



[ICE Futures Abu Dhabi](#)  
[Part of 29th Floor, Al Sarab Tower](#)  
[ADGM Square, Al Maryah Island](#)  
[United Arab Emirates](#)

# ICE Futures Abu Dhabi Rules

[2021 Edition](#)

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**SECTION A – GENERAL**

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## A.1 DEFINITIONS

A.1.1 In these Rules, the following terms shall, unless the context otherwise requires, have the meanings set out opposite each:

TERM	DEFINITION
"Abu Dhabi Global Market" or "ADGM"	means the financial free zone established by Federal Decree No. 15 of 2013 issued by the President of the United Arab Emirates, as delimited by Resolution No. 4 of 2013 of the Cabinet of the United Arab Emirates and as governed by the ADGM Founding Law (as defined in the Interpretation Regulations 2015);
"Affiliate"	means, with respect to any specified Person, any other Person that Controls, is Controlled by, or is under common Control with, such specified Person;
"Algorithmic Trading"	means trading in Products where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order after its submission, with limited or no human intervention, and does not include any system that is only used for the purpose of routing orders to the Exchange or for the processing of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed transactions;
"Anti-Money Laundering Legislation"	has the meaning given to the term in section 258 of the ADGM's Financial Services and Markets Regulations 2015;
"API"	means the open application program interface and transport software;
"Appeal Panel"	means an appeal panel appointed from time to time pursuant to Rule E.6;
"Applicable Law"	means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, enactment, by-law, decree, resolution, ordinance, regulation, rule, code, guidance, order, direction, notification, published practice or concession, regulatory requirement, judgment or decision of a Governmental Authority and any memorandum of understanding (or equivalent) between the Exchange and one or more Governmental Authorities or between Governmental Authorities and, for the avoidance of doubt, includes ADGM's Financial Services and Markets Regulations 2015, ADGM's Data Protection Regulations 2015 and the FSRA Requirements and any rules, regulations, guidance and approach document of any other Regulatory <a href="#">Authority</a> ;
"ARC Delivery Panel"	means an ARC Panel appointed from time to time pursuant to Rule I.18.2;
"ARC Hearing"	means a Summary Hearing or Full Hearing as detailed in Rule C.11.1;
<a href="#">"ARC Delivery Panel"</a>	<a href="#">has the meaning given to the term in Rule I.18(b);</a>
<a href="#">"ARC Disciplinary Panel"</a>	<a href="#">means an ARC Panel convened pursuant to Rule E.4.2.2;</a>
"ARC Panel"	has the meaning given to the term in Rule C.11.1, <a href="#">and includes without limitation an ARC Disciplinary Panel and ARC Delivery Panel;</a>
"Asset Allocation"	has the meaning given to the term in Trading Procedure 16C.1;
"Asset Allocation Facility"	has the meaning given to the term in Trading Procedure 16C.1;
"Authorisation"	(a) with respect to a Member, means any authorisation, registration, licence, permission, non-objection, consent or approval required under Applicable Law by any Governmental Authority in any jurisdiction in order for such Member to conduct business in connection with the Exchange (including, without limitation, a Financial Services Permission in relation to Futures, Options and

any other investments or financial instruments traded on the Exchange for which the Member requires a Financial Services Permission for in relation to their business in connection with the Exchange and a Remote Member Recognition Order (as defined in the ADGM Financial Services and Markets Regulations 2015) under section 138A of the ADGM Financial Services and Markets Regulations 2015, where applicable), and shall include any exemption(s) and/or exclusion(s) from the requirement to obtain any of the same under Applicable Law (including, without limitation, pursuant to the ADGM Financial Services and ADGM Markets Regulations 2015 and FSRA Requirements); and

(b) with respect to a Member's Representative, means any authorisation, registration, licence, permission, non-objection, consent or approval required under Applicable Law by any Governmental Authority in any jurisdiction in order to act as a representative for the relevant Member's business in connection with the Exchange, and shall include any exemption(s) and/or exclusion(s) from the requirement to obtain any of the same under Applicable Law (including, without limitation, pursuant to the ADGM Financial Services and Markets Regulations 2015 and FSRA Requirements);

"Authorisation, Rules and Conduct Committee" or "ARC Committee"	means the committee for the time being constituted pursuant to Rule C.10.1;
"Basis Trades"	has the meaning given to the term in Trading Procedure 16A.1;
"Basis Trading Facility"	has the meaning given to that term in Trading Procedure 16A.1;
"Block Trade"	means a proposed transaction between submitting parties (or the Members through whom they have access) that is submitted for registration as a Block Trade Contract pursuant to the Rules;
"Block Trade Contracts"	means those contracts designated by the Exchange as contracts that may be registered as a Block Trade pursuant to the Rules (but excluding, for the avoidance of doubt, EFPs, EFSs, Basis Trades, Asset Allocations and EFRPs, notwithstanding that EFPs, EFSs, Basis Trades, Asset Allocations and EFRPs may be entered using ICE Block);
"Block Trade Facility"	means the facility established by the Exchange which permits Members to submit transactions or proposed transactions that have been agreed off-exchange (the cleared part of which being subject to a Contingent Agreement to Trade) with a view to registration for clearing of the leg or legs representing a Contract in relation to Block Trade Contracts, EFPs, EFSs, Basis Trades, Asset Allocations and EFRPs pursuant to the Rules;
"Business Day"	means a Trading Day which is not a Public Holiday;
"Buyer"	in respect of a Contract, means the Person, determined in accordance with Rule F.1 and I.24, who is a party to such Contract as buyer; in respect of an Option Contract, the "Buyer" means the Person or Persons entitled to exercise the option;
"CFTC"	means the Commodity Futures Trading Commission of the United States of America, or any successor thereto;
"Circular"	means a publication issued by the Exchange for the attention of all Members and posted on the Exchange's website in accordance with Rule A.1.17;

"Clearing Agreement"	means an agreement under which a Clearing Member undertakes on the terms of the Rules to clear and accept liability for any Contract made on the Market pursuant to Rule B.10 by another Member;
"Clearing House"	means ICE Clear Europe Limited as the clearing house which is for the time being appointed by the Exchange as clearing house to the Exchange;
"Clearing House Rules"	means the rules of the Clearing House, together with the procedures made thereunder, as interpreted in accordance with guidance and circulars of the Clearing House and as the same are amended in accordance with the Clearing House Rules from time to time;
"Clearing Member"	means a Member that has been authorised as a clearing member by the Clearing House under the Clearing House Rules;
"Clearing Membership Agreement"	means an agreement between the Clearing House and a Clearing Member under which, <i>inter alia</i> , the Clearing House agrees to provide Clearing (as defined in the Clearing House Rules) in respect of Contracts to that Clearing Member and that Clearing Member agrees to be bound by and subject to the Clearing House Rules;
"Clearing Organisation"	means any clearing house duly authorised, regulated, recognised or licensed under Applicable Laws in any jurisdiction, including any recognised clearing house, remote clearing house, recognised overseas clearing house, derivatives clearing organisation, securities clearing agency or similar entity;
"Complaint Resolution Procedures"	means the procedure issued by the Exchange from time to time setting out the procedures for the making of a complaint against the Exchange or its personnel by a complainant, and the investigation of such complaint;
"Compliance Officer"	means the person or (if more than one) any of the persons for the time being holding office as compliance officer of the Exchange and given the responsibility of monitoring compliance with and investigating alleged breaches of the Rules;
"Conformance Criteria"	means the criteria determined by the Exchange from time to time to which a Front End Application must conform;
"Contingent Agreement to Trade"	means an agreement between two parties to submit details to the Exchange of a proposed transaction with a view to registration for clearing of one or more ICE Futures Abu Dhabi Block Contracts pursuant to Section F;
"Contract"	means a contract relating to a Product containing the terms set out in the Contract Terms, Contract Procedures and the Clearing House Rules and, for the avoidance of doubt, a contract shall not be regarded as falling outside this definition solely by virtue of the fact that it contains additional terms which apply on the default of a party to such contract provided that such terms do not conflict with any applicable Rules in Section D or any applicable Clearing House Rules, or contains terms which modify the terms of the Contract Terms and Contract Procedures to take account of the fact that the Clearing House is not a party to such contract;
"Contract Date"	has the meaning given to the term in Rule I.3;
"Contract Month"	has the meaning given to the term in Rule I.3;
"Contract Procedures"	means, with regard to a Product, the contract procedures for the time being adopted by the Exchange under Rule I.1 in respect of Contracts for that Product (including Option Contracts on such Product), as set out in the ICE Futures Abu Dhabi Contract Terms and Procedures;
"Contract Terms"	means, with regard to a Product, the contract terms for the time being applicable under the Rules to Contracts for that Product (including Option

	Contracts on such Product), as set out in the Rules and the ICE Futures Abu Dhabi Contract Terms and Procedures;
"Control"	means the rights and powers exercised over a Person by a Controller and its cognate terms shall be construed accordingly;
"Controller"	has the meaning given to the term in Rule 8.8.2 of the General Rulebook of the FSRA Requirements;
"Corresponding Contract"	means a contract arising between parties other than the Clearing House as set out in Rules F.1.4, F.1.7, F.1.10 and F.1.12, subject to Rules C.6 and F.2;
"Cross Trade"	has the meaning given to the term in Rule G.6A.1;
"Crossing Order Method"	has the meaning given to the term in Rule G.6A.2A(b) and a "Crossing Order" shall mean an order made pursuant to the Crossing Order Method;
"Customer-CM F&O Transaction Standard Terms"	means the "F&O Standard Terms" as defined in the Clearing House Rules;
"Data Protection Regulations 2015"	means ADGM's Data Protection Regulations 2015, as may be amended from time to time;
"Data Provider"	means an approved publication arrangement, a consolidated tape provider or an approved reporting mechanism used by the Exchange, a Member or a non-Member Sponsored Principal for the disclosure or reporting of trades in Contracts to the extent required under Applicable Law;
"DEA Provider"	means a Member providing Direct Electronic Access;
"Default Notice"	means a notice issued by the Exchange under Rule D.4.1;
"Default Proceedings"	means proceedings taken by the Exchange under Section D;
"Defaulter"	means a Member or non-Sponsored Principal in respect of whom an Event of Default has occurred;
"Designated Products"	means, in relation to a Liquidity Provider Program, a Contract notified to the Liquidity Provider, by the publication of a Circular or otherwise, from time to time, as being subject to the Liquidity Provider Program;
"Direct Electronic Access" or "DEA"	means any arrangement, such as the use of the Member's trading code, through which a Member or the clients of that Member are able to transmit orders relating to Products directly to the ICE Platform;
"Direct Market Access"	means any DEA arrangement that involves the use by a Person of the infrastructure of the Member, or any connecting system provided by the Member to transmit orders;
"Director"	means a director of the Exchange;
"EFP"	has the meaning given to the term in Trading Procedure 16B.1(a);
"EFRP"	has the meaning given to the term in Trading Procedure 16B.1;
"EFRP Facility"	has the meaning given to the term in Trading Procedure 16B.1;
"EFS"	has the meaning given to the term in Trading Procedure 16B.1(b);
"EOO"	has the meaning given to the term in Trading Procedure 16B.1(c);
"Exchange", "ICE" or "ICE Futures"	means ICE Futures Abu Dhabi Limited;

"Exchange Body"	means any exchange or similar body duly authorised, regulated, recognised or licensed (to the extent necessary) under Applicable Laws in any jurisdiction, including, but not limited to, any recognised investment exchange, remote investment exchange, recognised overseas investment exchange, designated investment exchange, designated contract market, national securities exchange, swap execution facility, security-based swap execution facility, exempt commercial market, regulated market, alternative trading system, multilateral trading facility, organised trading facility, systematic internaliser, trade affirmation or confirmation platform or similar entity;
"Exchange Delivery Settlement Price"	means the prices determined by the Exchange in accordance with Trading Procedure 2.4 or the relevant Contract Terms or Contract Procedures;
"Event of Default"	has the meaning given to the term in Rule D.3.1;
"Fair Market Value"	means in relation to any Block Trade price quoted by a Member to another Member or to a client or in respect of a Block Trade entered into by a Member, a price which is considered by the Member, to be the best available for a trade of that kind and size;
"FCM/BD"	means a Person registered as a futures commission merchant with the CFTC and/or as a broker-dealer with the SEC, as applicable;
"FCM/BD Clearing Member"	means a Clearing Member that is an FCM/BD;
"Financial Services and Markets Regulations 2015"	means ADGM's Financial Services and Markets Regulations 2015, as may be amended from time to time;
"Financial Services Permission"	has the meaning given to the term in section 258 of the ADGM Financial Services and Markets Regulations 2015;
"Force Majeure Event"	means occurrence outside the control of the Exchange or the relevant Member or non-Member Sponsored Principal, as applicable, which prevents, hinders or delays the performance in whole or in part of any of its obligations hereunder (excluding an obligation to make a payment) (and, in relation only to any obligation of the Exchange or a Member or non-Member Sponsored Principal under a Contract, which obligation has not yet fallen due, such an occurrence which would prevent, hinder or delay the performance in whole or in part of any of its obligations thereunder were the occurrence or effects of the occurrence to continue until the date of performance of the relevant obligation), including, but not limited to, fire, flood, storm, earthquake, explosion, war, hostilities, accidents howsoever caused, strike, labour dispute, lockout, work to rule or other industrial dispute, lack of energy supply, disruption or blackout of gas or electricity transmission systems, criminal action, terrorist action, civil unrest, embargoes, acts of God, acts of a public enemy, unavailability or impairment of computer or data processing facilities, the actions or omissions of third Persons (including, without limitation, repositories, Delivery Facilities (as defined in the Clearing House Rules), bank or electronic transfer systems, exchange bodies, Clearing Organisations and Governmental Authorities; and Illegality; or, in relation to delivery pursuant to any Contract, any event that is an event of force majeure (or similar event, howsoever defined) for that Contract under the ICE Futures Abu Dhabi Contract Terms and Procedures;
"Front End Application"	means a Graphical User Interface developed by a Member, or provided by an ISV to a Member, or the Graphical User Interface provided to a Member by the Exchange as part of the ICE Platform; and a Front End Application must at all times meet the Conformance Criteria;



"FSRA"	means the Financial Services Regulatory Authority of the Abu Dhabi Global Market or any successor thereto;
"FSRA Requirements"	means all requirements, regulations, rules, notices, directions, guidelines, codes, practice notes, circulars, policies, policy statements, guidance, examples, modifications, waivers and other similar materials published or otherwise made by the FSRA from time to time, including but not limited to the Financial Services and Markets Regulation 2015;
"Full-ARC Panel"	means a type of ARC Panel as set out in Rule C.11.1;
"Full Hearing"	means the hearing convened by a Full-ARC Panel in accordance with Rule C.11.1;
"Future"	means a contract whereby one Member purchases or sells any product for delivery in the future to another Member: (i) at a price that is determined at the initiation of the contract; (ii) that obligates each party to the contract to fulfil the contract at the specified price; (iii) that is used to assume or shift price risk; and (iv) that may be satisfied by delivery, cash settlement or offset, including for the avoidance of doubt, any "future" under article 95 of the ADGM Financial Services and Markets Regulations 2015 or any similar contract of a shorter duration or for commercial purposes;
"General Participant"	means a Member of the category mentioned in Rule B.2.1(a);
"Governmental Authority"	means any Regulatory Authority and any national, federal, supranational, state, regional, provincial, local or other government, government department, ministry, governmental or administrative authority, regulator, committee, council, agency, board, bureau, unit, commission, secretary of state, minister, court, tribunal, judicial body or arbitral body or any other Person exercising judicial, executive, interpretative, enforcement, regulatory, investigative, fiscal, taxing or legislative powers or authority anywhere in the world with competent jurisdiction;
"Graphical User Interface"	means the software which interfaces with the ICE Platform API and both determines the requirement for sending, and sends, order handling messages to the Trading Server without necessarily requiring the intervention of an individual;
"ICE Block Facility" or "ICE Block"	means the facility for the entry of Block Trades, EFPs, EFSs, Basis Trades, Asset Allocations and/or EFRPs by Members, and shall include the facilities used by Members connected to the Trade Registration API;
"ICE Block Member"	means an entity or individual which has been admitted to a category of membership for the purpose of (i) accessing the ICE Block Facility to enter Block Trades and EFPs, EFSs, Basis Trades, Asset Allocations and/or EFRPs (as the case may be), and/or (ii) accessing the ICE Platform for the purpose of entering Cross Trades, for Own Business purposes or on behalf of Members;
"ICE Clearing Systems"	means the post-trade registration and clearing processing hardware and software used by the Exchange, Clearing House and Members from time to time, as further described in these Rules, and as applicable from time to time;
"ICE Futures Abu Dhabi Block Contracts"	means Contracts arising as a result of submission of a Block Trade, EFP, EFS, EFRP, Basis Trade or Asset Allocation;
"ICE Futures Abu Dhabi Contract Terms and Procedures"	means the terms and procedures published by the Exchange from time to time setting out all Contract Terms and Contract Procedures;
"ICE Platform"	means the electronic trading system for the trading of such Products as determined by the Exchange from time to time and administered by the

