MCM Regulation Guidance

Council Regulation (EU) 2022/2578 of 22 December 2022, as amended, establishing a market correction mechanism to protect Union citizens and the economy against excessively high prices

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Content

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This document sets forth the approach that ICE Endex Markets B.V. (the **Exchange**) will take to monitoring and enforcement of (i) Council Regulation (EU) 2022/2578 of 22 December 2022 establishing a market correction mechanism to protect Union citizens and the economy against excessively high prices (the **Initial MCM Regulation**), as amended by Council Regulation (EU) 2023/2920 of 21 December 2023 (the **MCM Prolongation Regulation**), and (ii) the Implementing Regulation (EU) 2023/736 of the Commission of 31 March 2023 on the definition of the technical details of the application of the market correction mechanism to derivatives linked to virtual trading points in the European Union other than the TTF (the **Implementing Regulation**) (the Initial MCM Regulation, the MCM Prolongation Regulation, and the Implementing Regulation together referred to as the **MCM Regulation**). The content of this document should be read in conjunction with the Market Rules of the Exchange (the **Rules**).

It should be noted that due to the lack of official sector interpretative guidance for the MCM Regulation, the guidance of the Exchange set out herein may be subject to change and could be superseded by future case law developments, amending legislation and/or official regulatory guidance.

Capitalized terms used in this document have the same meaning as attributed to them in the Rules (as amended to incorporate the changes set out in the appendix to this document), unless they are defined otherwise in this document.

1. Background

Under the MCM Regulation a framework for a temporary market correction mechanism (the **MCM**) has been established for natural gas transactions in the main markets for TTF derivatives and derivatives linked to other virtual trading points (**VTPs**) with maturities between month-ahead and year-ahead. The MCM Regulation has as its stated aim to limit episodes of excessively high gas prices in the Union which do not reflect world market prices. The MCM Regulation has entered into force on 1 February 2023.

1.1. Summary of Market Correction Mechanism

This summary is for information purpose only. The Exchange refers Members and their clients to the MCM Regulation itself, which they should read in order to gain a full understanding of the MCM. Members should seek their own legal advice on the consequences of the MCM Regulation for their own compliance obligations and on compliance with the Rules.

The MCM Regulation stipulates that the MCM will be activated if a “market correction event” occurs. A “market correction event” is considered to occur when the settlement price of the front-month Dutch TTF Natural Gas futures contract, as published by the Exchange (a) exceeds EUR 180/MWh for three working days, and (b) is EUR 35/MWh higher than the “reference price” during the period referred to in point (a). The “reference price” is calculated by the Agency for the Cooperation of Energy Regulators (**ACER**) and means, insofar as available, the daily average price of a basket of LNG and natural gas price assessments and settlement prices. The details of the “reference price” are provided in Article 2 of the Initial MCM Regulation. It is important to note that the “reference price” may change from day to day because ACER calculates this price on a daily basis.

Upon the occurrence of a “market correction event”, ACER will publish a “market correction notice” on its website no later than 23:59 CET on the same day. As from the day after the publication of a “market correction notice”, the Exchange is required not to accept, and Members are required not to submit Orders for TTF derivatives and derivatives linked to other VTPs that are due to expire in the period from the expiry date of the front-month contract to the expiry date of the front-year contract with prices of EUR 35/MWh above the “reference price” published by ACER on the previous day (the **dynamic bidding limit**). If the “reference price” is below EUR 145/MWh, the dynamic bidding limit shall remain at the sum of EUR 145/MWh and EUR 35/MWh, i.e. EUR 180/MWh.

ACER will also be required to publish a “deactivation notice” informing the market of the deactivation of the dynamic bidding limit. In such case, the dynamic bidding limit no longer applies from the date mentioned in the deactivation notice as published by ACER. The European Commission is also empowered to suspend the MCM at any time by means of an implementing decision if it determines the unintended market disturbances or manifest risks of such disturbances occur that negatively affect security of supply, intra-EU flows of gas or financial stability.

2. Approach to compliance with and enforcement of the MCM Regulation and the Rules

This section aims to provide guidance to Members (and their clients) about the approach that the Exchange intends to take to promote, monitor and enforce compliance with the MCM Regulation and the Rules.

