such records shall be kept and shall be open for inspection in accordance with section 1.31 of the regulations of the CFTC.

(d) The margin level which must be maintained (the "Maintenance Level") by all Carrying Members for each account which has an open Position in Exchange Futures and Options Contracts shall be the amount or level specified by the applicable Clearing Organization.

(e) At the close of trading on any Business Day when the net liquidating value of any account is less than the Maintenance Level, the Carrying Member carrying such account shall require the reinstatement of Original Margin to the full amount required pursuant to the Rules, within a Reasonable Time.

(f) Each Carrying Member which carries an account that is required to reinstate Original Margin shall issue a call for Margin within one (1) Business Day after the account is required to reinstate Original Margin. Each Carrying Member shall maintain written records of all Margin Calls (and any cancellations of Margin Calls). Such records shall be kept and shall be open for inspection in accordance with section 1.31 of the regulation of the CFTC.

(g) A Carrying Firm may liquidate any or all Positions in an account that does not meet a Margin Call as required by these Rules. Any loss or deficiency resulting from such liquidation shall be the liability of the account holder.

(h) A Carrying Firm shall not accept orders for new Trades for an undermargined account except for Risk Reducing Trades, unless the Carrying Firm has been given assurances by the Person for whom the account is carried that funds to restore the equity in the account to the then prevailing Original Margin requirement are forthcoming and will be received within a Reasonable Time.

(i) A Carrying Firm shall not permit any withdrawal from an account that would cause the net liquidating value of the account to be less than the then prevailing Original Margin requirement.

(j) Margin for Exchange Futures and Options Contracts may be deposited or credited in any one (1) or more of the following forms, subject to such terms and conditions as may be established by each Member Firm:

(i) United States currency, checks payable in United States currency; or any currency freely convertible to United States currency; if foreign currency is deposited its U.S. Dollar equivalent calculated at the current rate of exchange must satisfy the Customer's Margin obligation; the Clearing Member's record of calculation shall be kept and shall be open for inspection in accordance with section 1.31 of the regulation of the CFTC;

(ii) Securities issued by the United States Treasury Department; valued at an amount not to exceed market value less applicable haircuts as required by SEC Regulation 240.15c3-1 and acceptable to the Clearing Organization;

(iii) Available Equity;

(iv) Net unrealized market appreciation;

(v) Liquidation of Futures Contracts or closing Transactions for Options carried in the account;

(vi) (A) Electronic warehouse receipts ("EWRs") for Coffee "C", Cocoa, Cotton and Frozen Concentrated Orange Juice certified for delivery in Exchange licensed warehouses and which identify the Carrying Member as the title holder, and (B) vault receipts that are eligible for delivery in satisfaction of Exchange Contracts in gold and silver, each such EWR and vault receipt to be valued at an amount not to exceed the market value of the commodities represented by the EWR or vault receipt, less a deduction in the same amount as the inventory haircut specified in CFTC Regulation 1.17(c)(5)(ii);

(vii) Fully paid equity securities not issued by the Clearing Member's Customer or the Customer's Affiliates which are listed for trading on the New York Stock Exchange, Inc. or Nasdaq; Such equity securities should be free from liens and encumbrances, represent no more than 5% of the issued and outstanding shares of any one issuer and have a market value of at least ten dollars (\$10) per share and shall be valued at an amount not to exceed market value less applicable haircuts as set forth in SEC Regulation 240.15c3-1;

(viii) Irrevocable letter of credit in favor of the Clearing Member carrying the account or in favor of the Clearing Member carrying the account and an exchange's clearing house ("PLOC") in such form as may be acceptable to the Exchange and issued by a depository which has been approved by the Exchange for issuance and confirmation of letters of credit in favor of Clearing Members; Clearing Members may not accept from their Customers letters of credit issued by said Customer, an Affiliated Firm of the Customer, or an Affiliated Firm of the Clearing Member;

(ix) Credit in the Customer's account arising from a secured loan by the Clearing Member as such term is defined under CFTC Regulation 1.17;

(x) Money market mutual funds allowable under CFTC Regulation 1.25 to be valued at an amount not to exceed market value less applicable haircuts as required by SEC Regulation 240.15c3-1 and acceptable to the Clearing Organization; and

(xi) "Permitted investments" specified in CFTC Regulation 1.25, as amended from time to time, provided however that any such instruments shall be valued at an amount not to exceed market value less applicable haircuts as required by SEC Regulation 240.15c3-1.