	Exchange and, in the case of an ICE Block Member, the term "the ICE Platform" shall, where applicable, mean the ICE Block Facility and any other implied or explicit terms relating to the ICE Platform shall be construed accordingly;
"Illegality"	means where, after giving effect to any applicable provision, disruption fallback or remedy specified in, or pursuant to, the Rules, due to an event or circumstance (other than any action taken by a Member or non-Member Sponsored Principal) occurring after a Contract arises, it becomes unlawful under any Applicable Law on any day, or it would be unlawful if the relevant payment, delivery or compliance were required on that day (in each case, other than as a result of a breach by the Member or non-Member Sponsored Principal of the Rules), to perform any absolute or contingent obligation to make a payment or delivery in respect of such Contract, to receive a payment or delivery in respect of such Contract or to comply with any other material provision of the Rules;
"in writing"	means written, printed or lithographed or partly one and partly another and any other mode of representing or reproducing words in a visible form;
"Independent Complaints Commissioner"	has the meaning given to the term "Commissioner" in the Complaint Resolution Procedures;
"Indirect Clearing Arrangements"	means the set of contractual relationships between providers and recipients of indirect clearing services provided by a Client (as defined in Rule F.11.1), an Indirect Client or a Second Indirect Client and so on;
"Indirect Clearing Corresponding Contract"	means a contract arising at the same time as a Contract arises pursuant to Rules F.1.4 or F.1.7 and an Indirect Clearing Arrangement and to which neither the Clearing House nor any Clearing Member is a party;
"Indirect Clearing Provider"	means a Member that: (i) is a Client as defined in Rule F.11.1; and (ii) provides indirect clearing services;
"Indirect Client"	means a Client of a Client as defined in Rule F.11.1;
"Individually Segregated Sponsored Account"	means an Individually Segregated Sponsored Account as defined in the Clearing House Rules;
"Insolvency"	means, in relation to any Person: a bankruptcy or winding-up application being presented; a bankruptcy order being made; a suspension of payments or moratorium being granted; a voluntary arrangement being approved; an Insolvency Practitioner being appointed or application or order being made for such an appointment; a composition or scheme of arrangement being approved by a court or other Governmental Authority; an assignment, compromise or composition being made or approved for the benefit of any creditors or significant creditor; an order being made or resolution being passed for winding up; dissolution; the striking off of that Person's name from a register of companies or other corporate bodies; a distress or execution process being levied or enforced or served upon or against property of that Person; a Governmental Authority making an order, instrument or other measure pursuant to which any of that Person's securities, property, rights or liabilities are transferred; a Governmental Authority exercising one or more of the powers prescribed under any Applicable Law, including, but not limited to, the powers prescribed under ADGM's Insolvency Regulations 2015, in respect of that Person and any circumstance where a Governmental Authority or port authority attaches or arrests a vessel owned by the Person in light of any bankruptcy or insolvency pursuant to Federal Law by Decree No. 9 of 2016 on Bankruptcy or any other legal proceedings pursuant to Article 252 of the UAE Civil Procedures Law and UAE Maritime Code; or any event analogous to any of the foregoing in any jurisdiction (always excluding

	any frivolous or vexatious petition or solvent reorganisation, change of Control or merger notified to the Exchange);
"Insolvency Practitioner"	means a receiver, judicial manager, administrator, bank administrator, manager or administrative receiver, liquidator, conservator, examiner, trustee in bankruptcy, Relevant Office-Holder or any other Person appointed or with powers in relation to an Insolvency in any jurisdiction;
"ISV" or "Independent Software Vendor"	means the provider of Graphical User Interface software which interfaces with the ICE Platform API and both determines the requirement for sending, and sends, order handling messages to the Trading Server without necessarily requiring the intervention of an individual; such ISV shall meet such conformance criteria as determined by the Exchange from time to time;
"ITM"	means a unique individual trader mnemonic assigned by the Exchange to a Responsible Individual;
"Limit Order"	means an order to buy or sell a specified Product at a specific price or a price higher or lower than the specific price, as appropriate; a buy Limit Order can only be executed at the limit price or lower, and a sell Limit Order can only be executed at the limit price or higher; a Limit Order is not guaranteed to execute and can only be filled if the market price of the specified Product reaches the limit price;
"Liquidity Provider"	means a Person who meets the criteria under Rule B.6B.2 and, in relation to a Liquidity Provider Program, is authorised to act as such by the Exchange from time to time;
"Liquidity Provider Benefits"	has the meaning given to the term in Rule B.6B.8.;
"Liquidity Provider Commitments"	means the commitments of any Liquidity Provider in relation to a Liquidity Provider Program, as notified to the Liquidity Provider by the Exchange;
"Liquidity Provider Program"	means a liquidity provider program (including liquidity provision schemes, rebates, fee discounts and similar incentive scheme arrangements designed to benefit the market) in relation to Designated Products, as published by the Exchange, from time to time, in a Circular or otherwise;
"Lot"	in respect of a Contract, has the meaning given to the term in the relevant Contract Terms and Contract Procedures;
"Market"	means the ICE Platform or any other means of trading determined by the Exchange from time to time;
"Matched Transaction"	means a Platform Trade, a Block Trade or an EFP, EFS, Basis Trade, Asset Allocation or EFRP;
"Member"	means an entity or Person who has been admitted to a category of membership referred to under Section B;
"Member's Representative"	means any director, employee, executive, officer, staff, partner, agent or representative of a Member (whether a natural person or corporation, including any employee, director, officer, partner, agent or representative of such a corporation), including, for the avoidance of doubt, a Responsible Individual;
"Membership Agreement"	means an agreement between a Member and the Exchange in a form prescribed by the Exchange from time to time for the use of the ICE Platform by the Member;

"Minimum Volume Thresholds"	means the thresholds, as determined by the Exchange and published from time to time, being the minimum number of Lots in respect of each Block Trade Contract that can be registered as a Block Trade;
"non-Clearing Member"	means a Member that is not a Clearing Member;
"non-Member Sponsored Principal"	means a Sponsored Principal, for the purpose of clearing Own Business in accordance with Rule B.10.1(d), that is a client of a General Participant but is not a General Participant or a Trade Participant;
"Oil Contract"	means any Contract Terms and Contract Procedures where the Underlying is oil of any grade, as determined by the Exchange from time to time;
"Oil Trading Privilege"	<del>means the status for which a Member or applicant for membership may apply in accordance with Section B, which is a condition to the availability of the permissions described in Rule B.6 in relation to an Oil Contract;</del>
"Option"	means a Contract whereby one Member grants to another the right, but not the obligation, to buy, sell or enter into a Contract;
"Order Book Method"	has the meaning given to the term in Rule G.6A.2A(a);
"Own Business"	in relation to a Member or non-Member Sponsored Principal, means business for such Member's or non-Member Sponsored Principal's own account or for the account of a subsidiary, wholly-owned subsidiary or holding company (as each such term is defined in section 1015 of the ADGM Companies Regulations <del>2015</del> 2020) of the relevant Member or non-Member Sponsored Principal and excludes transactions concluded for the benefit of a client <del>of</del> a third party;
"Permitted Cover"	means cash in such eligible currencies and other assets determined by the Clearing House as permissible for Margin or Guaranty Fund Contributions (such terms as are defined in the Clearing House Rules) and includes, where the context so requires, any such cash or assets transferred to the Clearing House and any proceeds of realisation of the same; or such other meaning as may be given to the term in the Clearing House Rules from time to time.
"Person"	means any individual, partnership, firm, body corporate, association, trust, unincorporated organisation or other entity, including: <ul style="list-style-type: none"> <li>(a) an investment fund (<i>Sondervermögen</i>) within the meaning of the German Investment Act (<i>Investmentgesetz – "InvG"</i>) or the German Investment Capital Act (<i>Kapitalanlagegesetzbuch – "KAGB"</i>), including a sub-fund (<i>Teilfonds</i>) within the meaning of section 34 para. (2) InvG or a sub-fund (<i>Teilsondervermögen</i>) within the meaning of section 96 para (2) KAGB; or</li> <li>(b) a fund segment of such investment fund; <ul style="list-style-type: none"> <li>(in each case under (a) and (b)) managed by a German investment company (<i>Kapitalanlagegesellschaft</i>) within the meaning of the InvG or by a German management company (<i>Kapitalverwaltungsgesellschaft</i>) within the meaning of the KAGB; or</li> </ul> </li> <li>(c) any similar structures in any other jurisdiction;</li> </ul>
"Person Subject to the Rules"	means each and all of the following Persons: <ul style="list-style-type: none"> <li>(a) a Member;</li> <li>(b) a Responsible Individual (including individuals who should have been registered with the Exchange as a Responsible Individual);</li> </ul>

	(c) other staff of the Member registered with the Exchange as a Member's Representative (or who should have been so registered with the Exchange), who have access to the Trading Facilities of the Exchange;
	(d) a Liquidity Provider;
	(e) Persons participating in a Liquidity Provider Program; and
	(f) a non-Member Sponsored Principal;
"Platform Trade"	means a trade arising from an order in relation to a Product, which is not in relation to a Block Trade, EFP, EFS, Basis Trade, Asset Allocation or EFRP made by one Member being matched with an order of the same Member or another Member on the ICE Platform in respect of a Product;
"Product"	means a Future or Option listed by the Exchange and offered for trading from time to time which references an Underlying and contains the applicable terms set out in the Contract Terms and Contract Procedures; and, for the avoidance of doubt, such Products include Oil Contracts;
"Public Holiday"	means any day which is: (i) a public holiday or (ii) which is a Friday, each as may be determined by the Exchange to be a public holiday from time to time by way of Circular or by such other public notice as the Exchange may consider in its discretion, in either case pursuant to Rule A.8 and for purposes of these Rules;
"Regulatory Authority"	means any Governmental Authority which exercises a regulatory or supervisory function under the laws of any jurisdiction in relation to financial services, the financial markets, exchange bodies or Clearing Organisations, including, for the avoidance of doubt, the FSRA;
"Relevant Office-Holder"	has the meaning given to the term in section 258 of the ADGM Financial Services and Markets Regulations 2015;
"Responsible Individual"	means an individual registered by a Member with the Exchange to conduct Exchange business on the ICE Platform for that Member;
"RFQ"	means request for quote;
"Rules"	means these Rules, the Trading Procedures, the Complaint Resolution Procedures and Contract Terms and Contract Procedures as interpreted in accordance with Circulars and as the same are amended in accordance with these Rules from time to time, or any arrangements, directions and provisions made thereunder as the context may require;
"SEC"	means the Securities and Exchange Commission of the United States of America, or any successor thereto;
"Second Indirect Client"	means a client of an Indirect Client;
"Seller"	means, in respect of a Contract, the Person, determined in accordance with Rule F.1, who is a party to such Contract as seller; in respect of an Option Contract, the "Seller" means the Person or Persons against whom the option is exercised;
"Sponsor"	means a Clearing Member that has been authorised to act as such by the Clearing House under the Clearing House Rules;
"Sponsored Access"	means any DEA arrangement which does not involve the use by a Person of the infrastructure of the Member, or any connecting system provided by the Member to transmit orders;
"Sponsored Principal"	means a Person that has been authorised to act as such by the Clearing House under the Clearing House Rules;

"Sub-ARC Panel"	means a type of ARC Panel as set out in Rule C.11.1;
"Summary Enforcement Proceedings"	has the meaning given to that term in Rule E.2.1;
"Summary Hearing"	means the hearing convened by a Sub-ARC Panel in accordance with Rule C.11.1;
"Termination Fee Amount"	means, in the event that a Liquidity Provider ceases to participate in a Liquidity Provider Program under Rule B.6B.7, a percentage of the Transaction Fees in respect of Transactions executed on those Trading Days in the relevant calendar month prior to the date on which such termination is effective;
"Third Indirect Client"	means a client of a Second Indirect Client;
"Trade Participant"	means a Member of the category mentioned in Rule B.2.1(b);
"Trade Registration API"	means the open application program interface and transport software available allowing details of certain designated trades in eligible Products (the cleared part of which being subject to a Contingent Agreement to Trade) to be electronically submitted to the Exchange with a view to registration for clearing;
"Trading Day"	means a day on which the Market is open to trade, as determined by the Exchange from time to time in accordance with Rule A.8, or, in relation to deliveries of an Underlying in respect of a particular Product, has the meaning given to the term in the Contract Terms and Contract Procedures;
"Trading Facilities"	means the ICE Platform or such other facilities for the trading of Products as the Exchange may determine from time to time;
"Trading Hours"	means the hours during which Responsible Individuals may conduct Exchange business on the ICE Platform, such hours to be determined by the Exchange in accordance with Rule A.5;
<del>"Trading Privilege"</del>	<del>means the Oil Trading Privilege and any other trading privilege as may be prescribed by the Exchange from time to time;</del>
"Trading Procedures"	means the trading procedures published by the Exchange from time to time pursuant to Rule G.2;
"Trading Server"	means the ICE Platform central processing system, being that part of the ICE Platform operated by or on behalf of the Exchange which facilitates the performance of the functions set out in the Trading Procedures including controlling, monitoring and recording trading by Members and concluding transactions between Members;
"Transaction"	means the electronic execution of a buy or sell order in a Designated Product on the ICE Platform by a Liquidity Provider (excluding EFPs, EFSs, Block Trades, Basis Trades, Asset Allocations, EFRPs, Contracts or Transactions undertaken by the Liquidity Provider with itself);
"Transaction Fee Amount"	means a percentage of the Transaction Fees;
"Transaction Fees"	means the fees payable to the Exchange in respect of the execution of Transactions (excluding, for the avoidance of doubt, fees and charges payable to entities other than the Exchange) in respect of a particular Liquidity Provider Program, as notified to the Liquidity Provider (as applicable) by a Circular or otherwise;
"Underlying"	means the underlying commodity referenced in a Product; and
"value added tax"	means any value added tax, goods and services tax, consumption tax or any tax of a similar nature.

- A.1.2 Any words importing the singular number only shall include the plural number and *vice versa*. The masculine shall include the feminine and the neuter and the singular shall include the plural and *vice versa* as the context shall admit or require.
- A.1.3 All references to timings or times of day are to the "standard time" as defined in section 39(2) of the ADGM Interpretation Regulations 2015, unless indicated otherwise. Business hours shall occur only on Trading Days and shall be construed accordingly.
- A.1.4 Any reference to a statute, statutory provision or rule shall include any notice, order, guidance, regulation or subsidiary legislation made from time to time under that statute, statutory provision or rule which is in force from time to time. Any reference to a statute or statutory provision shall include such statute or provision as from time to time amended, modified, re-enacted or consolidated from time to time and (so far as liability thereunder may exist or can arise) shall include also any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which was applicable at the time of any relevant action or omission.
- A.1.5 References to any rules or any agreement are references to such rules or agreement as amended or restated from time to time, provided that such amendments or restatements are made in accordance with these Rules.
- A.1.6 References in these Rules to any enactment or subordinate legislation (each as defined in the ADGM Interpretation Regulations 2015) of the Abu Dhabi Global Market shall be interpreted as references to such enactments or subordinate legislation as enacted, adopted or implemented in the Abu Dhabi Global Market, including by the relevant Governmental Authorities of the Abu Dhabi Global Market. The ADGM Interpretation Regulations 2015 shall apply to these Rules in the same way as it applies to an enactment or subordinate legislation enacted, adopted or implemented in the Abu Dhabi Global Market.
- A.1.7 When a reference is made in these Rules to a rule, section, part, paragraph or procedure, such reference is to a Rule, section, part, paragraph or procedure of, or made under, these Rules, unless otherwise indicated.
- A.1.8 The headings in these Rules are for reference purposes only and do not affect in any way the meaning or interpretation of these Rules.
- A.1.9 If any provision of these Rules (or part of any provision) is found by any court or other Governmental Authority to be invalid, illegal or unenforceable, that provision or part provision shall, to the extent required, be deemed not to form part of the Rules, and the validity, legality or enforceability of the other provisions of these Rules shall not be affected.
- A.1.10 Unless otherwise expressly provided in the Rules, to the extent there is any conflict between any of the provisions of these Rules, the Contract Terms and Contract Procedures, any Circular or Clearing House Rules the provision of the first document specified in the paragraphs below shall, as between the Exchange and a Member, prevail, control, govern and be binding upon the parties:
- (a) these Rules (excluding the Trading Procedures and Complaint Resolution Procedures);
  - (b) the Trading Procedures;
  - (c) the Clearing House Rules;
  - (d) the Contract Terms and Contract Procedures;
  - (e) the Complaint Resolution Procedures;
  - (f) the Membership Agreement; and
  - (g) any Circular (except for a Circular communicating an amendment to any of the above documents in accordance with these Rules, in which case the amendments communicated in such Circular shall be binding on the effective date specified in the Circular as if such amendments were one of those documents),
- provided that this Rule A.1.10 is without prejudice to any other order of construction or interpretation as between the Clearing House and Clearing Members set out in the Clearing House Rules.
- A.1.11 All references to "tax" shall include, without limitation, any present or future tax, levy, impost, duty, or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying the same).
- A.1.12 Any capitalised term used in these Rules that is not defined in Rule A.1.1 or elsewhere herein shall have the meaning given to it in the Clearing House Rules.

- A.1.13 The Rules, together with the applicable Membership Agreement and other documents listed in Rule A.1.10 that are given contractual force pursuant to these Rules, form a contract between Exchange and each Member ~~and between each Member and every other Member.~~ All obligations of the Exchange hereunder are solely to Members. No Person other than the Exchange has any obligation to Members pursuant to these Rules, except as expressly provided in any provisions of these Rules or the ICE Futures Abu Dhabi Contract Terms and Procedures expressly purporting to create or define rights and obligations as between Clearing Members and non-Clearing Members, as between Members and their clients, as between clients and their indirect clients or as between different Members (each a "Bilateral Obligation"). Subject to ~~Applicable Laws~~any Bilateral Obligation in respect of which the relevant Members, clients or indirect clients shall have the right to enforce the relevant provisions of these Rules or the ICE Futures Abu Dhabi Contract Terms and Procedures against ~~one another~~their counterparties only (but not against the Exchange or Clearing House) in accordance with Applicable Laws, no Person shall have any right pursuant to the UK Contracts (Rights of Third Parties Act) 1999 as applied in the Abu Dhabi Global Market by virtue of ADGM's Application of English Law Regulations 2015 to enforce any provision of these Rules or the ICE Futures Abu Dhabi Contract Terms and Procedures.
- A.1.14 Subject to Rule I.8, these Rules, and all non-contractual obligations between the Exchange and its Members or such other Persons arising out of or in connection with these Rules, shall be governed by and construed in accordance with the laws of the Abu Dhabi Global Market.
- A.1.15 These Rules may be supplemented by processes established pursuant to documents governing the internal governance of the Clearing House and the Exchange, and their respective committees.
- A.1.16 Notwithstanding Rule A.1.13, nothing in these Rules shall preclude a client or any other Person from agreeing to the application of these Rules or any provision of these Rules in their agreements with any Member, Clearing Member or third party, in which case the Exchange shall, in accordance with the Contracts (Rights of Third Parties Act) 1999 as applied in the Abu Dhabi Global Market by virtue of ADGM's Application of English Law Regulations 2015, be entitled to enforce any provision of these Rules as a third party to the extent any rights arise under such legislation.
- A.1.17 The Exchange may issue Circulars or amend or revoke the contents of any Circular in connection with the Market, the Rules or any action taken by it under the Rules at any time at its discretion and without prior consultation. Any such publication of a Circular on the Exchange website shall constitute good and sufficient delivery thereof to each Member.
- A.1.18 All references to a "**client**" or "**customer**" shall refer to a client of a Member (which, in connection with a Clearing Member, may itself be a Member) who may, subject to Applicable Law, be acting for one or more other clients or customers in respect of its business on the Exchange.
- A.1.19 The delivery by hand, electronic transmission, facsimile or telephone of any notice, order or other communication to a Member at the email address, facsimile number or telephone number last designated by it to the Exchange or any of the addresses specified in A.1.21 shall be good and sufficient delivery thereof to such Person (unless another method of delivery is specified in the Rules). The publication of a Circular shall amount to good and sufficient delivery of the contents of the Circular to all Members.
- A.1.20 These Rules provide for a number of different forums for the resolution of disputes, claims, complaints, disciplinary matters and other related issues as follows:
- (a) disciplinary proceedings pursuant to Rule E;
  - (b) delivery disputes pursuant to Rule I.17, I.18 and I.19;
  - (c) complaints resolution procedures pursuant to Rule C.9 and the Complaint Resolution Procedures; and
  - (d) arbitration pursuant to Rule H.
- The Exchange shall be entitled to defer any disciplinary proceedings, delivery dispute or complaint or referral of a matter to any other body where in its view another forum is seized of the relevant matter and such deferral would be appropriate, advisable or efficient. Any question as to whether an arbitration proceeding should be deferred pending the outcome of a disciplinary proceeding, delivery dispute or complaint shall be a matter for the relevant arbitral tribunal.
- A.1.21 Each Member and Person Subject to the Rules agrees with the Exchange to submit to and consent to the jurisdiction and be bound by any decision, determination, direction, sanction, requirement or award of the Directors or the ARC Committee, including any panels of the ARC Committee (including, but not limited to, the ARC Delivery Panel), Appeal Panel, Trade Emergency Panel, arbitral tribunal, Investigator,



Independent Complaints Commissioner, Compliance Officer, court, individual or other body appointed or formed pursuant to the Rules or that has jurisdiction over any matter in accordance with the Rules and hereby consents to service by the Exchange or any such body of process or any notice at its registered address or any other address at which it maintains a place of business and further hereby waives any right to claim or assert that any such body is a *forum non conveniens*.