The MCM Regulation imposes a direct obligation on all market participants (which includes, but is not limited to, Members), requiring them not to submit orders for TTF derivatives and derivatives linked to other VTPs above the dynamic bidding limit once it is in effect.

The MCM Regulation provides a number of exemptions to restrictions set out in Article 4 sub (5) of the Initial MCM Regulation which allow for certain orders to be submitted to the Exchange and accepted even if their prices are above the dynamic bidding limit, e.g. trades that allow market participants to offset or reduce positions resulting from TTF derivatives contracts entered into before 1 February 2023 (see Article 12(4)(a) and (b) of the Initial MCM Regulation) or derivatives linked to other VTPs contracts entered into before 12 April 2023 (see Article 6 sub (a) and (b) of the Implementing Regulation).

As a result, the Exchange will not be blocking the submission of all orders above the dynamic bidding limit. Instead, it will, by virtue of the Rules, be requiring Members to comply with the MCM Regulation and will carry out compliance and enforcement activities, as appropriate, where it ascertains that breaches of the Rules (including guidance issued by the Exchange) may have occurred. Since the Exchange's order book will remain open for business at price levels above any dynamic bidding limit under the MCM Regulation, the Exchange will be relying upon Members to only submit bids and execute transactions lawfully in accordance with the MCM Regulation and the Rules.

2.1. Settlement prices

At the end of each trading day, the Exchange determines and publishes Settlement Prices. Whilst the MCM Regulation restrains certain orders from being submitted or accepted when the dynamic bidding limit is in operation it does not provide for any restriction on the value of Settlement Prices. As set out in the Rules, these Settlement Prices are established by the Exchange exclusively for the purpose of the daily margining process of the Clearing House.

The existing methodology and approach of the Exchange to the daily determination and publication of Settlement Prices will remain unchanged. This aims to ensure that Settlement Prices will continue to reflect fair market value of TTF derivatives and derivatives linked to other VTPs. This means that the Settlement Prices will not be capped at or otherwise subjected to the dynamic bidding limit and may consequently deviate from the dynamic bidding limit, when that limit is not reflecting fair market value. The same holds true for the intraday reference price which is used to determine the value of open positions in Option Contracts on the day of expiry.

2.2. Approach to implementation of MCM Regulation

2.2.1. Products in scope of MCM Regulation

In the Rules, the Exchange has defined *TTF Derivative(s)* and *Derivative(s) linked to other VTP(s)* as a Regulated Market Products which are respectively defined as a ‘TTF derivative’ and ‘derivative linked to other VTP’ in Article 2 (Definitions) of the Initial MCM Regulation. TTF Derivatives and Derivatives linked to other VTPs as so defined will be subject to special provisions in section III-7 (Market Correction Mechanism) of the Rules and guidance related to the MCM Regulation.

Table 1 below (Product scope) provides an overview of the Regulated Market Products which the Exchange considers to be a ‘TTF derivative’ or a ‘derivative linked to other VTP’ for the purpose of and as defined in the Initial MCM Regulation and indicates for each, which contracts are in scope of the MCM Regulation.