Amended by the Board October 10, 2007; effective October 18, 2007 [¶¶ (b)(i)-(ii), (d) and (j)(vi)-(x)].

Amended by the Board November 14, 2007; effective March 7, 2008 [¶ (a)].

Amended by the Board June 11, 2008; effective June 13, 2008 [¶ (b)(v)].

Amended by the Board June 10, 2009; effective June 15, 2009 [¶¶ (j)(ii), (vi), (vii) and (ix) through (xi)].

Amended by the Board January 5, 2012; effective February 1, 2012 [¶¶ (b)(ii) through (b)(iv)].

Amended by the Board June 23, 2011; effective October 15, 2012 [¶ (vi)].

Amended by the Board September 28, 2012; effective October 15, 2012 [¶¶ (b)(i) –(b)(iii), (d)].

Amended by the Board April 9, 2014, effective June 30, 2014 [¶ ¶ (j)(vi)].

Amended by the Board January 27, 2017; effective February 13, 2017 [¶¶ (j)(vii)].

Amended by the Board March 21, 2019; effective April 10, 2019 [¶¶ (j)(vi) through (j)(viii)].

#### **Rule 5.04. Omnibus Accounts**

Each Member Firm which carries an account for a Futures Commission Merchant or a foreign broker on an omnibus basis, shall collect the Original Margin and Maintenance Margin required of such account on the basis of the gross Position carried for such account. If the Member Firm carrying an open position for another domestic or foreign broker allows a Position to be margined as a spread Position, the carrying Member Firm must obtain and retain for recordkeeping purposes a written representation from the entity for which the omnibus account is being maintained that each such Position is entitled to be so margined. The written representation shall be kept and shall be open for inspection in accordance with section 1.31 of the regulations of the CFTC.

#### **Rule 5.05. Change in Margin Requirements**

(a) The Board or, where so delegated, the Margin Committee, as the case may be, may at any time and from time to time change the amounts of the Original Margin requirements or Maintenance Levels and require that any Carrying Member require additional Original Margin for any account or establish greater Maintenance Levels for any account, with respect to existing Exchange Futures Contract Positions, new Exchange Futures Contract Positions, existing Exchange Options, new Exchange Options, or any combination thereof, on any terms and conditions as the Board or, where so delegated, the Margin Committee, in its discretion may adopt, which terms and conditions may include (but need not be limited to) making any such requirement applicable to:

(i) Exchange Futures Contracts or Exchange Option Positions carried before, on or after the effective date of such changed Margin requirements or Maintenance Levels; and/or

(ii) Exchange Futures Contracts or Exchange Option Positions carried on only one (1) side of the market.

Without limiting the generality of the foregoing, any such requirement may be made to apply differently for different Carrying Members or classes of Carrying Members, different Customers or classes of Customers, different forms of Exchange Futures Contracts, different delivery months of the same Exchange Futures Contract, different types of Exchange Call Options or Exchange Put Options, different Striking Prices or Option Months of the same Exchange Call Options or Exchange Put Options, different types of Option Transactions and different types of accounts or positions involving Exchange Futures or Options Contracts.

(b) Notwithstanding the provisions of paragraph (a) of this Rule, at no time shall Margin requirements be less than the minimum Margin required for all Exchange Futures and Options Contracts set by the Clearing Organization.

(c) Nothing in this Chapter 5 shall prevent any Carrying Member Firm at any time from requiring Original Margins in excess of the amounts prescribed pursuant to these Margin Rules or establishing greater Maintenance Levels for any account, or taking any other action which is not contrary to these Margin Rules or the Rules.

**Amended by the Board October 10, 2007; effective October 18, 2007 [¶ (b)].**

#### **5.06. Cross Margining Programs**

Members of the Exchange shall be eligible to participate in any Cross Margining Programs established by the Clearing Organization pursuant to Clearing Organization Rule 502B, provided, however, that participation shall be subject to such limitations, terms and conditions as may be prescribed by the Carrying Member.

**Adopted by the Board November 14, 2007; effective March 7, 2008.**