- A.1.22 References to "**declared a Defaulter**" shall mean, in relation to a Member or non-Member Sponsored Principal, being declared by the Exchange under Rule D.3.1 that the Member or non-Member Sponsored Principal is subject to an Event of Default.

## A.2 SPIRIT OF THE RULES

- A.2.1 The Rules shall at all times be observed, interpreted and given effect in the manner most conducive to the promotion and maintenance of:

- (a) the status of the Exchange as a recognised investment exchange under the ADGM Financial Services and Markets Regulation 2015 and any other legal and regulatory status it has from time to time under any other Applicable Law;
- (b) the good reputation of the Exchange (and Members);
- (c) an orderly market, free of undesirable situations or practices;
- (d) high standards of integrity and fair dealing in accordance with FSRA Requirements;
- (e) suitable protection for all Persons interested in the performance of transactions entered into under the auspices of the Exchange; and
- (f) the safe and efficient functioning of the Market and the protection of the interests of Members.

- A.2.2 Each of the Rules shall, unless the context otherwise requires, be construed as an independent provision and shall be in addition and without prejudice to any other provision of the Rules.

- A.2.3 Any matter or right stated to be in, of or at the Exchange's discretion shall be subject to the Exchange's sole, unfettered and absolute discretion and such discretion may be exercised at any time. Where there is a provision that the Exchange (or its Directors, officers, employees, committees or panels or any individual committee or panel member) may make further directions upon or in relation to the operation of a Rule or may make or authorise any arrangement, direction or procedure thereunder, the Exchange may make such direction or make or authorise such arrangement or procedure in relation to or under the whole or any part of the Rule and may make or authorise different directions, arrangements or procedures in relation to different Persons and may make or authorise such directions, arrangements or procedures generally or in relation to a particular Person or particular occasion and in all cases subject to such conditions as it may think fit.

- A.2.4 [Not used.]

- A.2.5 Where there is no express provision made in the Rules, the Exchange may from time to time implement such procedures as they consider in relation to any aspect of the management of the Exchange and the conduct of business on the Exchange.

- A.2.6 The Exchange may agree with a Member or a concerned Person to waive or vary particular requirements of these Rules in such circumstances and subject to such conditions as the Exchange considers, provided that the Exchange is satisfied that compliance with the relevant requirements would be unduly burdensome to the Member or Person concerned or that compliance with the relevant requirement would not be in the interests of the Exchange, and waiver or variation of the requirements does not disadvantage other Members or create unacceptable risks for the Exchange. Waivers or variations of requirements will be publicised at the discretion of the Exchange.

- A.2.7 The Rules shall, unless the context otherwise requires, be construed in such a way as to impose responsibility on Members for all acts, omissions, conduct or behaviour of the Member's Representatives in accordance with Rule A.9.

- A.2.8 Where a provision in the Rules purports to apply only to a particular category of Members or Persons, a failure by a Member or Person falling outside that category to comply with the requirements of such provision may nevertheless be considered a breach of other general requirements imposed on that Member or Person under the Rules.

- A.2.9 To the extent that the Exchange or any Member has any right under these Rules which may on its face be performed in a manner that goes beyond that which is permitted by Applicable Law, that right may only be

exercised to the extent permitted under Applicable Laws. For the avoidance of doubt, no reference in these Rules to Applicable Laws (including the expressions "without prejudice to Applicable Laws", "subject to Applicable Laws" or similar) shall be construed as restricting or negating the applicability of any provision of the ADGM Financial Services and Markets Regulations 2015 or any FSRA Requirements thereunder or any obligation or liability of the Exchange, a Member, a client or a Governmental Authority under the ADGM Financial Services and Markets Regulations 2015 or any FSRA Requirements.

### A.3 RELATIONS WITH OTHER REGULATORY AUTHORITIES

A.3.1 With a view to maintaining its status as a recognised investment exchange under the ADGM Financial Services and Markets Regulations 2015 and any other legal and regulatory status it has from time to time under any other Applicable Law or complying with any other Applicable Law, the Exchange may:

- (a) make arrangements with any Person for monitoring compliance with and investigating alleged breaches of the Rules (and arrangements, procedures and directions made, authorised or given thereunder); and
- (b) co-operate generally with any other Governmental Authority having responsibility for the regulation of investment exchanges, Clearing Organisations or any other financial business or the enforcement of law and take any action required by such Governmental Authority.

Without prejudice to the generality of this Rule A.3.1 and subject to Rule A.4:

- (x) this may include making arrangements for the sharing of information with Governmental Authorities; and
- (y) the Exchange may, where appropriate, at any time refer a complaint or any other matter coming to its attention to one or more exchange bodies, Clearing Organisations or other Regulatory Authorities or Persons for its or their comment or investigation and may, pending the result of such reference, either suspend or continue with (in whole or in part) its own investigations, proceedings or other actions.

A.3.2 Subject to Applicable Law, the Exchange may at any time make additional Rules, or amend or revoke the Rules or part of them, to the extent they consider necessary or desirable for the continued status of the Exchange as a recognised investment exchange under the ADGM Financial Services and Markets Regulation 2015 or any other legal and regulatory status it has from time to time under any other Applicable Law. Any Rule so made, and any such amendment or revocation, shall be announced by Circular to Members and shall take effect at such time and in such manner as the Exchange may determine. The Exchange shall consult Members in such manner as it sees fit on any proposed amendments to the Rules, but it is not obliged to consult Members where the Exchange determines that the proposed Rule amendments would have a limited impact on Members.

### A.4 CONFIDENTIALITY

A.4.1 The Exchange shall be entitled to keep records in an electronic or durable medium of all data or information available to it under these Rules or otherwise concerning Members (including financial statements filed with the Exchange), Matched Transactions, Contracts, positions, accounts, customers and clients, deliveries and settlement and all other information concerning a Member's affairs (including information concerning its clients and Member's Representatives) acquired by it in the course of its operations or investigations, including information provided by a Member to the Exchange at the Exchange's request, or pursuant to the Rules or Applicable Laws.

A.4.2 All information received or held by the Exchange pursuant to Rule A.4.1 above shall be held in confidence by the Exchange and shall not be made known to any other Person, subject to Rule A.4.3.

A.4.3 Members and clients are given notice that the Exchange is subject to section 198 (*Restrictions on disclosure of Confidential Information by the Regulator*) and section 200 (*Rule-making powers of the Regulator concerning disclosure of Confidential Information*) of the ADGM Financial Services and Markets Regulations 2015. Subject, at all times, to such Applicable Laws, the Exchange may, notwithstanding Rule A.4.2, make the following disclosures of confidential information subject to such terms and conditions as the Exchange may from time to time deem appropriate:

- (a) to a Governmental Authority where a request is formally made to the Exchange by or on behalf of the same or pursuant to Applicable Laws, where disclosure is required under Applicable Laws or is necessary for the making of a complaint or report under Applicable Laws for an offence alleged or suspected to have been committed under Applicable Laws;

- (b) to a Governmental Authority, Data Provider, repository, or the public, where disclosure is required under the ADGM Financial Services and Markets Regulations 2015 or otherwise under Applicable Laws or is made in lieu of disclosure required of a Member under Applicable Laws;
- (c) in the case of a breach by a Member of: (i) any membership criteria established by the Exchange, whether as a breach of Rule B.3 or otherwise; or (ii) such Member's obligation to publicly disclose prices and fees associated with the services it provides and/or its obligation to provide clients with separate access to each specific service it provides to the public;
- (d) pursuant to an order of a competent court or other Governmental Authority or otherwise to such other Persons, at such times and in such manner as may be required by Applicable Law;
- (e) to any member of the ICE group, any other Exchange Body or Clearing Organisation and any of their representatives, committees, experts, delivery facilities, auditors, advisers or lawyers, including (without limitation) for audit, compliance, making or taking delivery, market surveillance or disciplinary purposes, for the purposes of an arbitration pursuant to Section H or the Clearing House Rules or any proceedings in support of such an arbitration, or in relation to any possible or actual Event of Default under and within the meaning of Rule D.3, in accordance with Rule D.10 or under the Clearing House Rules, or the termination or suspension of any membership;
- (f) to any Person in the business of providing data processing or similar services for the purposes of performing computations or analysis, or of preparing reports or records, for the Exchange;
- (g) to any Person who has provided or is considering entering into a loan, insurance policy, guarantee or other financial arrangement with the Exchange or any of its Affiliates, provided that information identifying the positions or name of a Member or any of its accounts or the name of any of a Member's clients will not be so disclosed;
- (h) to any Insolvency Practitioner and any other Governmental Authority having responsibility for any matter arising out of or connected with an Event of Default under and within the meaning of Rule D.3 or under the Clearing House Rules;
- (i) in the case of information relating to any Matched Transaction or Contract (including details of the parties thereto and related margin), to a repository or Governmental Authority for purposes of transaction reporting;
- (j) to any Person or to the public as a result of its Complaint Resolution Procedures or disciplinary proceedings, including pursuant to [Rule Rules C.11.8 and E.4.136.10](#);
- (k) to any Person if the information comes into the public domain, other than as a result of a breach of this Rule A.4.3 by the Exchange or its representatives;
- (l) in the case of information concerning any client of a Member, to such Member with a relationship with such client in respect of trades entered into for such client, including, without limitation, information concerning the user ID and contact details of the Member's clients granted access to the ICE Platform by such Member through the Front End Application provided by the Exchange; and in the event that the Exchange discloses client details to a Member, the Exchange may simultaneously notify relevant clients of such disclosure;
- (m) otherwise with the specific written consent of the Person or Persons to whom the confidential information relates; or
- (n) otherwise pursuant to any obligation on the Exchange, either existent or which may arise in the future.

A.4.4 The Exchange is a Data Controller registered with the Registrar in relation to Personal Data provided to it by Members and their Member's Representatives and clients (for the purpose of this Rule A.4.4 only, "**Data Providers**") and may Process such Personal Data for the purposes of fulfilling the contractual obligations it owes to its Members, operating a recognised investment exchange and maintaining any other legal and regulatory status the Exchange has from time to time under any other Applicable Law in accordance with these Rules. Each Member shall ensure that in respect of any Personal Data that it provides to the Exchange it has a lawful basis for Processing the relevant Personal Data in this manner.

A.4.5 For the purposes of Rule A.4.4 only, the terms "**Processing**" (and derivations thereof), "**Personal Data**" and "**Data Controller**" and "**Registrar**" each have the meaning given to such terms in ADGM's Data Protection Regulations 2015 and the ADGM Interpretation Regulations 2015.

A.4.6 The provisions of this Rule A.4.6 apply in respect of the Processing of Personal Data of Data Providers incorporated in any member state of the European Economic Area. The Exchange is a Controller in relation to Personal Data provided to it by Data Providers and may Process such Personal Data for the purposes of fulfilling the contractual obligations it owes to its Members, operating a recognised investment exchange and maintaining any other legal and regulatory status it has from time to time under any other Applicable Law in accordance with these Rules. Each Member shall ensure that in respect of any Personal Data that it provides to the Exchange it has a lawful basis for Processing the relevant Personal Data in this manner.

A.4.7 For the purposes of Rule A.4.6 only:

- (a) the terms "**Processing**" (and derivations thereof), "**Controller**" and "**Personal Data**" each have the meaning given to such terms in the [ADGM General Data Protection Regulation](#); and
- (b) the term "**General Data Protection Regulation**" means Regulation (EU) 2016/679 (including any relevant implementing measure or successor legislation thereto).

A.4.8 Each Member and the Exchange:

- (a) acknowledges that the recording of telephone conversations between the trading, clearing and other relevant personnel of the Member and its Affiliates and the Exchange and its Affiliates in connection with the Rules and any Contract, potential Contract, or Matched Transaction will take place to the extent permitted or required under Applicable Laws;
- (b) acknowledges, to the extent permitted by Applicable Law, that recordings may be submitted as evidence in any dispute;
- (c) acknowledges that the other provisions of this Rule A.4 shall apply to any such recordings made by the Exchange; and
- (d) acknowledges such disclosures being made as are required under Applicable Laws including, without limitation, the ADGM Financial Services and Markets Regulations 2015.

## A.5 GENERAL POWERS OF THE EXCHANGE

A.5.1 The Exchange shall have the power to declare any day a non-Trading Day and to specify Trading Hours on giving notice thereof to Members by Circular.

A.5.2 [Not used.]

A.5.3 [Not used.]

A.5.4 If any Member defaults in the performance of any Contract, it shall be liable to be suspended from membership or [terminated or](#) expelled under Rule B.7.1 [or B.7.2](#), regardless of whether it complies with any requirement as to the settlement of such default.

A.5.5 The Rules and all additions and amendments thereto may from time to time be printed and circulated amongst Members or others interested therein in such manner as the Exchange shall think fit.

A.5.6 [Not used.]

A.5.7 In respect of any automated trading system administered by the Exchange, the Exchange may from time to time determine the rights and obligations to be conferred on any Member entitled to use and access such automated trading system, including without limitation, the ICE Platform.

## A.6 FINANCIAL POWERS

A.6.1 The Exchange may impose contract levies of such amounts, and payable to the Exchange in such manner and on such occasions, as it shall from time to time determine. Unless otherwise provided, such levies shall be payable on all Contracts registered with the Clearing House. Different rates of levy may be imposed in respect of different Products and different categories of Member.

## A.7 EXCLUSION OF LIABILITY

A.7.1 The Exchange wishes to draw to the attention of Members and clients that business on any facility provided by the Exchange (including, without limitation, the Market) may from time to time be suspended or restricted or such facilities may from time to time be closed for a temporary or longer period. Without limitation, this may occur as a result of the occurrence of one or more events which require action to be taken by the Exchange under the Rules in the interests of, *inter alia*, maintaining a fair and orderly market. Any such action may result in the inability of one or more Members and through such Member one or more clients to enter into Contracts or Corresponding Contracts on the Market in accordance with the Rules. Furthermore,

a Member and through the Member one or more clients may from time to time be prevented from or hindered in entering into Contracts or Corresponding Contracts on the Market as a result of failure or malfunction of communications equipment or Trading Facilities, including, but not limited to, the ICE Platform, or the Front End Application supplied to the Member by the Exchange or any other Person. Unless otherwise expressly provided in the Rules or in any other agreement to which the Exchange is party, neither the Exchange nor its Directors, officers, employees, committees, panels, any individual committee or panel member, agents or representatives shall be liable to any Member or client for any loss, damage, injury or delay (including any indirect or consequential loss, including without limitation, any loss of profit) arising from or in connection with the Trading Facilities, including, but not limited to, the ICE Platform or the occurrence of a temporary or longer suspension, restriction or closure of business on the Market or the Trading Facilities, including, but not limited to, the ICE Platform or any act or omission of the Exchange, its Directors, officers, employees, committees, panels, any individual committee or panel member, agents or representatives under the Rules or pursuant to the Exchange's obligations under statute or from any breach of contract by or any negligence howsoever arising of the Exchange, its Directors, officers, employees, committees, panels, any individual committee or panel member, agents or representatives which may prevent or hinder a Member or, through a Member, a client from entering into or closing out a Contract or Corresponding Contract or otherwise affect a Member or client. The Exchange is not liable for any action or omission of the Clearing House.

A.7.2 Rule A.7.1 shall be without prejudice to the provisions of the Membership Agreement regarding liability of the Exchange. Nothing in Rule A.7.1 shall operate to exclude the Exchange's liability for death or personal injury resulting from negligence or for fraud.

## A.8 TRADING HOURS, DAYS AND PRODUCTS

A.8.1 The Market shall be open from Monday to Friday of each week on Trading Days and between the Trading Hours each day and for such Products as decided by the Exchange and published by Circular from time to time, except on Public Holidays and otherwise as set forth in Rule A.8.2 and Rule A.8.3 below. The Trading Hours for each Product, subject to the closures required below, shall be determined by the Exchange from time to time. The Exchange shall issue by Circular from time to time a list of the Public Holidays on which the Market shall not be open.

A.8.2 The Market shall be closed on:

- (a) Saturdays, Sundays and Public Holidays, subject to Rule A.8.3 below;
- (b) any day on which trading is suspended under Applicable Laws of the Abu Dhabi Global Market; and
- (c) a temporary basis on any other day for such hours that the Exchange shall from time to time decide is necessary or appropriate in the circumstances, as published by Circular.

A.8.3 Notwithstanding Rule A.8.2, if the Exchange so determines from time to time and issues a Circular specifying this, the Market shall be open on such Saturdays, Sundays and Public Holidays in the Abu Dhabi Global Market for the trading of such Products on those Saturdays, Sundays and Public Holidays as the Exchange determines from time to time.

A.8.4 The Exchange may, from time to time and subject to Applicable Laws, de-list or make dormant certain Products available for trading. If there are no open positions in the relevant Contract Month or Contract Date for a Product the Exchange wishes to de-list or make dormant, the de-listing or dormancy shall be effective from the date and time the Exchange notifies. If there are open positions in the relevant Contract Month or Contract Date for the relevant Product being de-listed or made dormant, the Exchange shall notify the procedures for immediate settlement either as cash settlement or any other method for closing out open positions. Where reasonably practicable or possible, the Exchange shall give reasonable prior notice of its intention to de-list or make dormant a Product.

## A.9 MEMBER RESPONSIBILITY

A.9.1 In this Rule A.9, "**Conduct**" means any act, omission, conduct or behaviour in relation to the Rules.

A.9.2 For the purposes of determining a Member's liability to be sanctioned for any Conduct (referred to in this Rule A.9 as a "**Disciplinary Matter**"), and to the extent permitted by Applicable Laws, a Member shall be responsible and fully liable for:

- (a) all Conduct of that Member's Representatives;
- (b) Conduct by a Member's client when placing orders under the ITM of a Responsible Individual registered to that Member; and

- (c) the performance or non-performance in respect of any obligations outsourced to an Affiliate or other Person, notwithstanding the outsourcing or procurement arrangements that the Member may have in place with such Affiliates or other parties,

as if that Conduct, performance or non-performance were of the Member itself. For the avoidance of doubt, all Conduct referred to in (a) to (c) shall, for the purposes of this Rule A.9, be attributed to that Member and be treated as the Conduct of that Member. However, it is understood that, notwithstanding the attribution of such Conduct to the Member, the identified Responsible Individual or Member's Representative responsible for such Conduct might also be liable to be sanctioned for such Conduct. Until a Contract is recorded in an Individually Segregated Sponsored Account, a non-Member Sponsored Principal will be deemed to be acting both for Own Business and as a Member's Representative.

A.9.3 Notwithstanding Rule A.9.2, no sanction may be imposed on a Member in respect of:

- (a) Conduct by a Responsible Individual registered to that Member;
- (b) Conduct by Member's Representative placing orders under the ITM of a Responsible Individual registered to that Member;
- (c) Conduct by a Member's client placing orders under the ITM of a Responsible Individual registered to that Member; or
- (d) the performance or non-performance of its obligations which have been outsourced to an Affiliate or a third party,

where it is established to the satisfaction of an ARC [Disciplinary](#) Panel at an ARC Hearing or other Person or body determining the Disciplinary Matter that the Member had taken all reasonable steps to prevent any Conduct of the kind in question.