PCC	TTF Derivative - Product Name	Contracts in scope of MCM Regulation
TFM	Dutch TTF Natural Gas Futures	M+1 up to and including January 2025
TFO	Dutch TTF Natural Gas Options (Futures Style Margin)	M+1 up to and including January 2025
DT1	Dutch TTF Natural Gas 1-Month Calendar Spread Options	M+1 up to and including January 2025
DT2	Dutch TTF Natural Gas 1-Month Calendar Spread Options	M+1 up to and including January 2025
DT3	Dutch TTF Natural Gas 1-Month Calendar Spread Options	M+1 up to and including January 2025
DT4	Dutch TTF Natural Gas 1-Month Calendar Spread Options	M+1 up to and including January 2025
DT5	Dutch TTF Natural Gas 1-Month Calendar Spread Options	M+1 up to and including January 2025
DT6	Dutch TTF Natural Gas 1-Month Calendar Spread Options	M+1 up to and including January 2025
DT0	Dutch TTF Natural Gas 1-Month Calendar Spread Options	M+1 up to and including January 2025
TTL	Dutch TTF Natural Gas Daily Financial Futures (ICIS)	Month (of daily futures) Contracts
TFE	Dutch TTF Natural Gas Daily Futures	Month (of daily futures) Contracts
GAB/TFM	German Spark Spread (TTF)	M+1 up to and including January 2025
IPB/TFM	Italian Spark Spread (TTF)	M+1 up to and including January 2025
NLB/TFM	Dutch Spark Spread (TTF)	M+1 up to and including January 2025
PCC	**Derivative linked to other VTP - Product Name**	**Contracts in scope of MCM Regulation**
AVL	Austrian CEGH VTP Natural Gas Daily Futures	Month (of daily futures) Contracts
AVM	Austrian CEGH VTP Natural Gas Futures	M+1 up to and including January 2025
DFV	French PEG Natural Gas Daily Financial Futures (ICIS)	M+1 up to and including January 2025
PEH	French PEG Natural Gas Daily Futures	Month (of daily futures) Contracts
PEG	French PEG Natural Gas Futures	M+1 up to and including January 2025
TGN	German THE Natural Gas Daily Futures (ICIS)	Month (of daily futures) Contracts
TGP	German THE Natural Gas Daily Futures	Month (of daily futures) Contracts
GNM	German THE Natural Gas Futures	M+1 up to and including January 2025
GNP	German THE Natural Gas Options (Futures Style Margin)	M+1 up to and including January 2025
PSL	Italian PSV Natural Gas Daily Financial Futures (ICIS)	Month (of daily futures) Contracts
IGA	Italian PSV Natural Gas Futures	M+1 up to and including January 2025
PIB/IGA	Italian Spark Spread (PSV)	M+1 up to and including January 2025

Table 1. Product scope

Since Article 4 of the Initial MCM Regulation entered into force on 15 February 2023, the Dutch TTF Natural Gas Futures and Options contracts in scope have ranged from March 2023 up to and including January 2024. Since the Implementing Regulation entered into force on 1 May 2023, monthly Derivatives linked to other VTP contracts in scope have ranged from June 2023 up to and including January 2024. When the MCM Prolongation Regulation enters into force on 1 February 2024, the Dutch TTF Natural Gas Futures and Options contracts and the monthly Derivatives linked to other VTP contracts in scope will range up to and including January 2025. When the front-month futures and option contracts expire, the last contract in scope of the MCM Regulation will continue to be the January 2025 contract.

In respect of the Dutch TTF Natural Gas Daily Futures and Dutch TTF Natural Gas Daily Financial Futures (ICIS), the March 2023 and April 2023 contracts have been subject to the MCM Regulation when Article 4 of the Initial MCM Regulation entered into force. In respect of daily

Derivatives linked to other VTP contracts in scope, the May 2023 and June 2023 contracts have been subject to the MCM Regulation when the Implementing Regulation entered into force. In respect of the Dutch TTF Natural Gas Daily Futures, the Dutch TTF Natural Gas Daily Financial Futures (ICIS), and the daily Derivatives linked to other VTP contracts in scope, the February 2024 and March 2024 contracts will be subject to the MCM Regulation when the MCM Prolongation Regulation becomes applicable on 1 February 2024. The two months (of daily) futures contract which are in scope of the MCM Regulation will roll forward on the expiry of the front-month months (of daily) futures contract.

2.2.2. Market participants defined

Article 4 sub 5 of the Initial MCM Regulation states that "*as from the day after the publication of a market correction notice, market operators shall not accept and TTF derivatives market participants shall not submit orders for TTF derivatives that are due to expire in the period from the expiry date of the front-month TTF derivative to the expiry date of the front-year TTF derivative with prices of EUR 35 above the reference price published by ACER on the previous day ('dynamic bidding limit')*".

In the context of the Rules, 'market participants' (as mentioned in the MCM Regulation) are Members of the Exchange as well as clients to whom Members provide Direct Electronic Access (DEA). Article 4 sub 5 of the Initial MCM Regulation shall also apply for Derivatives linked to other VTPs when the Implementing Regulation will become applicable as per 1 May 2023.

Therefore, Members shall not submit Orders for TTF Derivatives or Derivatives linked to other VTPs (see Product Scope above) above the dynamic bidding limit. Members who act as a DEA provider for their clients shall not allow such clients to submit Orders above the dynamic bidding limit.

2.2.3. Exchange Trades and Order Types

For the purpose of the MCM Regulation, the Exchange will consider the price of all Orders in TTF Derivatives and Derivatives linked to other VTPs submitted to the order book.

