



GUIDANCE
ICE Endex Position Transfers
August 2017

ICE Endex Guidance on Position Transfers

This Guidance contains details on Position Transfers; when they are permitted; when the ICE Endex (“the Exchange”) Compliance department’s approval is required and the process Members should follow when requesting approval.

For clarity, this Guidance does not contain details on trades that have been cleared in the incorrect account or position account combination in the previous two Business days. To correct and adjust such errors, Members may use the ‘Previously Cleared Transactions’ screen in the ICE Clearing system; the position transfer screen must not be used in such cases.

Members must ensure that they manage positions promptly and with due care and diligence, whilst complying with Exchange Rules at all times. Failure to do so may render the Member liable to further investigation or disciplinary action by the Exchange.

1. Guidance

- i. The Position Transfer Facility available in the ICE Clearing systems allows users to create a position transfer from one Trading Member to another; or from one account to another account within the same Member, provided that the transfer is for the same customer. As detailed in the ICE Endex Markets B.V, rulebook V-3.4 position transfers are not accepted without approval from ICE Endex. Therefore Position Transfers should always be reported to the exchange. Members should also consult the ICE Clear Europe Clearing systems documentation for details on the facilities available to input a position transfer.
- ii. As stated above position transfers are as a rule not accepted by ICE Endex. The exception to the rule is that when the transfer is being made for the same beneficial owner of the position, such transfer is accepted provided that:
 - a. the transfer is not being made to correct an error in the execution of a client order;
 - b. the transfer is not being made to correct an error in the allocation of a client order made beyond the previous two business days; and/or
 - c. there is no resulting offset in a spot month Contract (“spot” is considered to be the period in relation to a particular underlying commodity whose maturity is the next to expire in accordance with the rules set ICE Endex.).

Members must ensure that when making position transfers in other contract months, the resulting change does not impact the orderly functioning of the market.

- iii. Where there is a change in beneficial ownership, i.e. the position being moved will be from one legal entity to another, then this transfer would require ICE Endex Compliance approval as well. To make such request, a form has been provided with this Guidance (Appendix 1), which includes information on what requires approval, and what information is needed by Compliance to inform their decision. The form can be emailed to Compliance-Endex@theice.com.

- iv. As some of the transfers which involve a change in ownership may be complex in nature, the request for approval must be made at least one Business Day prior to the planned transfer date. The planned transfer date must also not occur in the 5 Business days prior to the expiry of the relevant contract month.
- v. The originating Member must ensure that the position to be transferred is open and available for transfer. The receiving member has the responsibility to ensure compliance to the parameters set out in the Position Transfer Guidance.
- vi. All position transfers input for processing may be subject to review and authorisation by ICE Clear Europe for risk monitoring purposes and may be rejected if it is determined that unacceptable margin requirements or risk would be generated.
- vii. When authorised, ICE Endex staff will inform the Member(s) and the Clearing House that the transfer may be submitted into the ICE Clearing systems. If there are conditions attached to the approval, this will also be notified to the Member(s).
- viii. No charge will be applied by the Exchange for the input or processing of position transfers. When reviewing position transfer requests, the Exchange may seek further explanations or supporting documentation from Members in order to confirm the nature and legitimacy of the transfer, the events which gave rise to it and related actions by Member staff. Exchange authorisation of a position transfer request will not preclude it from commencing disciplinary proceedings in the event that it transpires that the request was not legitimate or that the transfer may have been in contravention of applicable Exchange Regulations or Guidance.
- x. Members are advised to contact the Exchange Compliance department if they are not clear on the detail relating to position transfers. For queries relating to the use of the ICE Clear Europe Clearing systems, Members are advised to contact ICE Clear Europe operations.

ICE Endex

REQUEST FOR TRANSFER

1. Name of Member requesting a transfer

2. Nature of the Transfer

If the beneficial ownership between transferring parties is not identical please indicate below, which if any of the following permissible transactions adequately describes the basis on which the transfer of positions is occurring:

_____ Transfers made for the purpose of combining the Positions held by two or more funds which are operated by the same fund manager and traded by the same investment advisor, pursuant to the same strategy, into a single account so long as the transfers do not result in the liquidation of any open Positions, and the pro rata allocation of interests in the consolidating account does not result in more than a de minimis change in the value of the interest of any fund participant;

_____ Other transfer (please specify below) as the Exchange, in its discretion, shall exempt in connection with, or as a result of a:

_____ Merger

_____ Asset purchase

_____ Consolidation, or

_____ Similar non-recurring corporate transaction between two or more entities where one or several entities become the successor in interest of one or several other entities; or

_____ Transfers made where the situation so requires and such transfer is in the best interests of the Exchange or the marketplace.

3. Explanation of Transfer(s):

Enclose a summary describing the nature of the transfer, including but not limited to: the identities of the parties involved with the transfer, details about the merger, asset purchase, consolidation or other non-recurring event, fund managers involved, along with their general trading strategy, organizational charts, if applicable, and any other formal filings or documents relating to the event for which the transfer is being requested.. In addition, please provide specific details of the related positions (excel document will suffice) associated with the requested transfer.

4. Position(s) Transfer Price:

____ Futures Contracts and Futures-style Options Contracts:

____ The prior day's Settlement Price; or

____ The original market price;

____ Options Contracts

____ The original market Premium; or

____ The premium of zero.

5. Transfer Date:

For all such transfers, the receiving Firm must hold the transferred contracts on its books at either the original dates or the transfer date.

Original/Trade Date(s): _____

Transfer Date(s): _____

6. Clearing Firm(s):

Originating Member:

Clearing Firm: _____

Account Name: _____

Account Number(s): _____

Receiving Member

Clearing Firm: _____

Account Name: _____

Account Number(s): _____

The receiving Firm has the responsibility to ensure compliance with ICE Endex Regulation.

You are reminded that Exchange staff, at their discretion, may initiate an inquiry to review this transfer.



The undersigned certifies that it is their belief, after evaluation of all the appropriate information and materials, that the requested transfer would be permissible, and is seeking approval from the Exchange to permit such transfer.

Member Name: _____

Date: _____

Submitted by (Print Name): _____

Signed: _____

Position/Title: _____

Telephone #: _____

E-Mail: _____

This form must be submitted to the ICE Endex Compliance Department at compliance-endex@theice.com

Any questions regarding the use of this form should be directed to:

ICE Endex Compliance, at +31 (0)20 305 5138; compliance-endex@theice.com