A.9.4 The provisions of this Rule A.9 shall apply:

- (a) without prejudice to the liability of any other Person Subject to the Rules for the same Conduct;
- (b) in the case of inconsistency with any other provision of the Rules, in priority to that other provision;
- (c) whether or not the Member's Representative, Affiliates, personnel, end client or third party carrying out any outsourced or procured functions is a Person Subject to the Rules;
- (d) whether or not the Member and/or Member's Representative is/are exercising rights to use the Exchange's facilities; and
- (e) whether or not the individual Member's Representative can be conclusively identified (provided that it is established that the relevant Conduct was in fact carried out by a Member's Representative, albeit one that cannot be conclusively identified).

A.9.5 If a Person with obligations under these Rules is a partnership, the liability of each partner in the partnership under or in connection with these Rules shall be joint and several. In the event of any circumstances which would by operation of Applicable Law give rise to the dissolution of the partnership, or entitle a partner to seek an order to dissolve the partnership, the obligations of the partners shall remain in full force and effect.

## **A.10 RESPONSIBLE INDIVIDUAL RESPONSIBILITY**

A.10.1 A Responsible Individual shall be responsible for trading activity conducted under his [or her](#) ITM(s).

A.10.2 Where trading is also conducted pursuant to Trading Procedure 1.2.2 by other individuals within the Member under the ITM(s) of a Responsible Individual registered to the Member, such trading shall be under the supervision of the relevant Responsible Individual, who shall ensure the fitness and propriety of such individuals and register their names with the Exchange.

A.10.3 Where access is granted by the Member to clients (order routing) and, pursuant to Trading Procedure 1.2.3, the client orders are submitted under an ITM assigned to a Responsible Individual, the submission shall be under the supervision of the relevant Responsible Individual, who shall ensure the fitness and propriety of such individuals and register their names with the Exchange.

A.10.4 Notwithstanding Rule A.9.2 or Rule A.10.1, no sanction shall be imposed on a Responsible Individual in respect of:

- (a) conduct of, or trading activity conducted under his [or her](#) ITM(s), by an individual of the Member with whom that Responsible Individual is registered;

(b) conduct by a Member's Representative placing orders under the ITM of that Responsible Individual; and

(c) conduct by a Member's client placing orders under the ITM of that Responsible Individual,

where it is established to the satisfaction of an ARC [Disciplinary](#) Panel at an ARC Hearing or other Person or body determining the Disciplinary Matter (as defined in Rule A.9) that the Responsible Individual had taken all reasonable steps to prevent any conduct of the kind in question.

## A.11 SYSTEMS AND CONTROLS

A.11.1 Without prejudice and in addition to any other specific requirement in these Rules regarding systems and controls, each Member and non-Member Sponsored Principal shall be responsible for making adequate arrangements, systems, controls, policies and procedures for ensuring that:

- (a) its internal affairs are organised and controlled in a responsible and effective manner with adequate risk management systems;
- (b) its internal record-keeping is complete, adequate and consistent and compliant with Applicable Laws;
- (c) all of its Responsible Individuals and Member's Representatives and substantial shareholders are fit and proper, suitable, adequately trained and properly supervised;
- (d) all business conducted on the Market, including individual transactions, complies with the Member's and Responsible Individual's obligations under the Rules;
- (e) any business conducted by it, or by or through any of its Member's Representatives, shall not cause the Member, any Member's Representative or the Exchange to be in breach of any Applicable Laws;
- (f) a Responsible Individual does not enter orders into or make trades on the ICE Platform in or from a jurisdiction where the Exchange does not have the relevant regulatory status (if such regulatory status is required) if to do so would bring the Exchange into disrepute with the relevant Regulatory Authority within such jurisdiction or put the Exchange in breach of any regulatory obligations to which it might be subject within that jurisdiction;
- (g) any hardware, information technology or any online services provided to it, or any of its Member's Representatives, or made available to it, or any of its Member's Representatives, pursuant to its membership of the Exchange shall only be used for the purposes of conducting its business and activities as a Member of the Exchange in accordance with these Rules;
- (h) it carries out appropriate testing of algorithms to ensure that Algorithmic Trading cannot create or contribute to disorderly trading conditions on the market;
- (i) it undertakes technical and functional conformance testing, through the Exchange's conformance testing facilities, prior to the deployment or a substantial update of the access to the Exchange's system or the Member's trading system, trading algorithm or trading strategy, in order to:
  - (i) verify whether the basic functioning of the Member's trading system, algorithm and strategy complies with the conditions set by the Exchange from time to time; and
  - (ii) verify:
    - (aa) the ability of the Member's system or algorithm to interact as expected with the Exchange's matching logic and the adequate processing of the data flows to and from the Exchange;
    - (bb) the basic functionality such as the submission, modification or cancellation of an order or an indication of interest, static and market data downloads and all business data flows; and
    - (cc) the connectivity, including the cancel on demand command, market data feed loss and throttles, and the recovery of trading and the handling of suspended instruments or non-updated market data; and
- (j) any Person order-routing through it is fit and proper for access through the ICE Platform, has appropriate systems and controls in relation to trading on the same, is properly supervised and is registered with the Member.

A.11.2 Each Member shall certify that the algorithms they deploy have been tested to avoid contributing to or creating disorderly trading conditions prior to the deployment or substantial update of a trading algorithm or

trading strategy and explain the means used for that testing. Each Member will provide the Exchange with such information and documents as are necessary for such purposes.

A.11.3 The Exchange may set additional conditions or standards and publish guidance from time to time on what arrangements, systems and controls it considers appropriate in the context of this Rule A.11.

A.11.4 Each Member will be subject to risk-based assessments by the Exchange, taking into account the scale and potential impact of trading undertaken by each Member as well as the time elapsed since the Member's last risk based assessment, of its compliance with the Exchange's conditions for using the ICE Platform, including those conditions set out in Rule A.11.1 and, where applicable, Rules A.11A.1 and A.11A.2. Such assessment will take place on an annual basis and at any other time as deemed necessary by the Exchange pursuant to the annual risk-based assessment.

#### **A.11A SYSTEMS AND CONTROLS FOR MEMBERS ENGAGING IN ALGORITHMIC TRADING**

A.11A.1 Without prejudice and in addition to any other specific requirement in these Rules regarding systems and controls, each Member engaging in Algorithmic Trading shall:

- (a) have in place effective systems and risk controls suitable to the business it operates to ensure that its trading systems:
  - (i) are resilient and have sufficient capacity;
  - (ii) are subject to appropriate trading thresholds and limits; and
  - (iii) prevent the sending of erroneous orders or the systems otherwise functioning in a way that may create or contribute to a disorderly market;
- (b) have in place effective systems and risk controls to ensure the trading systems cannot be used for any purpose that is contrary to Applicable Laws relating to market abuse, including but not limited to Part 8 of the ADGM Financial Services and Markets Regulations 2015 and any relevant FSRA Requirements, or to these Rules;
- (c) have in place effective business continuity arrangements to deal with any failure of its trading systems; and
- (d) ensure its systems are fully tested and properly monitored to ensure that they meet the requirements of (a) to (c) above.

A.11A.2 For the purposes of Rule A.11A.1 above, each Member shall:

- (a) as part of its overall governance and decision making framework, establish and monitor its trading systems and trading algorithms through a clear and formalised governance arrangement, having regard to the nature, scale and complexity of its business;
- (b) have sufficient knowledge and the necessary documentation to ensure compliance with Rule A.9.3 in relation to any procured or outsourced hardware or software used in Algorithmic Trading;
- (c) in relation to an Algorithmic Trading system, trading algorithm or Algorithmic Trading strategy:
  - (i) establish clearly delineated methodologies to develop and test such systems, algorithms or strategies prior to their deployment or substantial update; and
  - (ii) with regards to trading algorithms leading to order execution, adapt its testing methodologies appropriately for usage on the Exchange and undertake further testing if there are substantial changes to the Algorithmic Trading system or to the access to the Exchange in which such systems, algorithms or strategies are to be used;
- (d) before deployment of a trading algorithm, set predefined limits on:
  - (i) the number of financial instruments being traded;
  - (ii) the price, value and numbers of orders;
  - (iii) the strategy positions; and
  - (iv) the number of trading venues to which orders are sent;
- (e) ensure that it is able to cancel immediately, as an emergency measure, any or all of its unexecuted orders submitted to the Exchange, including those originating from individual traders, trading desks or clients ("kill functionality"); and for this purpose, the Member must be able to identify which trading



algorithm and which trader, trading desk, or, where applicable, client was responsible for each order sent to the Exchange;

- (f) monitor all trading activity that takes place through its trading systems, including that of its clients, for signs of potential market manipulation as referred to in Applicable Laws relating to market abuse, including but not limited to section 92(4) to (6) of the ADGM Financial Services and Markets Regulations 2015 and the relevant FSRA Requirements; and for this purpose, each Member shall establish, review and maintain an automated surveillance system which effectively monitors orders and transactions, generates alerts and reports and, where appropriate, employs visualisation tools;
- (g) have business continuity arrangements in place for its Algorithmic Trading systems which are appropriate to the nature, scale and complexity of its business, which allow for the shutting down of its trading algorithm or trading system without creating disorderly trading conditions;
- (h) carry out pre-trade controls on order entry for all financial instruments;
- (i) have in place repeated automated execution throttles which control the number of times an Algorithmic Trading strategy has been applied;
- (j) automatically block or cancel orders from a trader if it becomes aware that that trader does not have permission to trade a particular financial instrument or which risk compromising the Member's risk thresholds, including price collars, maximum order volumes and maximum message links;
- (k) during the hours it is sending orders to the Exchange, monitor in real time all Algorithmic Trading activity that takes place under its trading code, including that of its clients, for signs of disorderly trading, including trading across markets, asset classes, or products, in cases where the Member or its clients engage in such activities;
- (l) ensure that the Exchange at all times has access to staff members in charge of real-time monitoring; and for that purpose, the Member shall identify and periodically test its communication channels, including its contact procedures for out of Trading Hours, to ensure that in an emergency the staff members with the adequate level of authority may reach each other in time;
- (m) ensure that the systems for real-time monitoring have real-time alerts to assist staff in identifying unanticipated trading activities undertaken by means of an algorithm, and have a process in place to take remedial action as soon as possible after an alert has been generated, including, where necessary, an orderly withdrawal from the market;
- (n) establish and continuously operate post-trade controls, and when triggered, undertake appropriate action, which may include adjusting or shutting down the relevant trading algorithm or trading system or an orderly withdrawal from the market; and
- (o) implement an IT strategy with defined objectives and measures and set up and maintain appropriate arrangements for physical and electronic security that minimise the risks of attacks against its information systems and that includes effective identity and access management.

A.11A.3 The Exchange may set additional conditions or standards and publish guidance from time to time on what arrangements, systems and controls it considers appropriate in the context of this Rule A.11A.

## **A.12 TAX**

A.12.1 In the event that the Exchange determines that it will suffer or has suffered (directly or indirectly) any loss, liability or cost for or on account of any tax in connection with any Matched Transaction, Contract or otherwise pursuant to the Exchange's business as a recognised investment exchange (or in connection with any other legal or regulatory status it has from time to time under any other Applicable Law), any amount payable to the Exchange or in respect of any future obligation, or these Rules, the Members with orders matched under such Matched Transaction, the Member counterparty to such Contract or the Member by which such amount is payable shall be liable to pay to the Exchange an amount equal to such loss, liability, or cost.

A.12.2 All amounts set out in or expressed to be payable to the Exchange in connection with any Matched Transaction, Contract, these Rules or otherwise pursuant to the Exchange's business as a recognised investment exchange (or in connection with any other legal or regulatory status it has from time to time under any other Applicable Law) and which constitute the consideration for a supply made by the Exchange for the purposes of value added tax, and the value of any supply made by the Exchange for value added tax purposes, shall be deemed to be exclusive of any value added tax which is chargeable on that supply and accordingly if value added tax is chargeable on any supply made by the Exchange the relevant Member shall pay to the

Exchange (in addition to and at the same time as the consideration is paid or provided, or if no consideration is due, at the time the supply is made or an appropriate value added tax invoice is issued, whichever is earlier) an amount equal to the amount of the value added tax and the Exchange shall issue an appropriate value added tax invoice.

- A.12.3 All amounts payable to the Exchange or by the Exchange in connection with any Matched Transaction, Contract, these Rules or otherwise pursuant to the Exchange's business as a recognised investment exchange (or in connection with any other legal or regulatory status it has from time to time under any other Applicable Law) shall be paid without any deduction or withholding for or on account of tax unless such deduction or withholding is required by Applicable Law. If a deduction or withholding for or on account of tax is required to be made under Applicable Law in relation to an amount payable to the Exchange, the amount of the payment due shall be increased to an amount which (after making the deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.

**SECTION B – MEMBERSHIP**

- B.1 General Provisions
- B.2 Categories of Membership
- B.3 Membership Criteria
- B.3A Additional Membership Criteria for Direct Electronic Access Providers
- B.3B Additional Membership Criteria for Members Engaging in Algorithmic Trading
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- B.4 Application for Membership
- B.5 Ongoing Notification Requirements
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- B.6A [Oil Trading Privilege](#) [Not used.]
- B.6B Liquidity Provider Programs
- B.7 Suspension and Expulsion
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- B.9 [Not used.]
- B.10 Clearing Activities
- B.11 Responsible Individuals
- B.12 Applicable Law
- B.13 Non-Member Sponsored Principals

**B.1 GENERAL PROVISIONS**

- B.1.1 A Person may be a Member by virtue of being admitted to membership under a category referred to in this Section B. Section B will govern a Member's permissions in relation to the ICE Platform. A separate application will be necessary if a Person seeks to acquire a new category of membership.
- B.1.2 Every Member shall pay such annual subscription as the Exchange may from time to time determine in respect of its category of membership and any trading/clearing permission(s). The subscription shall be due each year on such date as the Exchange may from time to time determine. ~~A and shall be non-refundable. The Exchange or the ARC Committee shall have the same powers as an ARC Disciplinary Panel will have for a Full Hearing as set out in Rule E.5.3 in respect of a failure to pay the subscription by the due date may be punished by the Exchange by any sanction listed in Rule E.5.3,~~ subject to the rights of reconsideration and appeal set out in Rule B.8. ~~and with the following modifications:~~
- (a) ~~in the event that the Exchange is taking action under this Rule, Rule E.5.3(g) shall be read as providing the Exchange with the direct power to terminate or expel a Member from membership of the Exchange under Rule B.7.1 or suspend the Member under Rule B.7.2; and~~
- (b) ~~references to the ARC Disciplinary Panel shall be read as references to the Exchange or the ARC Committee taking action under this Rule, as appropriate.~~
- B.1.3 [Not used.]
- B.1.4 (a) A Member shall at all times satisfy the criteria from time to time set out in or under the Rules for admission to a category of membership, save as may otherwise be provided in or under the Rules. A Member and any Person Subject to the Rules shall be bound by the Rules and any arrangement, provision or direction made, authorised or given thereunder and shall comply with all Applicable Laws at all times.
- (b) Any failure by a Member or any Person Subject to the Rules to observe or comply with the Rules or any such arrangement, provision or direction may lead to steps, including, without limitation, disciplinary proceedings, being taken by the Exchange in respect of the Member or Person Subject to the Rules ~~under the Rules.~~
- (c) References in the Rules to a Member being prohibited from engaging in a course of action shall, in the case of activities in respect of the ICE Platform, infer a like prohibition upon any Person accessing the ICE Platform by or on behalf of the Member (including any Member's Representative acting through the Member).
- B.1.5 Every Person admitted to membership of the Exchange shall sign a member statement as part of its application to a category of membership under Rule B.4, for the time being prescribed by the Exchange, agreeing to be bound by the Rules insofar as they relate to its category of membership and to accept as binding any decision made by the Exchange under the Rules, subject to such rights of review or appeal as may be contained in the Rules.
- B.1.6 A dispute concerning the status, rights or obligations of a Member or any other Person under the Rules or any question in such connection which is not provided for therein which is not governed by any other process set forth in the Rules shall be referred to arbitration in accordance with Section H.
- B.1.7 The Exchange shall be entitled to terminate the membership of such Member upon written notice to the Member taking effect no less than 30 days after the date of service of the notice. The Exchange may publish details of any termination or a copy of any termination notice in or together with a Circular, at its discretion. The Member shall be obliged to close out all its positions prior to the end of the notice period.
- B.1.8 [Not used.]
- B.1.9 A Member may terminate its membership of the Exchange by 30 business days' prior notice in writing to the Exchange, provided that:
- (a) the written notice must be in the form specified by the Exchange from time to time;
- ~~(a)~~(b) the termination of membership shall only take effect on the date the Member has satisfied all outstanding obligations to the Exchange and, in the event the Member is also a Clearing Member, such Clearing Member's obligations to the Clearing House; and

~~(b)~~(c) if the Member has been declared a Defaulter under Rule D.4 before the expiry of its notice of termination (whether the declaration is made before or after its giving of such notice), its membership shall continue until the completion of Default Proceedings.

The Exchange may publish details of any such termination or a copy of any such termination notice in or together with a Circular, at its discretion.

B.1.10 Notwithstanding the effectiveness of any termination of membership ~~pursuant to Rule B.1.7 or other status under these Rules~~, a former ~~Member and its Responsible Individuals~~ Person Subject to the Rules shall remain subject to the jurisdiction of the Exchange for one year after such ~~expiry~~ termination, or such other period as is determined by the Compliance Officer as required for the determination of any proceedings including, without limitation, any appeal, (including, without limitation, the payment of any fine or application of any other sanction imposed), as if continuing to be a ~~Member~~ Person Subject to the Rules, in respect of:

- (a) things done or omitted by the ~~Member or its Responsible Individuals~~ Person Subject to the Rules before ~~the expiry of its notice of termination, membership or other status being terminated;~~ and
- (b) steps taken by the Exchange, the ARC Committee or other Person or body under Sections D, E or H or Rules I.18 or I.19 in relation to the ARC Committee in respect of things so done or omitted.

B.1.11 In connection with its membership of the Exchange and its business and activities as a Member, each Member that provides any trading services to third parties or which acts for any third party shall at all times represent and warrant that it has carried out its customer due diligence to the standards set out under the Anti-Money Laundering Legislation and related FSRA Requirements or such other Applicable Laws as determined acceptable by the Exchange at its discretion in relation to all of its customers and all other "beneficial owners" (for the purposes of this Rule B.1.11, having the meaning as defined in Anti-Money Laundering Legislation and related FSRA Requirements) of such customers in respect of any Contracts entered into on the Exchange or any deliveries made pursuant to such Contracts.

## B.2 CATEGORIES OF MEMBERSHIP

B.2.1 Subject to Rule B.2.1A below, any Person seeking access to trading on the ICE Platform as a Member must elect and apply for one of the following categories of membership:

- (a) General Participant – to transact Own Business and business for clients (whether such clients are other Members or non-Members) including, for the avoidance of doubt, on ICE Block;
- (b) Trade Participant – to transact Own Business only, including, for the avoidance of doubt, on ICE Block;
- (c) General Participant ICE Block (which, for the avoidance of doubt, is not a subset of the General Participant category set out in paragraph (a) above) – ~~report~~ transact Own Business and business for clients (whether such clients are other Members or non-Members) and report through ICE Block; and
- (d) Trade Participant ICE Block – (which, for the avoidance of doubt, is not a subset of the Trade Participant category set out in paragraph (b) above) to transact Own Business only and report through ICE Block.