The specific price which the Exchange will consider in determining whether an Order in the Exchange order book is above the dynamic bidding limit or not is set out below for all Trade and Order types.

Orders in outright contracts or strips of contracts

When submitting or accepting a buy or sell Order in an outright TTF or other VTP futures contract which is listed in the order book, the price of the Order which determines compliance is the price of the order on the outright futures contract (month, quarter, season, calendar year).

Orders in time-spread and/or locational spread markets

Where the underlying of the spread is, in whole or part, natural gas for delivery at the TTF or other VTP, then the spread is a TTF derivative or a derivative linked to other VTP for the purposes of the MCM Regulation. The price of that derivative (for the purposes of the MCM Regulation) is the price of the buy or sell order in the spread market and not the price of any of underlying leg transactions which arise as a result of the execution of an order in the spread market.

Orders in option contracts and option exercise

When submitting or accepting a buy or sell Order in an option market or option strategy, which is listed in the order book, the option premium, not the strike price that is the price at which Orders are submitted. The premium price is used by the Exchange to determine the Member's compliance with the MCM Regulation.

On the day of the expiry of an Option Contract, the Exchange will determine the intraday reference price for options (see above). Option Contracts which are In-The-Money will automatically be exercised into the relevant futures contract. The creation of this position in the futures contract is not preceded by any Order in TTF Derivatives or Derivatives linked to other VTPs. Therefore, the Exchange will allow Option Contracts to be exercised at a strike price above the dynamic bidding limit.

Orders in Trade At Settlement ("TAS") markets

These types of orders involve submitting or accepting a buy or sell Order in the TAS market, which is listed in the order book. The price assigned to a position in TTF Derivatives or Derivatives linked to other VTPs, which result from the execution of an Order in the TAS market, is dependent on the yet-to-be determined Settlement Price plus a number of ticks above or below this Settlement Price (the Order price), which a Member could not have known with certainty at the time of execution of an Order in the TAS market. Therefore, the price of the Order which determines compliance with the MCM Regulation is the price of the Order in the TAS market.

As explained above, the Settlement Prices will not be capped at or otherwise subjected to the dynamic bidding limit and may consequently deviate from the dynamic bidding limit, when that limit is not reflecting fair market value. As a result, orders in the TAS markets could result in trades in TTF derivatives or Derivatives linked to other VTPs which exceed the dynamic bidding limit when the MCM is activated. To promote compliance with the MCM Regulation, the Exchange may decide to discontinue support for the TAS order type in case the dynamic bidding limit is in effect.

The submission of an Order by a Member, or its client, in a locational or time-spread market, a TAS market or option market for TTF Derivatives or Derivatives linked to other VTPs, which intends to circumvent the MCM Regulation or where such Member or its client knew or, ought to have known, would result in a position arising in contravention of the MCM Regulation, constitutes a violation of the Rules.

2.2.4. Trades resulting from Implied Orders

The Exchange provides implied pricing capability for TTF Derivatives and Derivatives linked to other VTPs. The ICE Endex matching engine fully implies (IN and OUT) prices for this market within a certain strip type (month, quarter, balance of season, season or calendar year) in the implied range. An Implied IN price is a spread price generated from two or more outright prices, implied or otherwise, in different markets. An Implied OUT price is an outright price in one market from an outright price, implied or otherwise, in a different market and a spread price, implied or otherwise, between the two markets.

The examples below, aim to illustrate the approach which the Exchange will take to promote compliance with the MCM Regulation in respect of implied Orders (IN and OUT).

Example 1 - Implied IN Order

In the example show below, outright Orders in the Apr23, May23 and Jun23 Dutch TTF Natural Gas futures markets have been submitted to the order book of the exchange. The dynamic bidding limit under the MCM Regulation has been imposed and is set at EUR 180/MWh. The Orders in the Apr23 and May23 markets are priced at or below the dynamic bidding limit. The Order in the Jun23 market is priced above the dynamic bidding limit but has been accepted by the Exchange on the premise that the Member who submitted the Order is using the exemption (see below) foreseen in Article 12 (4)(a) and (4)(b) of the Initial MCM Regulation. The ICE Trading System creates an implied (IN) Order into the Q2 23 market at EUR 180/MWh (Q2 23 consists of Apr23, May23 and Jun23) which is at or below the dynamic bidding limit.

