ICe ®

_____

GUIDANCE
Orders to Transactions Ratios

_____

Contents

1.   Background information

For the purpose of mitigating potential risks from increased use of technology in trading and strengthening the resilience of financial markets, Directive 2014/65/EU and its Regulatory technical standards ("RTS 9") require ICE Endex and ICE Futures Europe ("the Exchanges") to implement ratios of unexecuted orders to transactions ("OTR").

The orders to transactions ratios guidance ("the Guidance") is designed to mitigate disorderly trading conditions by discouraging inefficient and excessive orders activities against the executed transactions without compromising market liquidity and set out certain thresholds which it expects market participants not to exceed.

The Guidance applies to exchange products as shall be designated from time-to-time ("the Designated Products"). The list of Designated Products and respective ratios can be found here:

- ICE Endex - Here
- ICE Futures Europe - Here

The Exchanges will levy charges on those Members whose system usage per firm as configured on the ICE Platform (whether the firm is the member itself or a client of the member) exceeds certain thresholds.

2.   Orders to Transactions Ratios

The Exchanges will calculate at the end of every trading session, per Designated Products, per member, a ratio of unexecuted orders to transactions in volume and numbers terms.

No OTR ratios will be calculated in case the member has not traded for the applicable trading session. A transaction is counted to have taken place if an order has been totally or partially executed.

2.1   OTR In volume terms
The RTS 9 set the OTR in volume terms ratio methodology as follow:

$$\left(\frac{Total\ volume\ of\ orders}{Total\ volume\ of\ transactions}\right) - 1$$

'Volume' in this context is defined as the number of lots.

2.2   OTR in number terms

The RTS 9 set the OTR in number terms ratio methodology as follow:

$$\left(\frac{Total\ number\ of\ orders}{Total\ number\ of\ transactions}\right) - 1$$

In line with the requirements set in the RTS 9, 'order' in this context is defined as all input messages on submission, modification and cancellation relating to an order[1].

3.   Orders to Transactions Ratios thresholds

The Exchanges have defined a primary threshold ("Amber Threshold") and secondary threshold ("Red Threshold")

Firms who equal or exceed the Amber Threshold in any Designated Product for 3 consecutive trading sessions will be contacted by the respective Exchange compliance officer.

Firms who equal or exceed the Red Threshold in any Designated Product on any trading session will be subject to a two thousand. Euro (EUR 2000,-) charge by ICE Endex or a two thousand Great British Pound charge (GBP 2000,-) by ICE Futures Europe. The respective exchange where the breach took place will levy the charge.

See the list of Designated Products OTR ratios for the current threshold:
- ICE Endex - Here
- ICE Futures Europe - Here

4.   Members Order to Transactions Ratios reports

The OTR ratios will be made available to members in CSV files format via MFT (click Here to request MFT access).

The reports will be delivered daily by 06:00 GMT/BST │ 07:00 CET/CEST based on the following schedule:

Trading Day	IFEU Report Provided	NDEX Report Provided
Monday	Tuesday	Tuesday
Tuesday	Wednesday	Wednesday
Wednesday	Thursday	Thursday
Thursday	Friday	Friday
Friday	Saturday	Saturday
Saturday	N/A	N/A
Sunday	N/A	N/A

---

[1] See Directive 2014/65/EU Annex to RTS 9 for the regulatory requirement related to the counting methodology per order type.

4.1 OTR summary report

The OTR summary report will be at member mnemonic, LEI and market type level.

The filename convention for the OTR summary report is:
*T<**MIC**>_MIFIDDATOTR_<**MNEMONIC**>_<**LEI**>_<**YYYYMMDD**>.<**format**>.csv*

The matrix below shows a sample dummy file that should be generated for mnemonic XXX for the 31st January 2018 processing date:

MIC	Summary CSV
IFEU	TIFEU_MIFIDDATOTR_XXX_0X1X2X3X4X5X6X7X8X9X_20180131.CSV.ZIP
NDEX	TNDEX_MIFIDDATOTR_XXX_0X1X2X3X4X5X6X7X8X9X_20180131.CSV.ZIP

The OTR summary report specification is as follow:

	Column Header	Description	Format
1	REPORT_DATE	The business date the report is valid for	YYYY/MM/DD
2	MNEMONIC	The abbreviation of a Member's company name used to identify the trading firm or trading group	CHARACTER VARYING(3)
3	LEI_OF_MEMBER	Legal Entity Identifier of Member	20 alphanumerical characters
4	MEMBER_NAME	The registered name of the LEI	VARCHAR2(400 CHAR)
5	MIC	Identification of the venue where the order was executed	4 alphanumerical characters
6	MARKET_TYPE_ID	The number that uniquely identifies the market type the product is grouped under.	Integer
7	MARKET_TYPE_NAME	Description of the market type	CHARACTER VARYING(50)
8	Volume_of_Orders	The total volume of Orders by MIC, and Market type	Numeric
9	Volume_of_Transactions	The total volume of full or partially executed orders for the day by MIC, and Market type	Numeric
10	OTR_Volume	Ratio of unexecuted orders to executed orders by MIC, and Market type	Numeric
11	Number_of_Orders	The total number of orders by MIC, and Market type	Numeric
12	Number_of_Transaction	The total number of full or partially executed orders for the day by MIC, and Market type	Numeric
13	OTR_Number	Ratio of unexecuted orders to executed orders by MIC, and Market type	Numeric

4.2   OTR detail report

The OTR detail report is broken down to a more granular level to include member mnemonic, LEI, company ID, company name and market type level.

The filename convention for the OTR detail report is:
*T<**MIC**>_MIFIDDATOTR_<**MNEMONIC**>_<**LEI**>_Detail_<**YYYYMMDD**>.<**format**>.csv*

MIC	Detail CSV
IFEU	TIFEU_MIFIDDATOTR_XXX_0X1X2X3X4X5X6X7X8X9X_Detail_20180131.CSV.ZIP
NDEX	TNDEX_MIFIDDATOTR_XXX_0X1X2X3X4X5X6X7X8X9X_Detail_20180131.CSV.ZIP

The OTR detail report specification is as follow:

	Column Header	Description	Format
1	REPORT_DATE	The business date the report is valid for	YYYY/MM/DD
2	MNEMONIC	The abbreviation of a Member's company name used to identify the trading firm or trading group	CHARACTER VARYING(3)
3	LEI_OF_MEMBER	Legal Entity Identifier of Member	20 alphanumerical characters
4	MEMBER_NAME	The registered name of the LEI	VARCHAR2(400 CHAR)
5	COMPANY_ID	The name of the company ID associated with the Order or Transaction	INTEGER
6	COMPANY_NAME	The name of the company associated with the Order or Transaction	CHARACTER VARYING(150)
7	MIC	Identification of the venue where the order was executed	4 alphanumerical characters
8	MARKET_TYPE_ID	The number that uniquely identifies the market type the product is grouped under.	Integer
9	MARKET_TYPE_NAME	Description of the market type	CHARACTER VARYING(50)
10	Volume_of_Orders	The total volume of Orders by MIC, Market Type and Company	Numeric
11	Volume_of_Transactions	The total volume of full or partially executed orders for the day by MIC Market Type and Company	Numeric
12	Number_of_Orders	The total number of orders by MIC, Market Type and Company	Numeric
13	Number_of_Transaction	The total number of full or partially executed orders for the day by MIC, Market Type and Company	Numeric