B.2.1A Any Person seeking access to ICE Block as an ICE Block Member must make an appropriate election confirming its intention to act as an ICE Block Member in its application for Exchange membership.

B.2.2 Each category of ~~Exchange~~ membership confers the permissions set out in Rule B.6. Only certain categories of membership are eligible to be Clearing Members for the purposes of the Rules, on the basis set out in Rule B.10 below.

## B.3 MEMBERSHIP CRITERIA

B.3.1 An applicant for access to trading on the ICE Platform as a Member must, at the time of its application and at all times thereafter:

- (a) be able to demonstrate, to the satisfaction of the Exchange, that the applicant, its Member's Representatives and ~~substantial~~ shareholders are each fit and proper in order for ~~the applicant~~ to be a Member and has sufficient financial, compliance and managerial capacity, business integrity, reputation and competence as the Exchange, in its discretion, considers necessary or appropriate. The Exchange may set specific conditions or standards or publish guidance from time to time on what it considers to be "fit and proper" for the purposes of this Rule;

- (b) be able to demonstrate, to the satisfaction of the Exchange, that the applicant has sufficient systems and controls in place to ensure that all the Member's Representatives who may act on its behalf or in its name in the conduct of business on the ICE Platform are fit and proper, suitable, adequately trained and properly supervised to perform such functions, including ensuring compliance with Rule A.11;
- (c) maintain a properly established office (in a location which is acceptable to the Exchange as it may determine in its discretion) for the conduct of its business on the ICE Platform;
- (d) satisfy the minimum financial standing requirements for the time being stipulated by the Exchange in relation to the relevant category of membership, supporting its claim to do so by copies of its last three years of audited accounts (or in the case of an ICE Block Member, a copy of its last audited accounts) and by a copy of its latest audited accounts from time to time as they become available, or such other evidence as the Exchange may require;
- (e) be party to a Membership Agreement, and any other such agreements as the Exchange may require from time to time, which is in full force and effect, in the form prescribed by the Exchange from time to time for use by the Member of the ICE Platform at the address(es) notified to the Exchange;
- (f) be able to access the Trading Server via a Front End Application which meets the Exchange's Conformance Criteria;
- ~~(g)~~ if it is to transact business: ~~(i)~~
- ~~(i)~~ in respect of ~~its~~ Own Business, be a Clearing Member; ~~(ii)~~
- ~~(ii)~~ in respect of the account of a client which is not a Sponsored Principal, be a Clearing Member; ~~(iii)~~
- ~~(iii)~~ in respect of the account of a client which is a Sponsored Principal, be a Sponsor or ensure appropriate arrangements are in place between it and the relevant Sponsor; or ~~(iv)~~
- ~~(i)(iv)~~ if it is not a Clearing Member in the case of (i) or (ii), be a party to or satisfy the Exchange that it will become a party to ~~a Clearing Agreement with a Clearing Member or an indirect clearing agreement with a client of a Clearing Member, in either case in respect of all types of Product covered by its trading and/or clearing permissions under Rule B.6 from time to time, in each case as permitted by the Rules; any such clearing agreement must comply with the requirements of the Clearing House Rules, including Rule 202(b), and any such indirect clearing agreement must comply with the Clearing House Rules, including Rule 202(b), which as a result of this Rule B.3.1(g) will apply to the client for these purposes in the same way as it applies to Clearing Members under the Clearing House Rules;~~
- ~~(x)~~ a Clearing Agreement with a Clearing Member; or
- ~~(y)~~ an indirect clearing agreement with a client of a Clearing Member, where the client is an Affiliate of such Clearing Member and has a Clearing Agreement in place with that Clearing Member,
- in respect of all types of Contract for which it is permitted to trade and/or clear under the Regulations.
- Any such Clearing Agreement entered into with a Clearing Member must comply with the requirements of the Clearing House Rules, including Rule 202(b) and the F&O standard terms annex where the Clearing Member is not a U.S. registered futures commission merchant or broker dealer.
- Any such indirect clearing agreement must contain provisions that are substantively the same to those required hereunder for Clearing Agreements (including under Rule 202(b) of the Clearing House Rules and the F&O standard terms annex thereto), where the client is not a U.S. registered futures commission merchant or broker dealer;
- ~~(g)(h)~~ hold all necessary Authorisations so as to allow it to carry on business as a Member on the ICE Platform, including ICE Block, in accordance with all Applicable Laws;
- ~~(h)(i)~~ in relation to a Person located in a jurisdiction other than the ADGM, have been granted a Remote Member Recognition Order under section 138A of the ADGM Financial Services and Markets Regulations 2015 declaring that Person to be a "Remote Member" (as defined in the ADGM Financial Services and Markets Regulations 2015);

- ~~(j)~~ be able to demonstrate, to the satisfaction of the Exchange, that the applicant is permitted under Applicable Law, these Rules and any applicable Circulars or notices posted on the Market to engage in transactions in relevant Contracts, in particular, in respect of restrictions or requirements imposed by the Exchange in respect of activities in specific jurisdictions; ~~and~~
- (k) have arrangements, systems, controls, policies and procedures in place in accordance with Rule A.11 and be able to demonstrate the same to the Exchange's satisfaction in accordance with Rule A.11.3.4;
- (l) have policies, procedures, systems and controls which are adequate to ensure compliance with Applicable Laws relevant to its behaviour as a Member (including, but not limited to, Applicable Laws relating to anti-money laundering and financial crime) and appropriately mitigate the risks that the Exchange's facilities could be used for any improper purpose, and, at the request of the Exchange and/or the Clearing House, promptly provide satisfactory evidence of such policies, procedures, systems and controls (including, without limitation, copies of all relevant documentation) and of the adequate implementation and maintenance of such policies, procedures, systems and controls; and
- ~~(j)~~(m) have been subject to customer due diligence measures under the Anti-Money Laundering Legislation to the Exchange's satisfaction.

B.3.2 In addition to meeting the general criteria above:

- (a) an applicant to be a General Participant or Trade Participant must, at the time of its application and at all times thereafter, be a body corporate;
- (b) an applicant to be a General Participant or Trade Participant must satisfy any other specific criteria or other requirements stipulated by the Exchange from time to time in relation to the particular category of membership applicable to it, supplying such documents in support thereof as they may require;
- (c) an applicant for any category of membership, or an existing Member, ~~which seeks a permission to trade Oil Contracts must obtain an Oil Trading Privilege prior to carrying on such activities may be restricted by the Exchange in the types and categories of Contracts in relation to which they may trade;~~
- (d) where access is granted by a Member to clients and the client orders are placed and/or trades are executed under an ITM assigned to a Responsible Individual registered to a Member, the Exchange will, and will be entitled to, rely on representations and warranties, deemed automatically to arise pursuant to these Rules from a Member, that the Member acknowledges its obligation in Rules B.1.4(a) and/or B.1.4(b) and that compliance with Applicable Laws includes, without limitation, compliance with Applicable Laws relating to customer due diligence ~~to the standards set out under the Anti-Money Laundering Legislation and related FSRA Requirements~~ in respect of its customer; ~~and.~~
- ~~(e) each Member that provides any trading services to third parties or which acts for any third party hereby consents to the Exchange, the Clearing House and the operator of any transaction reporting facility (to which the Exchange transfers data related to the Member's trades) each relying upon the Member's customer due diligence in relation to its clients and all other "beneficial owners" (as defined under Anti-Money Laundering Legislation) in respect of any client orders, trades, and/or Contracts. Relevant supporting documentation demonstrating such customer due diligence shall be provided by any Member to the Exchange upon request.~~

### B.3A ADDITIONAL MEMBERSHIP CRITERIA FOR DIRECT ELECTRONIC ACCESS PROVIDERS

- B.3A.1 The Exchange may permit Members to provide Direct Electronic Access subject to these Rules. For the avoidance of doubt, clients to whom a Member provides Direct Electronic Access will not be considered in any way to be a Member of the Exchange by virtue of such access.
- B.3A.2 [Not used.]
- B.3A.3 DEA Providers must have in place effective systems and controls before they provide their clients with access to the Exchange. Such systems and controls must ensure that:
- (a) the suitability of the DEA clients using the service can be properly reviewed and assessed;
- (b) DEA clients using the service are prevented from exceeding appropriate pre-set trading and credit thresholds;
- (c) trading by DEA clients is properly monitored; and
- (d) appropriate risk controls prevent trading by DEA clients which:
- (i) may create risks to the DEA Provider itself;

- (ii) may create, or contribute to, a disorderly market; or
  - (iii) may breach Applicable Laws relating to market abuse, including but not limited to Part 8 of the ADGM Financial Services and Markets Regulations 2015, or these Rules.
- B.3A.4 DEA Providers must, at the time of receiving the Exchange's approval to act as such and at all times thereafter:
  - (a) be responsible for ensuring that DEA clients comply with Applicable Law and these Rules, including by:
    - (i) establishing policies and procedures to ensure that the trading of its DEA clients complies with these Rules; and
    - (ii) monitoring transactions in order to identify any infringements of Applicable Law and these Rules, disorderly trading conditions or conduct that may involve market abuse;
  - (b) apply pre- and post-trade controls on the order flow of each of their DEA clients and have in place real-time monitoring and market surveillance control to detect market manipulation, which controls and monitoring meet the following criteria:
    - (i) the controls shall be separate and distinct from the controls and monitoring applied by DEA clients;
    - (ii) the orders of DEA clients shall always pass through such controls and monitoring;
    - (iii) notwithstanding the fact that the DEA Provider may use its own pre-trade and post-trade controls, controls provided by a third party or controls offered by the Exchange and real time monitoring, the DEA Provider shall remain responsible for the effectiveness of such controls and monitoring in all circumstances and be solely entitled to set or modify the parameters or limits of such controls and monitoring;
    - (iv) the performance of the controls shall be monitored by the DEA Provider on an ongoing basis; and
    - (v) the limits of the pre-trade controls on order submission shall be based on the credit and risk limits which the DEA Provider applies to the trading activity of its DEA clients, and the risk limits shall be based on the initial due diligence and periodic review of the DEA client by the DEA Provider; and
  - (c) in relation to providing Sponsored Access, ensure that the parameters and limits of the controls applied to DEA clients using Sponsored Access are as stringent as those imposed on DEA clients using Direct Market Access, and that DEA Providers providing Sponsored Access are at all times exclusively entitled to set or modify the parameters that apply to the controls over the order flow of their Sponsored Access clients.
- B.3A.5 DEA Providers must perform due diligence on prospective DEA clients to ensure that they meet the requirements under these Rules or otherwise set by the Exchange or under any Applicable Law, before giving such clients access to the Exchange. This due diligence must cover relevant matters including, but not limited to, the following:
  - (a) the governance and ownership structure of the prospective DEA client;
  - (b) the types of strategies to be undertaken by the prospective DEA client;
  - (c) the operational set-up, systems, pre-trade and post-trade controls and real-time monitoring of the prospective DEA client, provided that where the DEA Provider allows clients to use third-party trading software for accessing the Exchange, it must ensure that the software includes pre-trade controls that are equivalent to the pre-trade controls as required under any Applicable Law and these Rules;
  - (d) the responsibilities within the prospective DEA client for dealing with actions and errors;
  - (e) the historical trading pattern and behaviour of the prospective DEA client;
  - (f) the level of expected trading and order volume of the prospective DEA client;
  - (g) the ability of the prospective DEA client to meet its financial obligations to the DEA Provider; and
  - (h) the disciplinary history of the prospective DEA client, where available.



- B.3A.6 Where a DEA Provider allows a DEA client to sub-delegate the access it receives to its own clients, the DEA Provider must ensure that, before granting that DEA client access, the DEA client has a due diligence framework in place that is at least equivalent to the due diligence framework set out in Rule B.3A.5.
- B.3A.7 DEA Providers must perform a risk-based reassessment of the adequacy of their DEA clients' systems and controls on an annual basis, in particular taking into account changes to the scale, nature or complexity of their trading activities or strategies, changes to their staffing, ownership structure, trading or bank account, regulatory status, financial position and whether a DEA client has expressed an intention to sub-delegate the access it receives from the DEA Provider.
- B.3A.8 DEA Providers must have in place a binding written agreement between themselves and their DEA clients which:
- (a) details the rights and obligations of both parties arising from the provision of their services;
  - (b) states that the DEA Provider is responsible for ensuring the client complies with Applicable Law and these Rules; and
  - (c) when the DEA client is itself providing access to its clients, requires its DEA client to agree to all the terms set forth in Rules B.3A.3 to B.3A.13 with respect to all of such DEA client's clients.
- B.3A.9 A DEA Provider must ensure that its trading systems enable it to:
- (a) monitor any orders submitted by a DEA client using the trading code of the DEA Provider;
  - (b) automatically block or cancel orders from:
    - (i) individuals which operate trading systems that submit orders related to Algorithmic Trading and which lack authorisation to send orders through DEA;
    - (ii) a DEA client for Products that the DEA client does not have permission to trade, using an internal flagging system to identify and block single DEA clients or a group of DEA clients; and
    - (iii) a DEA client that breaches the DEA Provider's risk management thresholds, applying controls to exposures of individual DEA clients, Products or groups of DEA clients;
  - (c) stop order flow transmitted by its DEA clients;
  - (d) suspend or withdraw DEA services to any DEA client where the DEA Provider is not satisfied that continued access would be consistent with its rules and procedures for fair and orderly trading and market integrity; and
  - (e) carry out, whenever necessary, a review of the internal risk control systems of a DEA client.
- B.3A.10 DEA Providers must have in place procedures to evaluate, manage and mitigate market disruption and firm-wide risk, and must be able to identify the Persons to be notified in the event of an error resulting in violations of the risk profile or potential breaches of these Rules.
- B.3A.11 DEA Providers must at all times be able to identify its different DEA clients and the trading desks and traders of those DEA clients, who submit orders through the DEA Provider's systems, by assigning unique identification codes to them.
- B.3A.12 Where a DEA Provider allows a DEA client to sub-delegate the DEA access it receives to its own clients, the DEA Provider must be able to identify the different order flows from the clients. For these purposes, it will not be necessary for the DEA Provider to know the identity of these clients.
- B.3A.13 DEA Providers must record data relating to the orders submitted by their DEA clients, including modifications and cancellations, the alerts generated by their monitoring systems and the modifications made to their filtering process.
- B.3A.14 The parameters and limits of the controls applied by DEA Providers to DEA clients using Sponsored Access shall be as stringent as those imposed by them on DEA clients using Direct Market Access.
- B.3A.15 In accordance with Rule B.7, the Exchange may:
- (a) suspend or withdraw the provision of Direct Electronic Access or Sponsored Access by DEA Providers or their clients who are in breach of these Rules or Applicable Law; and
  - (b) stop orders or trading by a DEA client separately from other orders or trading by the DEA Provider.

B.3A.16 The Exchange may set additional standards regarding risk controls and thresholds on trading through Direct Electronic Access.

### **B.3B ADDITIONAL MEMBERSHIP CRITERIA FOR MEMBERS ENGAGING IN ALGORITHMIC TRADING**

In addition to meeting the general criteria in Rule B.3, a Member engaging or intending to engage in Algorithmic Trading must demonstrate to the satisfaction of the Exchange that it has sufficient systems and controls in place in accordance with the requirements set out in Rule A.11A.

### **B.3C ADDITIONAL MEMBERSHIP CRITERIA FOR MEMBERS THAT ARE CLEARING MEMBERS**

In addition to meeting the general criteria in Rule B.3, a Member that is a Clearing Member must:

- (a) comply with the membership criteria of the Clearing House; and
- (b) ensure that any systems used by the Member to support the provision of its clearing services to its clients are subject to appropriate due diligence assessments, controls and monitoring.

### **B.3D ADDITIONAL MEMBERSHIP CRITERIA FOR MEMBERS THAT ARE CLEARING MEMBERS CLEARING FOR CLIENTS**

B.3D.1 In addition to meeting the general criteria in Rule B.3, a Member that is a Clearing Member who is a General Participant with the permissions set out in Rule B.6.1(c) or (e) must:

- (a) have in place effective systems and controls to ensure that:
  - (i) clearing services are only applied to Persons who are suitable and meet clear criteria; and
  - (ii) appropriate requirements are imposed on those Persons to reduce risks to the Member and to the market;
- (b) enter into binding written agreements with such Persons regarding the essential rights and obligations arising from the provision of that service in accordance with Applicable Law and the Clearing House Rules;
- (c) set out and communicate to its clearing clients appropriate trading and position limits to mitigate and manage its own counterparty, liquidity, operational and other risks;
- (d) monitor its clearing clients' positions against the limits referred to in paragraph (c) as close to real-time as possible and have appropriate pre-trade and post-trade procedures for managing the risk of breaches of the position limits, by way of appropriate margining practice and other appropriate means;
- (e) publish the conditions under which it offers its clearing services; and
- (f) inform its prospective and existing clearing clients of:
  - (i) the level of protection and of the costs associated with the different levels of segregation it provides; and
  - (ii) the main legal effects of the respective levels of segregation offered, including information on the Applicable Law relating to insolvency in the relevant jurisdiction.

B.3D.2 For the purposes of Rule B.3D.1(a), a Member shall, as a minimum:

- (a) make initial assessments of prospective clearing clients against the following criteria, taking into account the nature, scale and complexity of the prospective client's business:
  - (i) credit strength, including any guarantees given;
  - (ii) internal risk control systems;
  - (iii) intended trading strategy;
  - (iv) payment systems and arrangements that enable the prospective clearing client to ensure a timely transfer of assets or cash as margin, as required by the Member in relation to the clearing services it provides;
  - (v) systems settings and access to information that helps the prospective clearing client to respect any maximum trading limit agreed with the Member;
  - (vi) any collateral provided to the Member by the prospective clearing client;
  - (vii) operational resources, including technological interfaces and connectivity; and

- (viii) any involvement of the prospective clearing client in a breach of the rules ensuring the integrity of the financial markets, including involvement in market abuse, financial crime or money laundering activities; and
- (b) annually review the ongoing performance of its clearing clients against the criteria listed in paragraph (a) above.

### **B.3E ADDITIONAL MEMBERSHIP CRITERIA FOR MEMBERS ESTABLISHED IN THE UK OR OFFERING SERVICES OR ACCESS TO PERSONS ESTABLISHED IN THE UK**

B.3E.1 In addition to meeting the general criteria in Rule B.3, a Member that is established in the UK must be an Authorised Person.

B.3E.2 A Member that is not an Authorised Person shall only accept as a Direct Client a person that is established in the UK if the putative Direct Client is an Authorised Person.

B.3E.3 A Member that is not an Authorised Person shall only accept as an Indirect Client a person that is established in the UK if one (or more) of the relevant Direct Client, or the putative Indirect Client is an Authorised Person.

B.3E.4 In addition to the other restrictions in this B.3E.5, no Member shall make available the Exchange's facilities to any person unless they are a person who (i) is outside the United Kingdom, (ii) has professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (iii) is a person falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iv) is a person to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the exchange operated by the Exchange may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The facilities of the Exchange are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment traded on the Exchange or investment activity which may be transacted on the Exchange is available only to relevant persons and will be engaged in only with relevant persons.