Market	Price	Outright / Implied
Apr-23	175	Outright
May-23	180	Outright
Jun-23	185	Outright
Q2 23	*180*	*Implied*

- The Member(s) who submitted the Order(s) in the Apr23 and May23 markets, as well as any Member who accepts these Orders would all be compliant with the MCM Regulation.
- Neither the Member who submitted the Order in the Jun23 market above the dynamic bidding limit or any Member who accepts that Order would be compliant with the MCM Regulation, unless they can provide written evidence that their respective Orders in the Jun23 market were covered under the exemption foreseen in Article 12 (4)(a) and (4)(b) of the Initial MCM Regulation (see below).
- The implied Order in the Q2 23 market was created by the ICE trading system. The Member who accepts that Order would be compliant with the MCM Regulation because the Member could not have known at the time of execution that the implied Order was, inter alia, based on an Order in the Jun23 market which was priced above the dynamic bidding limit.

Example 2 - Implied OUT Order

In the example shown below, an outright Order has been submitted to the order book of the Exchange in the Dutch TTF natural gas futures Mar23 and Mar23/Apr23 spread markets. It is assumed that the dynamic bidding limit under the MCM Regulation is set at EUR 180/MWh. The Orders in the Mar23 market and Mar23/Apr23 spread markets are priced below or at the dynamic bidding limit. The ICE Trading System creates an implied (OUT) Order into the Apr23 market which is above the dynamic bidding limit at EUR 181/MWh.

Market	Price	Outright / Implied
Mar-23	176	Outright
Apr-23	181	*Implied*
Mar23/Apr23	-5	Outright

- The Member(s) who submitted the Order in the Mar23 market, as well as the Member who accepts that Order would all be compliant with the MCM Regulation because the Order was priced below the dynamic bidding limit.
- For the Member who submitted the Order in the Mar23/Apr23 spread market, as well as the Member who accepts that Order would all be compliant with the MCM Regulation as Members who trade a spread market cannot know in advance at what price the underlying legs (Mar23 and Apr23) will be priced if the Order in the Jan23/Feb23 spread market is executed as this depends on the Anchor Price which is determined by the Exchange at the time of the execution of the Order and is unknown to market participants.
- The implied Order in the Apr23 market was created by the ICE Trading System. The Member who accepts that Order would not be compliant with the MCM Regulation (unless they can rely on an exemption) because the Member knew at the time of execution that the Order was priced above the dynamic bidding limit. The Member may decide to accept this Order, if they can provide written evidence that their Order was covered under the exemption (see below) foreseen in Article 12 (4)(a) and (4)(b) of the Initial MCM Regulation.
- Use of the implied order functionality by a Member, or its client, which intends to circumvent the MCM Regulation or where such Member or its client knew or, ought to have known, would result in a position arising in contravention of the MCM Regulation, constitutes a violation of the Rules.

2.2.5. Positions resulting from Orders in outright contracts or strips of contracts, Orders in time-spread and/or locational spread markets, Orders in option contracts and option exercise Orders in TAS markets and use of the implied order functionality

Members and their clients are reminded that submission and/or acceptance of (implied) orders in strips, time-spreads, locational spreads, TAS markets, and exercise of options may result in outright positions in futures contacts, which, if such futures contracts are TTF Derivatives or Derivatives linked to other VTPs, will be subject to the dynamic bidding limit if the MCM is activated.

2.3. Offset or reduce TTF derivatives contracts concluded before 1 February 2023 and derivatives linked to other VTP contracts concluded before 12 April 2023

The MCM Regulation does not apply to (a) ‘TTF derivative’ contracts concluded before 1 February 2023 and (b) buying and selling of ‘TTF derivatives’ in order to offset or reduce TTF derivatives contracts concluded before 1 February 2023 (Article 12, sub 4(a) and 4(b) of the Initial MCM Regulation). Furthermore, the MCM Regulation does not apply to (a) 'derivative linked to other VTP' contracts concluded before 12 April 2023 and (b) buying and selling of 'derivatives linked to other VTP' in order to offset or reduce derivatives linked to other VTP contracts concluded before 12 April 2023 (Article 6, sub 6(a) and 6(b) of the Implementing Regulation).

To ensure a fair and orderly conduct of the market in TTF Derivatives and Derivatives linked to other VTPs, and comply with the MCM Regulation, the Exchange will facilitate Members in making use of this exemption by allowing them, under the conditions described below, to submit Orders for TTF Derivatives and Derivatives linked to other VTPs above the dynamic bidding limit.

