Guidance
ICE Endex Expiry Limits
April 2023

ICE Endex Guidance on Expiry Limits

This Guidance contains details on the Expiry Limits imposed by ICE Endex Markets B.V. (the **Exchange**) on certain Contracts. Capitalized terms used in this Guidance have the same meaning as attributed to them in the Market Rules of the Exchange (the **Rules**) unless defined otherwise herein.

1. Limits imposed by the Exchange

Expiry Limits

The Exchange may unilaterally impose mandatory Expiry Limits on certain Contracts for the last five trading days prior to expiry (including Last Trading Day), or for such other period prior to expiry, as may be proposed by the Exchange (the **Expiry Limit Period**) per Article I-19 of the Rules.

The Expiry Limit Periods are as follows:

Source Contract	Contract Code	Exchange Expiry Limit Period
Dutch TTF Natural Gas Futures	TFM	Last five trading days prior to expiry (including Last Trading Day)

The Expiry Limits are as follows:

Source Contract	Contract Code	Exchange Expiry Limit
Dutch TTF Natural Gas Futures	TFM	7,000 Lots

The Expiry Limits apply to any Person(s) that owns, controls or carries positions. Where positions are held across multiple Members, the Expiry Limits will apply to the aggregated net position, regardless of direction or size. Where positions are held in both the ICE Futures Europe (**IFEU**) and ICE Endex TTF contracts, the Expiry Limits will apply to both the aggregated net and gross positions in lots, regardless of direction or size.

The Expiry Limits cannot be exceeded unless an exemption (See Section 3) is obtained from the Exchange Market Supervision Department, and the conditions of the exemption are observed. Failure to observe Expiry Limits will be a breach of Market Rules and may lead to disciplinary action.

Example
The below example is presented to illustrate how the limits will be applied to TTF as of Wednesday 24 May 2023:

- The front-month TTF contract is June 2023.
- The limit of 7,000 lots would come into effect and would apply to all positions in the June contract.
- Positions are aggregated across IFEU and ICE Endex, so a 5,000-lot position in IFEU TTF and a 5,000-lot position in ICE Endex TTF would be aggregated to 10,000 lots, and therefore above the 7,000-lot limit.
- Directionally opposite cross-Exchange positions shall not be netted to achieve a position below the limit and will be aggregated as well, so a long 5,000-lot position in IFEU TTF, and a short 5,000-lot position in ICE Endex TTF would still exceed the 7,000-lot limit.
- All positions would be required to remain at or below +/- 7,000 lots from Wednesday 24 May until Tuesday 30 May 2023 when the contract expires.

From Wednesday 31 May 2023, following expiry of the June 2023 TTF contract, the July 2023 contract then becomes the front month. From Friday 23 June 2023, the 7,000-lot limit therefore applies to the July 2023 TTF contract.

2. Application of Expiry Limits

Option positions
Options positions will be converted to futures equivalents within the Exchange by applying Exchange-generated delta values to the position. The Futures equivalents will be applied to the Futures position to produce the net positions.

The Exchange shall not include an options position in the calculation where the futures equivalent of such position held on the first day of the Expiry Limit Period for Dutch TTF Natural Gas futures, when aggregated with a net futures position, results in a position which is greater than the published Expiry Limits or above allowable limits for approved exemptions where applicable.

At the close of business on the day that the options expire, if the resulting futures position exceeds Expiry Limits or the allowable limits for approved exemptions due to the exercise of options, an additional business day shall be granted to enable such excess position to be reduced below the limit.

This approach does not preclude the Exchange from making enquiries of the Member holding the position if it thinks that the position is excessive.

Aggregation of positions across multiple Members

The Exchange will monitor positions held by Members or their clients across multiple Members. Where positions are held across multiple Members, the aggregated net position across those Members will count for the purposes of all Expiry Limits, regardless of direction or size.

Please note that the Exchange expects positions to be managed and closed out as necessary prior to expiry. The Exchange shall make enquiries where participants are holding long and short positions in the expiring physically delivered energy Contracts to confirm intentions. Members holding such positions will be expected to make and take delivery of the physically delivered energy Contracts respectively.

Linked and independent accounts

In addition to aggregating positions held by the same account across multiple Members, the Exchange will on request aggregate separate accounts or sub accounts under common ownership or control. If so requested, this will mean that positions held by different business units within a client or Member, or positions held by affiliate companies of a client or Member, shall be aggregated and be subject to the Expiry Limit. However, if such positions are independently controlled, then the positions will not be aggregated.

Members may request that the Exchange treat accounts or groups of accounts as aggregated with or disaggregated from each other for the purposes of Expiry Limit.

Treatment of omnibus accounts

Where Members or reporting firms use ‘omnibus’ accounts to represent a summary of the positions in one or many underlying accounts held by:

a) an affiliate organisation of the Member, or

b) a client of the Member,

it is important to note that the individual underlying accounts must be identified, and their positions reported.

Where the underlying accounts’ positions of the Member’s client are reported under the same firm code as the Member’s main reporting, it is not necessary to report the positions in the omnibus account.

Where the underlying accounts’ positions are reported directly under a different firm code, either by an affiliate or client of the Member, it is necessary to report both those positions and the position held in the omnibus account.

Reportable positions within omnibus accounts must be fully disclosed to the Exchange. Failure to do so will result in the Exchange treating all positions in the account as if they were under common ownership or control, and therefore aggregated for the purposes of Expiry Limit calculations.

3. Exemptions from Expiry Limits

All applications for exemptions must provide the following information: a description of the size and nature of and need for the exemption, an explanation of the nature and extent of the applicant's business, and an undertaking that the applicant will comply with any limitations imposed by the Exchange with regard to the positions. The Exchange may require such additional information as it believes necessary to make a fully informed decision to grant or refuse the application.

A Member acting on behalf of a client or the client to whom an exemption has been granted shall either supply the Exchange in a timely manner with all information it may request in relation to the Person's other related positions, including but not limited to physical cargoes, cash positions, over the counter and bilateral swaps positions, positions held on or cleared by other exchanges or clearing houses, trading strategies and hedging information, or will relinquish the exemption with immediate effect. The Exchange may also require evidence that an exemption is being used in the manner described when the application was submitted for approval.

Exemptions from Expiry Limits
The Exchange may grant exemptions from the Expiry Limits, at its sole discretion, for participants who provide and document a commercial rationale for their requirement. Only one exemption application is required for both the IFEU and ICE Endex TTF contracts.

How to request an exemption?
Applications for exemption must be made in writing to the Exchange as soon as the applicant believes that it is likely to exceed the Expiry Limits but, in any case, five days prior to the commencement of relevant Limit period. Holders of any exemption granted by the Exchange should submit an updated application no later than one year following the approval date of the most recent application. Failure to submit an updated application will result in the withdrawal of the exemption. The Expiry Limit Exemption Form can be found on our website under Resources.

The determination of whether to approve an application for an exemption from Expiry Limits is solely that of the Exchange and is final and binding.

A Member acting on behalf of a client, a Member or the client itself may submit an application for an exemption to the Exchange. Market participants may apply to the Exchange for an exemption through their Clearing Member or directly, but in the latter case should advise their Clearing Member(s) that they have done so. If this is not done at the application stage, the Exchange will disclose the fact and size of exemptions to their Clearing Members. Members who have clients with positions that exceed the Expiry Limits who have not applied for an exemption on behalf of that client should confirm with the Exchange whether or not an exemption has been granted to that client. It will not be necessary for a client with positions across multiple Members to make multiple applications.

Where the application is on behalf of a client, the exemption, if granted, will be in respect of the client's net Futures equivalent position as aggregated across all Members.