B.3E.5. In this Rule B.3E, the term "Authorised Person" has the meaning given to it in the Handbook published by the UK Financial Conduct Authority or any successor thereto.

## **B.4 APPLICATION FOR MEMBERSHIP**

B.4.1 An applicant for membership under any of the above categories (other than an entity applying to be an ICE Block Member), shall complete such form of application as the Exchange may prescribe, specifying:

- (a) which category of membership it is seeking;
- (b) ~~whether the type of Products it wishes to trade and/or clear Oil Contracts by virtue of holding an Oil Trading Privilege and whether it wishes to obtain any other Trading Privileges;~~
- (c) whether it is to be a Clearing Member, non-Clearing Member or a Sponsored Principal, and if a Sponsored Principal or non-Clearing Member, details of its Sponsor or Clearing Member, respectively; and
- (d) if it is a Clearing Member, details of the Members it will clear for.

In the case of an entity applying to be an ICE Block Member, the applicant shall complete such form of application as the Exchange may prescribe, electing whether it wishes to enter (i) Block Trades on ICE Block; (ii) EFPs and EFSs on ICE Block; (iii) Basis Trades or EFRPs on ICE Block; (iv) Asset Allocations on ICE Block; and/or (v) the ICE Platform for the purpose of entering Cross Trades, and specifying the Products for which it wishes to have access.

B.4.2 Any application must be submitted to the Exchange along with the applicable application fee, which shall be non-refundable, for determination. An applicant must satisfy the Exchange that it meets the criteria for the time being for the category of membership being sought (further particulars of which may, at any time, be obtained from the Exchange, including particulars of any other criteria or requirements stipulated by the Exchange under Rule B.3.2 and any guidance or requirements as to how certain criteria may be satisfied). Admission to membership of the Exchange shall not confer any right or obligation of membership in or right to attend or vote at meetings of, or any right to any share in, or any liability in respect of, the Exchange or any Affiliate of the Exchange.

- B.4.3 Approval of the application shall be at the Exchange's discretion, subject to the applicant's rights in respect of reconsideration and appeal under the Rules. If it refuses the application, the Exchange shall give the applicant a written statement of their reasons. The Exchange may at its discretion attach objective conditions to any application for membership prior to such status being granted, provided that such additional conditions are proportional to the risk brought by the applicant. The Exchange may grant approval to an applicant conditional upon satisfying certain requirements, provided that the applicant has expressed its intention to meet such requirements and provided evidence of its ability to do so.
- B.4.4 A successful applicant shall be notified in writing by the Exchange of the approval of its application. The applicant shall be admitted to the category of membership applied for and details of the Products it may trade (or in the case of an ICE Block Member, the Products for which it may have access to ICE Block) will be confirmed, ~~and where appropriate, it will be further confirmed that the applicant has been granted the relevant Trading Privilege.~~ The membership shall become effective at the point in time notified by the Exchange to the applicant. ~~Neither Membership nor Trading Privileges shall not~~ be transferable.
- B.4.5 A Member may, at any time, apply to vary its category of membership and/or its clearing status. Such an application shall be made in the manner prescribed by the Exchange from time to time and shall be processed by reference to the criteria set out in this Section B.
- B.4.6 A Member may, at any time, apply to vary the Products it wishes to trade and/or clear, and in the case of an ICE Block Member, may vary its election to access ICE Block for Block Trades and EFPs, EFSs, Basis Trades, Asset Allocations and/or EFRPs (as applicable), the ICE Platform for the purpose of entering Cross Trades or the Products for which it may have access. Such an application shall be made in the manner prescribed by the Exchange from time to time.

## B.5 ONGOING NOTIFICATION REQUIREMENTS

- B.5.1 Every Member shall notify the Exchange forthwith in writing of:
- (a) any change or anticipated change in circumstances applicable to the Member, of which the Member is aware, which will, or is likely to, result in the Member being unable to continue to satisfy any one or more of the membership criteria applicable to it;
  - (b) any alteration in other business information which the Member may be required to furnish to the Exchange;
  - (c) such information as the Exchange may stipulate from time to time with respect to trading on, or access to the ICE Platform, including without limitation, location of screens used, details and location of user interfaces employed and order-routing arrangements put, or to be put, in place by or on behalf of the Member; and
  - (d) any other information specified by the Exchange from time to time.
- B.5.1AA Without prejudice to the generality of Rule B.5.1, Members shall provide the Exchange with any information necessary to enable the Exchange to meet its reporting obligations to any Governmental Authority or for any other regulatory purposes including, but not limited to, withholding tax purposes.
- B.5.1A Every Member shall seek the consent of the Exchange in relation to:
- (a) (in the case of a firm or a company) any proposed change in the nature of business or legal status of the Member, any proposed change in legal or beneficial ownership of the equity or partnership capital of the Member or any other circumstance that to the directors' or partners' belief would or might have the effect of changing the Control of the Member;
  - (b) any proposed change in the identity of the Responsible Individuals registered on behalf of the Member and any proposed change in the location from which any such Responsible Individual will access the ICE Platform (where the new location is in a different jurisdiction from that previously notified to the Exchange); and
  - (c) any other material change in the way in which the Member accesses and uses the ICE Platform.
- B.5.2 In the case of a change in a partnership, the continuing and new partners shall sign and deliver to the Exchange a form of undertaking under which they jointly and severally agree to be bound as a Member of the relevant category by the Rules.
- B.5.3 If the Exchange declines to approve any change notified under Rule B.5.1A above which requires their consent, the Member shall be informed accordingly, and if the change nonetheless becomes effective, the Member's permission to trade on the Market, to accept allocation of any Contracts made on the Market by

another Member and to clear Contracts (as applicable) (or any one or more of such permissions) (or in the case of an ICE Block Member, the Member's permission to enter Block Trades and EFPs, EFSs, Basis Trades, Asset Allocations and/or EFRPs (as applicable) on ICE Block and/or Cross Trades on the ICE Platform), may be suspended by the Exchange until the Exchange is willing, by agreement with the Member on such terms as they think fit, to lift the suspension.

- B.5.4 In addition to the requirements of Rule B.5.1, every Member shall promptly (and thereafter upon demand or with such regularity as may be prescribed) notify the Exchange in writing of such information and of any changes thereto in respect of such of the Member's Representatives and other Persons as the Exchange may from time to time prescribe. Without limitation, such information may include details of all types of investment with which such Person deals or has dealt, all previous employers, the reason for changing employment (including details of any allegation, investigation or suspicion prompting the person's resignation), all exchange bodies (whether or not in the Abu Dhabi Global Market) upon which the Person is or has in the past been permitted to trade, whether such permission has at any time been withdrawn and if so the reason therefor, any disciplinary proceedings of any exchange bodies or other Regulatory Authority commenced against the Person and the outcome thereof.
- B.5.5 If the Exchange considers that there has been a failure to notify the Exchange fully in accordance with this Rule B.5 or if a Member has failed to obtain the Exchange's consent to the change in its circumstances or arrangements as required by the Rules, the Member's permission to trade on the Market, to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable), or in the case of an ICE Block Member, the Member's permission to enter Block Trades and EFPs, EFSs, Basis Trades, Asset Allocations and/or EFRPs (as applicable) on ICE Block and/or Cross Trades on the ICE Platform (or any one or more of such permissions) may be suspended for such time as the Exchange sees fit. Suspension under this paragraph shall not prejudice the power of the Exchange, the Compliance Officer or the ARC Committee to commence disciplinary proceedings in respect of the failure.

## B.6 SCOPE OF PARTICIPANT ACTIVITIES

- B.6.1 A General Participant other than an ICE Block Member shall, ~~in accordance with the elections it has communicated to the Exchange in respect of the Products it wishes to trade and/or clear as required under Rules B.4.1 or B.4.6,~~ be permitted to:
- (a) trade ~~Oil Contracts available for trading~~Products, ~~only if it has been approved to trade such Products on the ICE Platform, provided that the General Participant is the holder of an Oil Trading Privilege as appropriate,~~ for Own Business and in connection with client business in conformity with the Rules;
  - (b) register at least one Responsible Individual;
  - (c) in the case of a General Participant who is also a Clearing Member, become counterparty to the Clearing House in accordance with the Clearing House Rules in respect of:
    - (i) ~~Oil~~all Contracts ~~made arising pursuant to trades entered into~~ by the General Participant on the ICE Platform, ~~provided that the General Participant is the holder of an Oil Trading Privilege;~~ and/or
    - (ii) by agreement, any Contract ~~made arising pursuant to trades entered into~~ on the ICE Platform by another Member ~~provided that if the Contract is an Oil Contract, the General Participant is a holder of an Oil Trading Privilege;~~
  - (d) accept allocations of Contracts ~~made arising pursuant to trades entered into~~ on the ICE Platform ~~by other General Participants provided that if the Contract is an Oil Contract, the General Participant is a holder of an Oil Trading Privilege;~~in relation to relevant Products approved under paragraph (a); and
  - (e) in the case of a General Participant who is also a Clearing Member, apply to the Clearing House to act as a Sponsor in accordance with the Clearing House Rules in respect of its clients which are Sponsored Principals for the relevant Contracts set out in Rule B.6.1(c).
- B.6.2 A Trade Participant, other than an ICE Block Member shall, in accordance with the elections it has communicated to the Exchange in respect of the Products it wishes to trade and/or clear as required under Rules B.4.1 or B.4.6, be permitted to:
- (a) trade ~~Oil Contracts available~~Products, ~~only if it has been approved~~ for ~~trading~~such Products on the ICE Platform, ~~provided that the Trade Participant is the holder of an Oil Trading Privilege as appropriate,~~ for Own Business ~~only,~~ in conformity with the Rules;
  - (b) register at least one Responsible Individual;

- (c) in the case of a Trade Participant who is also a Clearing Member, become counterparty to (or arrange for another Person to become counterparty to) the Clearing House in accordance with the Clearing House Rules in respect of ~~Oil Contracts~~ [made arising pursuant to trades entered into on the ICE Platform](#) by the Trade Participant ~~on the ICE Platform, provided that the Trade Participant is the holder of an Oil Trading Privilege~~; and
- (d) accept allocations of Contracts [made arising pursuant to trades entered into](#) on the ICE Platform [in relation to relevant Products approved under paragraph \(a\)](#) by a General Participant provided that such Contracts [are constitute the Own Business of the Trade Participant and provided that if the Contract is an Oil Contract, the Trade Participant is a holder of an Oil Trading Privilege](#).

B.6.3 [Not used.]

B.6.4 The Trading Procedures shall apply to all Members who trade on the ICE Platform (and to any Person Subject to the Rules).

B.6.5 ~~An~~ [A General Participant or Trade Participant which is an](#) ICE Block Member shall, in accordance with the elections it has communicated to the Exchange in respect of the Contracts it wishes to enter into ICE Block for Own Business or on behalf of Members (trading and/or clearing in accordance with Rule B.4.1 or Rule B.4.6), only be permitted to access ICE Block to enter Block Trades and EFPs, EFSs, Basis Trades, Asset Allocations and/or EFRPs, and/or the ICE Platform for the purpose of entering Cross Trades for such communicated Products, as appropriate.

## **B.6A OIL TRADING PRIVILEGE [NOT USED]**

~~B.6A.1 Pursuant to Rule B.4.1 a General Participant or Trade Participant may, at the time of application of membership or at any time thereafter, apply to hold an Oil Trading Privilege and, once obtained, may at any time cancel it. Such an application/cancellation shall be made in the manner prescribed by the Exchange from time to time.~~

~~B.6A.2 The holder of an Oil Trading Privilege is permitted to:~~

- ~~(a) trade the Oil Contracts where the holder is a party to a Membership Agreement;~~
- ~~(b) clear the Oil Contracts where the holder is a Clearing Member; and~~
- ~~(c) where the holder is a member of the Clearing House, clear Oil Contracts for a non-Clearing Member with whom it has a Clearing Agreement provided that non-Clearing Member is also the holder of an Oil Trading Privilege.~~

~~B.6A.3 No Person shall engage in the activities set out in Rule B.6A.2 unless it holds an Oil Trading Privilege.~~

~~B.6A.4 An Oil Trading Privilege is not transferable and a Member may not hold more than one Oil Trading Privilege.~~

~~B.6A.5 An additional application fee and an annual fee may be payable pursuant to Rule B.1.2.~~

## **B.6B LIQUIDITY PROVIDER PROGRAMS**

### **Participants in Liquidity Provider Programs and Liquidity Providers**

B.6B.1 Participants in Liquidity Provider Programs may be required to meet participation criteria, conditions and/or obligations set by the Exchange as applicable to participants in a particular Liquidity Provider Program, as the same may be amended or added to from time to time, in order to be able to continue to participate in a particular Liquidity Provider Program.

B.6B.2 Any Person applying to be a Liquidity Provider may be required to satisfy specific criteria in relation to liquidity providing arrangements and Liquidity Provider Commitments in relation to the trading of the Designated Products, as notified to the applicant by the Exchange.

B.6B.3 Liquidity Providers shall carry out all of their Liquidity Provider Commitments, except that Liquidity Providers shall not be obliged to carry out a Liquidity Provider Commitment in the event that the Exchange confirms or the Liquidity Provider reasonably determines and promptly notifies in writing to the Exchange, that the conditions which pertain in relation to the trading of a Designated Product for that Liquidity Provider Program on the ICE Platform are abnormal.

- B.6B.4 In the event of the circumstances referred to in Rule B.6B.3 arising with regard to the Liquidity Provider, the Liquidity Provider may, acting reasonably, either:
- (a) widen the bid/offer spread applicable to the relevant Liquidity Provider Commitment (and promptly notify the Exchange accordingly); or
  - (b) withdraw from carrying out its Liquidity Provider Commitment with respect to the relevant Liquidity Provider Program so long as the abnormal trading circumstances are verified as such by the Exchange, such verification occurring on the request of the Liquidity Provider.

### Liquidity Provider Programs

- B.6B.5 The Exchange may make the availability of a Liquidity Provider Program contingent on certain cleared volume levels or other criteria relevant to the benefit of the market.
- B.6B.6 Transactions entered into by the Liquidity Provider pursuant to a Liquidity Provider Program will be appropriately identified as such in accordance with arrangements for identifying Transactions agreed upon by the Exchange and the Liquidity Providers. In the event that the Liquidity Provider has not complied with reasonable Liquidity Provider Program criteria or requests to assist Transaction identification for the purposes of the Liquidity Provider Program, the Exchange reserves the right to disqualify resulting unidentified Transactions.
- B.6B.7 The Exchange may withdraw any of its Liquidity Provider Programs at any time. The Exchange shall be entitled to terminate any Liquidity Provider's participation in a Liquidity Provider Program on notice at its discretion. A Liquidity Provider may terminate its participation in a Liquidity Provider Program upon one month's written notice.
- B.6B.8 The benefits receivable under Liquidity Provider Programs shall comprise rebates of transaction costs payable by the Liquidity Provider to the Exchange and/or the Clearing House as a result of trading in a Designated Product, and/or other benefits as determined by the Exchange (collectively, "**Liquidity Provider Benefits**"). The Liquidity Provider shall not:
- (a) cause any detriment to clients of the Liquidity Provider Program participants; or
  - (b) affect or distort the orderly functioning of the market in a Designated Product.

No Liquidity Provider Program shall affect the margin applicable to any contract cleared by the Clearing House.

~~Other than for appropriate trading purposes, the~~The Liquidity Provider shall not enter into any transaction on the Exchange or with the Clearing House or another Liquidity Provider Program participant, ~~other than for proper trading purposes~~ (which may include, but are not limited to, hedging, investment, speculation, price determination, arbitrage and filling client orders from any client for whom the Liquidity Provider acts).

### Confidentiality and Publicity

- B.6B.9 The Exchange may publish details of any Liquidity Provider Program and name its participants from time to time. The Liquidity Provider shall not disclose the terms of any Liquidity Provider agreement, provided that the Liquidity Provider may disclose details of the terms of any Liquidity Provider agreement to a Regulatory Authority or in accordance with Applicable Law or Rule B.6B.10. In the case of the Exchange, confidential information held by it in relation to the Liquidity Provider Program shall be treated in accordance with Rule A.4.
- B.6B.10 The Liquidity Provider shall, to the extent required by Applicable Law, inform its clients of its participation in each Liquidity Provider Program and such details of the Liquidity Provider Program as are required to be disclosed. The Liquidity Provider (and not the Exchange) shall be responsible for any disclosure required to be made to clients of the Liquidity Provider, in relation to the Liquidity Provider Program and for any other risks or conflicts of interest that may arise from time to time as a result of participation.

### Fees

- B.6B.11 The Exchange shall, at its discretion, determine Liquidity Provider Benefits, including the Transaction Fee Amount and the Termination Fee Amount payable to Liquidity Providers.
- B.6B.12 Subject to Rule B.6B.13, Liquidity Provider Benefits in respect of Transactions in a particular calendar month shall be paid to the Liquidity Provider within 30 days of the end of the calendar month in which the relevant Transaction Fees are received by the Exchange, provided that in the relevant calendar month, the Liquidity Provider complies with the relevant Liquidity Provider Commitments.

- B.6B.13 If the Liquidity Provider ceases to participate in a Liquidity Provider Program under Rule B.6B.7, then provided that the Liquidity Provider has complied with the relevant Liquidity Provider Commitments:
- (a) a Termination Fee Amount shall be payable to the Liquidity Provider on the Business Days in the relevant calendar month prior to the date on which the termination is effective; and
  - (b) any Liquidity Provider Benefit which does not comprise a rebate of transaction costs, and which therefore is excluded from the Termination Fee Amount, shall be subject to payment on a *pro rata* basis.

### Payment

- B.6B.14 ~~Where a For each Liquidity Provider Program relates to a service for which only Exchange rebates, fee discounts or incentive payments are applicable, the payer of the rebate, fee discount or incentive payment under the Liquidity Provider Program is shall be the Exchange and the payee is shall be the Liquidity Provider, regardless of whether such Person is or is not an Exchange Member. Where a Liquidity Provider Program relates to a service for which both trading and clearing rebates, fee discounts or incentive payments are applicable, the payer under the Liquidity Provider Program is the Clearing House as to the total amount of the trading and clearing rebates, fee discounts or incentive payments multiplied by the percentage that clearing rebates, fee discounts or incentive payments represent of the sum of clearing and trading rebates, fee discounts or incentive payments. The Exchange will be the payer of the remainder of the rebate, fee discount or incentive payment.~~
- B.6B.15 The Exchange may arrange for the Clearing House to make any payment in respect of the Liquidity Provider Program on the payer's behalf. The Liquidity Provider may direct that payments be made directly to its account or to the account of a relevant Member or Clearing Member, as appropriate. Any payment in accordance with such instructions shall constitute due and final payment by the Exchange to the account of the Liquidity Provider. The Liquidity Provider may direct changes to such payment arrangements from time to time by providing written notice to the Exchange.
- B.6B.16 In the absence of any payment instructions, the Exchange shall be entitled (but shall not be required) to make payment in respect of any payment under a Liquidity Provider Program by crediting amounts to the proprietary account or customer account of the relevant Member or Clearing Member and in doing so shall have discharged its obligations in relation to the relevant Liquidity Provider Program payment.