Members who make use of this exemption are required to provide, upon first demand by the Exchange, written evidence satisfactory to the Exchange that the relevant Order(s) and the resulting Trade(s) did indeed offset or reduce TTF derivatives contracts concluded before 1 February 2023 or Derivatives linked to other VTP contracts concluded before 12 April 2023 respectively. Further to the guidance on the definition of a 'market participant' above, Members of the Exchange have to provide the independent written evidence referred to in Article III-7.3 of the Rules of the Exchange on behalf of their clients.

Please note that the definition of 'TTF derivative' or 'derivative linked to other VTP' in the MCM Regulation is agnostic to the regulated market on which the contracts were concluded (before 1 February 2023 or 12 April 2023 respectively). Consequently, the Exchange will consider accepting written evidence in respect of Orders in TTF Derivatives or Derivatives linked to other VTP (above the dynamic bidding limit) which have been submitted with the intent to offset or reduce positions held in TTF derivatives contracts concluded before 1 February 2023 or in derivatives linked to other VTPs before 12 April 2023, respectively, on another regulated market.

In light of this exemption, Members and their clients are advised to establish and document their position in TTF Derivative contracts concluded before 1 February 2023 and in Derivatives linked to other VTP contracts concluded before 12 April 2023.

The Exchange would like to emphasise the importance of Members and Clearing Members ensuring that their records of positions are at all times up to date. It will not generally be possible for any Member to re-state its positions as they are considered to have stood on 1 February 2023 after 1 February 2023, or on 12 April 2023 after 12 April 2023, respectively, with a view to increasing its activities above the dynamic trading limit.

2.4. OTC trades (Block, EFS, EFP) and Block Transparency Auction

Under the Rules, a Block Trade, EFS or EFP are initiated off-exchange and then reported to the Exchange, who then submit the Block Trade, EFS or EFP to the Clearing House for clearing.

The MCM Regulation only applies to Orders for TTF derivatives and derivatives linked to other VTPs traded on a regulated market. Moreover, it does not affect OTC transactions. Because a Block Trade, EFS or EFP does not arise from Orders executed on the Exchange, they are considered OTC transactions for the purpose of the MCM Regulation. Therefore, the Exchange will continue to accept for registration a Block Trade, EFS or EFP, including those with a price above the dynamic bidding limit.

Please note that buy and sell Orders that are submitted by Members and their clients when participating in a Block Transparency Auction (BTA), will be treated as subject to the dynamic bidding limit, in the same way as the order book of the Exchange.

3. Enforcement

In addition to the relevant provision in the Rules related to the MCM Regulation, Members and their clients are advised that they should take a principles-based approach to compliance with the MCM Regulation and the Rules and that such principles-based approach should involve at least an assessment of what market participants knew (or reasonably should have known) when placing a buy or sell order on the Exchange order book, together with their intention of, or recklessness as to, whether, in placing an such an order, they intended to circumvent the dynamic bidding limit, or were reckless as to whether the dynamic bidding limit was exceeded.

Members will further be advised that they should ensure they set up appropriate systems, limits and compliance processes to ensure that they do not foreseeably, recklessly or intentionally execute orders above the dynamic bidding limit using any trading strategy.

The Exchange will monitor trading activity in all its markets for abuse or circumvention of the MCM Regulation. The submission of an Order by a Member, or its client, in a locational or time-spread market, a TAS market or option market or the utilisation of the implied Order functionality, which intends to circumvent the MCM Regulation or where such Member or its client knew or, should have known, would result in a position arising in contravention of the Regulation, will constitute a violation of the Rules and will be subject to investigation and, if necessary, enforcement activity by the Exchange as contemplated in section I-12 of the Rules.

Members are reminded of their obligations as regards compliance and systems and controls under articles I-5.3 and I-9.1 to comply with applicable legislation. Members and their clients must therefore establish appropriate compliance procedures to ensure that they, the Exchange and other Members are able to act lawfully and in particular in compliance with the MCM Regulation. Failure of a Member to meet these obligations constitutes a violation of the Rules of the Exchange, and the Exchange may choose to take disciplinary action against relevant Members in connection therewith as contemplated in section I-12 of the Rules.