### General

- B.6B.17 Terms, conditions, rebates, fee discounts and incentive payments may be varied, amended, modified, extended or supplemented by the Exchange at its discretion, from time to time, by notice to a Liquidity Provider or by Circular.

## B.7 SUSPENSION AND EXPULSION

- B.7.1 Without prejudice to Rule B.1.7, the Exchange ~~may shall be entitled to terminate or expel a Member from membership of the Exchange, or, in the case of any other Person Subject to the Rules, upon written notice to the Person Subject to the Rules, terminate their status as a Person Subject to the Rules or permanently remove their right to access the ICE Platform:~~
- ~~(a) following the recommendation of an ARC Hearing Committee under B.1.2 or an ARC Disciplinary Panel under Rule E.5.3, in the exercise of any other power conferred on the Exchange by the Rules or~~
  - ~~(b) at the request of that Member, that Member's Clearing Member, the Clearing House or any Regulatory Authority;~~
  - ~~(c) expel a Member from membership following any material breach by the Person Subject to the Rules of any provision of these Rules;~~
  - ~~(d) if the Exchange (considers that termination or any part of the Market) or, in the case of other Persons Subject to expulsion is necessary to protect the Rules, permanently remove their right to access the ICE Platform; interests of the Exchange or its Members (in the case of a Member, excluding the Member concerned), to ensure an orderly market or -ensure the Exchange's compliance with Applicable Law; or~~
  - ~~(e) in the case of a Member, suspend or withdraw any or all of the membership permissions of the Member including its permission to trade on the ICE Platform (or any part of it), to accept allocation of any Contracts made on the ICE Platform by another Member, to clear Contracts made on the ICE Platform~~



~~and to provide Direct Electronic Access or Sponsored Access (as applicable) (or any one or more of such permissions) for such term as the Exchange may determine, exercise of any other power conferred on the Exchange by the Rules.~~

B.7.2 The Exchange ~~may give (including, without limitation, the Compliance Officer) shall be entitled to suspend a Member or any other Person Subject to the Rules a brief account:~~

~~(a) upon the recommendation of reasons for their action, and shall promptly do so the ARC Committee under Rule B.1.2 or an ARC Disciplinary Panel under Rule E.5.3;~~

~~(b) at its request, of that Member, that Member's Clearing Member, the Clearing House or any Regulatory Authority;~~

~~(c) if a Member fails to satisfy the requirements following any breach of Rule B.3 or fails to comply with the terms of the Membership Agreement, or any material breach by the Person Subject to the Rules of any provision of these Rules;~~

~~(d) if the Exchange may suspend any or all membership permissions of that Member, (including its permission to trade on the Market (or any part of it), to accept allocation of any Contracts made on, without limitation, the Compliance Officer) considers that suspension is necessary to protect the Market by another Member and to clear Contracts (as applicable) (or any one or more of such permissions) for such term as interests of the Exchange may determine. Without prejudice to its Members (in the generality case of a Member, excluding the foregoing, Member concerned), to ensure an orderly market or ensure the Exchange may permit a Member to continue to Exchange's compliance with Applicable Law;~~

~~(e) in the event of any Force Majeure Event affecting the Person Subject to the Rules; or~~

~~(f) in the exercise any or all of its permissions to clear Contracts for such period and on such terms (including, but of any other power conferred on the Exchange by the Rules.~~

B.7.2A The Exchange may, upon consideration, suspend any or all membership permissions, or terminate the membership of any Exchange Member, where that Member fails to respond to the satisfaction of the Exchange within 30 calendar days from the date of the written notice to a request for information. Requests for information may include, but are not limited to, any agreement information regarding the Member's usage, requirements or need of the Membership. In the event that the Exchange is unable to serve a request for information under this Rule (including, without limitation, where the Member has been dissolved or has failed to provide contact details), the Exchange (or, in the case of a Member having been dissolved, the Compliance Officer) may suspend any or all membership permissions or terminate the membership of that Member if the Member has had no trading activity for 24 months prior to be bound by the Rules) as the Exchange the date of suspension or termination.

B.7.2B Unless otherwise stated in these Regulations, any decision to suspend a Member or any other Person Subject to the Rules under these Rules may in their discretion think fit occur for such term as may be determined by the Exchange and:

~~(a) in the case of a Member, in relation to its status as a Member or in respect of certain rights of that Member only (for example its rights in respect of certain Products only or its permission to access the ICE Platform); or~~

~~(b) in the case of any other Person Subject to the Rules, in respect of its status as a Person Subject to the Rules, or in respect of certain rights of that Person Subject to the Rules only (for example, its rights in respect of certain Products only or its permission to access the ICE Platform).~~

B.7.2B.7.3 If an Insolvency occurs in respect of a Member then its membership permissions (including trading permissions and its permission to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable)) shall be suspended (without any prior step by the Exchange being required but subject to any contrary determination under Section D) or at the discretion of the Exchange shall be terminated from the time of such occurrence, save that where the Member is declared a Defaulter, its membership shall continue until the completion of Default Proceedings. The suspension shall continue until the Member has settled with all its creditors to the satisfaction of the Exchange, or complied with Applicable Law, as the case may be.

B.7.3B.7.4 A Member whose permissions are or any other Person Subject to the Rules that has been suspended shall, during the term of such suspension and thereafter, remain liable in respect of all its obligations of membership incurred before, during or after such suspension under the Rules and any agreements between it

[and the Exchange](#), including, without limitation, its obligation to pay an annual subscription or any other fees, [fines](#), levies or charges [in respect of the relevant category of membership, its obligations arising under Contracts](#), and its obligations in respect of any steps taken with regard to him under Section D. A Member whose trading permissions have been suspended under Rule B.7.3 shall not, during the period of such suspension, be entitled to clear new Contracts, subject to any contrary determination under Section D.

**B-7.4B.7.5** Subject to any applicable provision of Section D, the expulsion of a Member or the suspension of any or all of its permissions shall not affect the right of any party to pursue either a matter or dispute which has been referred to the ARC Committee under Rules I.17 and I.18 or to arbitration under Section H or the Clearing House Rules.

**B-7.5B.7.6** Upon the expulsion of a Member taking effect, it shall cease to have any rights [and privileges](#) of membership of the Exchange, including any trading permissions. [The Exchange may direct the Member to close out all its positions prior to any such termination taking effect.](#)

**B-7.6B.7.7** Where, upon the suspension of a Member's rights of membership (including its permission to trade on the Market, to accept allocation of any Contracts made on the Market by another Member and to clear Contracts (as applicable) (or any one or more of such permissions)) under Rule B.7.3, the Member is not declared a Defaulter, any other Member holding open positions on the Market on its behalf shall be entitled to close the same without prior notice. Where, upon the suspension of a Member's permissions under Rule B.7.3, the Member is declared a Defaulter, any other Member holding on its behalf an open position on the Market which is not discharged under Section D may, upon the completion of Default Proceedings in respect of the suspended Member, close such open position without prior notice.

**B-7.7B.7.8** Upon the expulsion of a Member or the suspension of its trading permissions and/or its permission to accept the allocation of any Contracts made on the Market by another Member and/or (if applicable) its entitlement to clear Contracts taking effect, the Exchange shall give notice of the expulsion or suspension to all Members and to the Clearing House.

## **B.8 RECONSIDERATION AND APPEAL**

**B.8.1** If the Exchange refuses an application for membership or refuses to approve a change in business particulars notified to the Exchange under Rule B.5.1A, imposes sanctions on a Member under Rule B.1.2, suspends a Member's permission to trade for more than seven days or expels a Member (other than pursuant to a recommendation made by an ARC [Hearing Committee under Rule B.1.2 or an ARC Disciplinary Panel](#) under Rule E.5.3), the applicant or Member may, within fourteen days of receiving notice of such decision, request the ~~board of Directors of the Exchange~~ in writing to reconsider the matter. The applicant or Member may make such representations and supply such information as it may consider relevant. No request or representation may be made under this Rule in respect of any determination made or step taken under Section D.

**B.8.2** The [Exchange Directors](#) shall within 28 days of receiving the applicant or Member's written request for reconsideration consider any representations and information placed before them and shall confirm, amend or revoke the decision in respect of which the request has been received. The Exchange shall forthwith notify the applicant or Member of the outcome.

**B.8.3** Within fourteen days of receiving such notice from the Exchange, the applicant or Member may serve notice on the Exchange of its intention to appeal against the [Exchange's Director's](#) determination.

**B.8.4** The appeal will be to an Appeal Panel appointed in accordance with the provisions of Rule E.6 and will be carried out in accordance with the procedure set out in Rule E.6. Subject to Rules B.8.3 and B.8.5, the provisions of Rule E.6 will apply to an appeal pursuant to Rule B.8.3 as if the determination by the Exchange were a sanction imposed on the applicant or Member by an ARC [Disciplinary](#) Panel.

**B.8.5** The Appeal Panel shall notify its award, with reasons, to the Exchange and to the appellant. The Exchange shall, within 28 days, serve notice on the appellant confirming, amending or revoking their decision accordingly.

## **B.9 [NOT USED.]**

## **B.10 CLEARING ACTIVITIES**

**B.10.1** Only certain categories of membership are eligible to be Clearing Members for the purposes of the Rules in relation to the ICE Platform, on the basis set out below:

- (a) Trade Participants may elect to be: (i) Clearing Members for the purpose of clearing Own Business (subject to them having the relevant permissions from the Clearing House); (ii) Sponsored Principals

for the purpose of clearing Own Business (subject to them having a Clearing Agreement with a General Participant that is a Sponsor and having the relevant permissions from the Clearing House); or (iii) non-Clearing Members, in which case they must have in place a Clearing Agreement with a General Participant acting as a Clearing Member ~~as permitted under Rule B.6.2(a) and Rule B.6.2(d);~~

- (b) General Participants (other than those General Participants who are ICE Block Members) may elect to be (i) Clearing Members for the purpose of clearing Own Business and/or client business (subject to them having the relevant permissions from the Clearing House); (ii) Sponsored Principals for the purpose of clearing Own Business (subject to them having a Clearing Agreement with a General Participant that is a Sponsor and having the relevant permissions from the Clearing House); or (iii) non-Clearing Members, in which case they must have in place a Clearing Agreement with a General Participant that is a Clearing Member ~~as permitted under Rule B.6.1(a) and Rule B.6.1(d);~~
- (c) a client of a General Participant that is not itself a General Participant or Trade Participant may elect to be a non-Member Sponsored Principal for the purpose of clearing Own Business (subject to them having a Clearing Agreement with a General Participant that is a Sponsor and having the relevant permissions from the Clearing House); and
- (d) ICE Block Members may not be Clearing Members and must [itself](#) have in place a Clearing Agreement with a General Participant or ensure that their clients have in place a clearing arrangement with a Clearing Member, as appropriate.

B.10.2 [Not used.]

B.10.3 A Member shall forthwith notify the Exchange upon becoming or ceasing to be a Clearing Member or Sponsor, or upon any of its clients becoming or ceasing to be a Sponsored Principal or changing its Clearing Member or Sponsor.

B.10.4 Without prejudice to Rule D.6.2, a Member shall notify the Exchange forthwith upon any change in particulars which it has notified under Rule B.10.3, and shall give brief reasons for the change.

B.10.5 For the avoidance of doubt, a non-Member Sponsored Principal may be the client of one Member that is a General Participant for the purposes of accessing and trading on the ICE Platform, and also be the client of another Member that is a General Participant acting as its Sponsor for the purpose of clearing the resulting Contract.

## B.11 RESPONSIBLE INDIVIDUALS

B.11.1 A Member shall not enter orders into or make trades on the ICE Platform except through a Responsible Individual registered with the Exchange pursuant to the Trading Procedures. At least one individual shall be registered by a Member as a Responsible Individual pursuant to Trading Procedure 14.

B.11.2 A Member must ensure it has a sufficient number of Responsible Individuals for the nature and scale of business being conducted.

B.11.3 [Not used.]

B.11.4 [Not used.]

B.11.5 [Not used.]

### Exchange jurisdiction following suspension of registration of Responsible Individual

B.11.6 A Responsible Individual whose registration is suspended by the Exchange under the Rules, shall remain subject to the Rules and to the jurisdiction of the Exchange under the Rules in respect of acts and omissions of the individual while it was registered as a Responsible Individual, and in respect of any investigation or disciplinary proceedings relating thereto, whether commenced before or after his [or her](#) suspension (including the payment of any fine or application of any other sanction imposed) as if it were still registered, for the longer of:

- (a) the period of 12 months from the date on which the registration was suspended; or
- (b) the period during which disciplinary proceedings continue against him, being proceedings started by the Exchange no later than 12 months after the date on which his [or her](#) registration was suspended, subject to any extension of the period under Rule B.11.8 below.

B.11.7 Disciplinary proceedings commenced following suspension of a Responsible Individual's registration may be commenced by giving notice of an investigation to that individual no later than 12 months after the date on which his [or her](#) registration was suspended.

B.11.8 In the event that [the Compliance Officer](#) or an ARC [HearingDisciplinary Panel](#) concludes that there are, or may be, additional matters which should be investigated and in respect of which complaint, default or disciplinary proceedings may be taken, the period referred to in Rule B.11.7 shall be extended until such time as such additional disciplinary proceedings are completed (including the payment of any fine or application of any other sanction imposed).

#### **Exchange jurisdiction following de-registration of Responsible Individual**

B.11.9 A Member may terminate the registration of a Responsible Individual by giving to the Exchange notice in writing of its intention to de-register the Responsible Individual with effect from the date specified in the notice.

B.11.10 A Responsible Individual who is de-registered shall remain subject to the Rules and to the jurisdiction of the Exchange in respect of acts and omissions of the individual while it was registered as a Responsible Individual, and in respect of any investigation or disciplinary proceedings relating thereto (including the payment of any fine or application of any other sanction imposed) as if it were still registered, for the longer of:

- (a) the period of 12 months from the date on which the de-registration became effective; or
- (b) the period during which disciplinary proceedings continue against him, being proceedings started by the Exchange no later than 12 months after the date on which his [or her](#) de-registration became effective, subject to any extension of the period under Rule B.11.12 below.

B.11.11 Disciplinary proceedings commenced following a Responsible Individual's de-registration may be commenced by giving notice of an investigation to that individual no later than 12 months after the date on which the de-registration became effective.

B.11.12 In the event that an ARC [HearingDisciplinary Panel](#) concludes that there are, or may be, additional matters which should be investigated and in respect of which disciplinary proceedings may be taken, the period referred to in Rule B.11.11 shall be extended until such time as such additional disciplinary proceedings are completed (including the payment of any fine or application of any other sanction imposed).

### **B.12 APPLICABLE LAW**

B.12.1 Members who undertake transactions in Contracts on behalf of U.S. clients, or permit U.S. clients to order route in accordance with the Trading Procedures, are required to comply with the reporting requirements under section 6045 of the United States Internal Revenue Code and the regulations thereunder as such requirements might be applicable to such Members (for the purposes of this Rule B.12 only, the "**Applicable Requirements**"). Any failure by a Member to comply with the Applicable Requirements with respect to transactions on the Exchange shall result in the suspension of such Member's membership permissions, in accordance with the terms of Rule B.7, until compliance with the relevant Applicable Requirements is complete.

B.12.2 The Applicable Requirements referenced in Rule B.12.1 shall be those applicable as at [\[1 July 2019\]](#) (for the purposes of this Rule B.12 only, the "**Relevant Date**"). In the event that the Applicable Requirements are changed subsequent to the Relevant Date, the Exchange will remake Rule B.12.1 so as to take effect on the date the changes to the Applicable Requirements take effect.

### **B.13 NON-MEMBER SPONSORED PRINCIPALS**

B.13.1 Each non-Member Sponsored Principal shall be subject to these Rules in its capacity as a Sponsored Principal with respect to any pre-trade, delivery, trade, transaction reporting, record keeping, dispute resolution and other applicable obligations set out in these Rules, and the Exchange shall have the right to enforce these Rules against any such Sponsored Principal, in addition to the relevant Member acting as Sponsor or otherwise providing access to the ICE Platform. Non-Member Sponsored Principals submit to the applicability of these Rules pursuant to agreements with the Exchange and the Clearing House.

**SECTION C – COMPLIANCE**

- C.1 Reporting Requirements: Authorisation
- C.2 Reporting Requirements: Supplementary
- C.3 [Not used.]
- C.4 Accuracy of Information
- C.5 Advertisements
- C.5A Obligations Under Applicable Law in Relation to Clients
- [C.5B Obligations Under Applicable Law in Relation to Marketing](#)
- C.6 Opening of Accounts
- C.7 Particular Kinds of Client
- C.8 Records of Complaints
- C.9 Investigation of Complaints
- C.10 Authorisation, Rules and Conduct Committee
- C.11 ARC Panels
- C.12 Inspections and Enquiries
- C.13 [Not used.]
- C.14 Interviews
- C.15 Independent Complaints Commissioner

**C.1 REPORTING REQUIREMENTS: AUTHORISATION**

- C.1.1 All Members who intend to trade on the Market shall obtain and maintain Authorisation to trade in the financial instrument or Product which is traded on the Exchange. All Members who intend to trade on the Market shall obtain and maintain Authorisation for all Member's Representatives to ensure compliance with Applicable Law.
- C.1.2 Where a Member's (or any of its Member's Representative's) Authorisation is derived from reliance upon an exemption or exclusion from the requirement for Authorisation which is permitted pursuant to Applicable Law, the Member is fully responsible for ensuring that the relevant exemption/exclusion is available and sufficient for its activities. Such a Member must also have regard to and comply with any guidance issued by the Exchange from time to time regarding the availability of exemptions/exclusions for trading activities through the Exchange.
- C.1.3 Every Member shall from time to time give written notice to the Exchange as to:
- (a) details of any Authorisations the Member (or any of its Member's Representative's) has or relies upon to conduct their business in connection with the Exchange; and
  - (b) where such Member's (or any of its Member's Representative's) Authorisation consists of reliance upon an exemption or exclusion set out in Applicable Law, that fact and the nature of such exemption or exclusion.
- C.1.4 The notice under Rule C.1.3 shall be given not less than once in every year on or around a date agreed in advance with the Exchange and, in addition, forthwith upon any change in the particulars last notified. Notices shall be in such form as the Exchange may from time to time prescribe and shall, where required, be certified by a firm of auditors, solicitors or some other Person acceptable to the Exchange.

**C.2 REPORTING REQUIREMENTS: SUPPLEMENTARY**

- C.2.1 Every Member shall also furnish to the Exchange such information, documents, records or data concerning its:
- (a) relationship or dealings with its main (or any other) Regulatory Authority in the Abu Dhabi Global Market or any other jurisdiction; and
  - (b) activity on the ICE Platform which shall include any order, transaction and position information, at such times and in such manner as may from time to time be prescribed by the Exchange.
- C.2.2 The Exchange may modify the operation of this Rule and make different directions in relation to different categories of Member and may make such directions generally or in relation to particular Members or particular occasions and in all cases subject to such conditions as they may think fit.

**C.3 [NOT USED.]****C.4 ACCURACY OF INFORMATION**

All Members shall ensure that to the best of their ability, all information and documents from time to time given to the Exchange or to the Clearing House are complete, fair and accurate.

**C.5 ADVERTISEMENTS**

- C.5.1 All information, including marketing communications and advertising material issued by or on behalf of Members concerning the membership of the Exchange, Products available for trading on the Exchange or on the terms of the Rules or otherwise using the Exchange's name or in relation to matters of concern to the Exchange shall conform to such guidelines as may from time to time be published by the Exchange.
- C.5.2 In connection these Rules, any Contracts, its membership of the Exchange or its business and activities as a Member, no Member shall at any time represent or hold out to any Person that membership of the Exchange brings with it any stamp of approval, special status, hallmark, regulatory supervision or approval or confers any rights or protections to customers or any other Person in relation to the Member's business, policies, financial standing or otherwise (although Members may inform their customers, potential customers and other Persons that they are a member of the Exchange and details of their privileges).

**C.5A OBLIGATIONS UNDER APPLICABLE LAW IN RELATION TO CLIENTS**

Members that execute orders on the ICE Platform on behalf of clients shall comply with all obligations applicable with respect to such clients under Applicable Laws.

**C.5B OBLIGATIONS UNDER APPLICABLE LAW IN RELATION TO MARKETING**

Members shall comply with all Applicable Laws with respect to restrictions on the distribution of marketing communications, advertising materials or other financial promotions concerning the membership of the Exchange, Products available for trading on the Exchange or on the terms of the Rules or otherwise using the Exchange's name or in relation to matters of concern to the Exchange. Members shall not make any communication or provide exchange-related services to any client to which the Exchange may not, under Applicable Laws, offer access.

**C.6 OPENING OF ACCOUNTS**

C.6.1 A Member shall not open an account for the trading of Products or entering into a Contract or Corresponding Contract or accept an order to enter into a Contract or Corresponding Contract for the account of a client unless the Member has (subject to such exceptions as may be prescribed) entered into a written agreement with the client containing such terms as may from time to time be prescribed in the Rules or in directions given pursuant to this Rule by the Exchange. Without prejudice to any terms which may from time to time be so prescribed, a Member shall ensure that its written agreement with each client:

- (a) imports into every Corresponding Contract made with the client all the terms of the Rules insofar as they are applicable;
- (b) with regard to business done with the client, enables the Member to perform all Contracts and Corresponding Contracts to which the Member is party from time to time and to comply with:
  - (i) all requirements of the Rules; and
  - (ii) all requirements under Applicable Laws including, without limitation, requirements relating to disclosure, emergencies, conduct of business, client order execution and the provision of information, reports and advice to clients; and
- (c) to the extent not already covered in (a) or (b) above, sets out the rights and obligations of the parties, and the terms on which the Member will provide services to the client.

C.6.2 (a) Subject to paragraph (b) below, a Member shall not enter into any Corresponding Contract with a client for a delivery month or delivery day capable of being traded on the Market at the date the Corresponding Contract is entered into and represent (in whatever form) to the client that it has entered into an "ICE Futures Abu Dhabi Contract" (however expressed) for such client unless a Contract is made on the Market by it in respect of and in the terms of the same Contract Terms and Contract Procedures as the Corresponding Contract to be made with the client or the Member has procured the entry into of a Contract on the Market through another Member. The Member shall ensure that if it is the buyer opposite its client under the terms of the Corresponding Contract entered into with its client otherwise than on the Market it (or its Clearing Member, as applicable) or such Member executing the same shall be the Seller under the terms of the relevant Contract and *vice versa*. Subject to paragraph (c) below such Corresponding Contract made with the client shall be at the same price as the price at which the relevant Contract was made. Any different price agreed between the parties to a Corresponding Contract from that of a related Contract shall not be valid as an amendment to the terms of the Corresponding Contract but shall instead give rise to a separate obligation to account between the parties to the Corresponding Contract that does not form part of the terms of the Corresponding Contract. Upon an Event of Default of the Clearing Member, only the Corresponding Contract (and not any other such obligations) will be subjected to the Clearing House Rules provisions on the porting of Corresponding Contracts.

- (b) Paragraph (a) above shall not apply to a Contract or Corresponding Contract made under Section D.
- (c) Where a Member has executed for a client on the same day one or more orders (either buy or sell but not together) for the same Product and Contract Month (and in the case of Option Contracts the same strike price and either calls or puts, but not both together), the Corresponding Contracts made with the client referred to in paragraph (a) above may be reported to the client at an average price provided that:
  - (i) there is a written agreement between the client and the Member with whom the client has an account which, where rounding of the average price is used, includes the method of rounding, the number of decimal places to which the reported average price will be rounded, and the method of distribution or collection of the cash residual; the cash residual shall be the difference between the rounded average price and the actual average price multiplied by the number of lots making up the order for the average price;

- (ii) the formula used by the Member to calculate the average price before any rounding occurs is the trade weighted average set out in Trading Procedure 2.4.19 (a), (b), (c) and (d);
- (iii) upon request by the client or the Exchange, a Member shall provide the prices and volumes of any trades that constitute an average price reported by the Member; and
- (iv) such reporting is permitted under Applicable Laws.

C.6.2A All Members that provide trading services for clients shall provide appropriate information in good time to clients or potential clients with regard to their services, the Contracts they provide services in relation to, proposed investment strategies, the Exchange as a venue on which transactions are executed and all costs and related charges. If a Member passes on the cost of Transaction Fees paid to the Exchange and clearing fees paid to the Clearing House to its client(s), it shall provide information in relation to such costs to its client(s). All information provided by Members under this Rule C.6.2A shall be in a comprehensible form such that clients or potential clients are reasonably able to understand the nature and risks of the service provided by the Member and of the specific Contract that is being offered and take investment decisions on an informed basis.

C.6.3 A Member shall give a written confirmation to its client recording the terms of any Contract or Corresponding Contract made with or for that client.

## C.7 PARTICULAR KINDS OF CLIENT

C.7.1 In respect of business relating to financial instruments to be done on the Market or otherwise subject to the Rules, no Member may have as a client a Person who is a director, employee, representative or otherwise associated (otherwise than as a client) with another Member, unless that Member consents in writing.

C.7.2 Any Member's Representative shall not trade either directly or through another Member for any account in which it is interested (either directly as the client or indirectly insofar as it is entitled to share in the profits of such account or is connected with the client or otherwise) save in accordance with the following procedure:

- (a) all transactions must be separately recorded and identified in the accounting records of the Member;
- (b) the individual must have approval to trade for his [or her](#) personal account from his [or her](#) Member firm and must be party to an appropriate written agreement with his [or her](#) Member firm to govern the arrangements (including applicable regulatory and risk obligations) for this activity prior to any such trading commencing;
- (c) transactions must be cleared and margined as for any other client transaction; and
- (d) transactions must be monitored by senior management of the Member for whom the individual is a Member's Representative, and such senior management shall be independent of the individual concerned and shall maintain procedures to ensure that such trading is not prejudicial to the interests of the Member's other clients.

C.7.3 Within seven Business Days of the date of approval to trade pursuant to Rule C.7.2(b), the Member must provide to the Exchange details of the approved individual and the house or client account number to which trades transacted by that individual will be assigned. Any changes in these account numbers must also be advised to the Exchange within seven Business Days of them becoming effective.

## C.8 RECORDS OF COMPLAINTS

C.8.1 All Members shall retain for at least five years all written complaints in relation to their business in connection with the Exchange.

C.8.2 Members shall ensure that all such complaints are promptly, thoroughly and fairly investigated and that the complainant is informed in writing of the outcome. All serious complaints shall be investigated by a suitably senior Member's Representative who has no personal interest in the subject matter.

C.8.3 Members shall also compile and keep a register showing details of the date of receipt of all such complaints, the client, the account executive, the matter complained of and any action taken by the Member.

C.8.4 This register shall be open to inspection by the Exchange upon demand.

## C.9 INVESTIGATION OF COMPLAINTS

C.9.1 The Exchange shall consider all complaints made to it in writing save that if it considers that it would be appropriate to do so, it may refer the matter to another regulatory body pursuant to Rule A.3.



- C.9.2 In the case of a complaint which, if substantiated, might constitute a breach of the Exchange's Rules, the Exchange may (subject to its power to refer the matter complained of pursuant to Rule A.3.1) authorise an immediate investigation or write to the Member or other Person complained of (and any Member with whom such Person was associated at the time of the matter complained of) requesting its or his [or her](#) comments or explanation or take such other or further steps (if any) as may be thought appropriate including the commencement of an investigation or disciplinary proceedings.
- C.9.3 The Exchange may inform the complainant in writing of any steps taken as a result of [his](#)the complaint and of the result thereof.
- C.9.4 In the event of a complaint against the Exchange or any of its Directors, officers, employees, committees or panels (or any individual committee or panel member) (or agents in their capacity as such), such complaint shall be made and investigated in accordance with the Complaint Resolution Procedures issued by the Exchange from time to time.

## C.10 AUTHORISATION, RULES AND CONDUCT COMMITTEE

- C.10.1 There shall be an Authorisation, Rules and Conduct Committee appointed by the Exchange pursuant to Terms of Reference adopted by the Exchange.
- C.10.2 The ARC Committee shall be responsible for promotion of good regulatory practices. Without derogating from this, the ARC Committee shall have such powers as the Rules may from time to time provide including, without limitation, those powers mentioned in Section E and Section I.
- C.10.3 For the avoidance of doubt, the ARC Committee is a committee of the Exchange and has no executive powers independent of the Exchange. Accordingly, any reference in these Rules to the ARC Committee shall be construed as being a reference to the Exchange acting by the ARC Committee, and any reference to a power of the ARC Committee shall be construed as being a power of the Exchange.

## C.11 ARC PANELS

- C.11.1 The ARC Committee may delegate any of its powers, functions and responsibilities to panels of the ARC ("ARC Panels"), which shall be constituted pursuant to these Rules and the Terms of Reference. An ARC Panel will either be a Sub-ARC Panel which will constitute three members of the ARC Committee and will hold Summary Hearings, or a Full-ARC Panel which will constitute at least five and up to all members of the ARC Committee (which are not excluded from hearing the matter) and will hold Full Hearings. In the event that the ARC Committee does not consider that it has the relevant expertise to deal with the matter to be heard by the ARC Panel or where a quorum cannot be met due to members of the ARC Committee being conflicted, the ARC Committee may appoint external experts to sit on the ARC Panel.
- C.11.2 Members of an ARC Panel will be appointed by the ARC Committee at its discretion. The ARC Committee will appoint one of the members of an ARC Panel to be the [chairman](#)chairperson of that ARC Panel, and in the event of an equality of votes in relation to any dispute or matter before the ARC Panel, the [chairman](#)chairperson shall have a second or casting vote. The ARC Panel may obtain legal advice from the Exchange's legal advisors and may obtain expert advice from expert assessors. Expert assessors may be appointed, at the discretion of the ARC Committee or the ARC Panel itself, to sit with and advise the ARC Panel but such persons shall not be entitled to vote.
- C.11.3 No member of the ARC Committee shall participate, vote or be appointed to an ARC Panel and no person may be eligible as an expert assessor if it has any direct or indirect personal or financial interest in or involvement with (a) a dispute or matter to be determined by the ARC Committee or ARC Panel, or (b) any party (or any client or underlying client of a party) involved in that dispute or matter. In particular, in relation to any disciplinary proceedings brought under Section E, no ARC Committee representative of the Member concerned shall vote on the proceedings and such Persons shall not be entitled to receive relevant documents or to attend relevant meetings or ARC Hearings. No ARC Committee representative of the Exchange may vote in disciplinary proceedings but, notwithstanding the foregoing, such Persons may receive all relevant documents and attend relevant meetings.
- C.11.4 In the event of a member of an ARC Panel:
- no longer complying with Rule C.11.3, other than as a result of being a member of that ARC Panel;
  - dying or in any other way being or becoming, in the opinion of the Exchange, incapacitated or permanently unavailable from acting on the ARC Panel,
- the ARC Committee may:

- (c) direct that the ARC Panel continue to act with a reduced number;
  - (d) appoint another member of the ARC Committee that meets the criteria in Rule C.11.3 to take such member's place in the ARC Panel, after which the ARC Panel shall proceed to determine the dispute or matter as if such other member had been originally appointed to the ARC Panel; or
  - (e) direct that a new ARC Panel be appointed to re-hear the dispute or matter.
- C.11.5 The Member and/or the Person Subject to the Rules involved in the dispute or matter shall be notified of the composition of the ARC Panel within seven calendar days of it having been established. The said Member or Person will then have a further ten calendar days to object to any particular appointment to the ARC Panel on the basis that one of requirements of Rule C.11.3 have not been satisfied. Such objection, which must be in writing, must be sent to the ARC Committee and shall be determined by the ARC Committee at its discretion.
- C.11.6 In addition to any other powers given to it under these Rules, an ARC Panel may order any Member or other Person Subject to the Rules involved in the dispute or matter before the ARC Panel to pay costs as it considers appropriate, including, but not limited to, administration costs, fees and expenses of the members of the ARC Panel, costs of the parties, costs incurred in the investigation, preparation, and presentation of the case and any fees and expenses incurred by the ARC Panel, Exchange or Clearing House in obtaining legal or expert advice. Any order in relation to payment of costs may also specify the manner of assessment to be used as well as a timetable for payment.
- C.11.7 Any finding, determination, decision or sanction imposed by an ARC Panel shall be deemed binding and conclusive upon expiry of the time permitted for appeal or receipt by the Exchange of any earlier written notice that such right of appeal will not be exercised. Members and other Persons Subject to the Rules shall comply with any finding, determination, decision or sanction imposed by the ARC Panel. The contravention by a Member or other Person Subject to the Rules of any direction or sanction imposed or other order made under or pursuant to these Rules by the ARC Panel shall be treated for all purposes as a breach of the Rules. The lack of enforcement by the Exchange of any sanction shall not constitute a breach of the Rules by the Exchange.
- C.11.8 An ARC Panel shall give such publicity as they consider appropriate to any finding, determination, decision or sanction imposed or other order made by the ARC Panel, or any ratified settlement, provided that if the ARC Panel shall determine that no publicity shall be given as aforesaid, they shall record in the minutes of their meeting the reasons for the said determination. Any decision of the ARC Committee or ARC Panel may be published by Circular. The provisions of this Rule C.11.8 are without prejudice to the right of the Exchange under Rule A.4.13 or otherwise to disclose confidential information to other Regulatory Authorities or law-enforcement bodies.

## C.12 INSPECTIONS AND ENQUIRIES

- C.12.1 Routine inspections and enquiries may be authorised by the Exchange who may itself carry out such inspections or make such enquiries, or authorise some other Person or Persons (including another Exchange Body) to do so with it or on its behalf.
- C.12.2 In carrying out such inspection or enquiry, the Exchange shall have the same powers as the Exchange would have under Rules E.3.3, E.3.4 and E.3.5 in respect of an investigation. Members (and other Persons Subject to the Rules) shall co-operate fully with all routine inspections and enquiries.
- C.12.3 If, in the course of such routine inspection or enquiry, the Exchange forms the provisional conclusion that there has been a breach of the Rules (or any arrangement, procedure or direction made, authorised or given thereunder), it may in an appropriate case deal with the matter itself and/or shall furnish to the Compliance Officer a report in writing of any action taken. Alternatively the Exchange shall report its provisional conclusion to the Compliance Officer, who may himself make further enquiries. Unless otherwise directed, the Exchange shall forthwith inform the Member concerned or other Person the subject of the inspection or enquiry, of its provisional conclusion and of the grounds thereof, and shall invite its comments or observations either orally or in writing.
- C.12.4 Subject to any direction as aforesaid, the Exchange shall continue its inspection or enquiry, and on completion thereof, it shall make a report in writing to the Compliance Officer setting out its final conclusion and making such recommendation as it considers appropriate. The Compliance Officer shall consider such report and shall then take one or more of the steps mentioned in Rule E.3.8.
- C.12.5 Any failure by the Exchange to comply with the above procedures or any of them shall not invalidate its conclusions or any steps taken in consequence thereof.

C.12.6 The provisions of Rules C.12.2, C.12.3 and C.12.4 shall be without prejudice to the rights of the Exchange under Rule D.7.2. Rules C.12.3 and C.12.4 shall not apply to any enquiry or inspection [made](#) in respect of a Defaulter ~~made~~.

C.12.7 The provisions of the Rules in C.12 shall be without prejudice to the provisions of the Membership Agreement.

**C.13 [NOT USED.]**

**C.14 INTERVIEWS**

If a Person is formally summoned to an interview with Exchange personnel, that Person must attend the interview or pay a fine for USD 1,300 per day of non-attendance and in addition may be suspended by the Exchange until he [or she](#) takes reasonable steps to make himself available on an alternative date. Every letter from the Exchange advising of the interview shall indicate the penalty that will apply.

**C.15 INDEPENDENT COMPLAINTS COMMISSIONER**

C.15.1 If it is subject to a complaint, the Exchange shall appoint to the office of Independent Complaints Commissioner a suitably skilled and experienced person who is independent of the Exchange for such term, at such remuneration and on such other conditions as the Exchange considers. No person shall be appointed as Independent Complaints Commissioner if it has any direct or indirect personal or financial interest in or involvement with (a) a dispute or matter to be determined by it, or (b) any party (or any client or underlying client of a party) involved in that dispute or matter.

C.15.2 The Exchange must remove from office any Independent Complaints Commissioner which no longer meets the criteria set out in Rule C.15.1 and shall be entitled to remove from office any Independent Complaints Commissioner it reasonably considers to no longer be suitable for that role.

C.15.3 The Independent Complaints Commissioner shall have such powers as the Complaint Resolution Procedures and Terms of Reference may from time to time provide.

**SECTION D – DEFAULT**

D.0	Definitions and Interpretation
D.1	General
D.2	[Not used.]
D.3	Events of Default
D.4	Declaration of Default
D.5	Default Proceedings
D.6	Notification
D.7	Procedures
D.8	Delegation of Functions
D.9	Costs
D.10	Co-operation with other Bodies

## D.0 DEFINITIONS AND INTERPRETATION

In this Section D, the following terms shall, unless the context otherwise requires, have the meanings set out opposite each:

TERM	DEFINITION
"Closing-out Contract"	means a Market Contract effected under the Rules or under the Clearing House Rules, being a contract on the same terms as an Unsettled Market Contract to which a Defaulter is party save as to the price or premium and save that where the Defaulter is a Seller under the terms of the Unsettled Market Contract, the Defaulter shall be a Buyer under the terms of the Closing-out Contract and <i>vice versa</i> and references to "Close-out" shall be construed accordingly;
"Market Contract"	means any Contract, Corresponding Contract or other contract made in accordance with or under the Rules that falls under the definition of "Market Contract" in section 258 of the ADGM Financial Services and Markets Regulations 2015;
"Segregated Customer"	means a Customer of a Non-FCM/BD Clearing Member in circumstances where, whether as a result of any requirement of Applicable Law, agreement or arrangement, a customer asset segregation, client money, client asset, trust or other client asset protection regime (being more than the mere requirement arising under EMIR to distinguish from the Proprietary Account assets and positions of the Clearing Member, such as a requirement on the Clearing Member to segregate client money arising under CASS 7 of the UK FCA rules) applies as between the Customer and the Clearing Member to assets at the time immediately prior to transfer to the Clearing House as Margin for a relevant Customer Margin Account, or such other meaning as may be given to the term in the Clearing House Rules from time to time; and
"Unsettled Market Contract"	means a Market Contract in respect of which the rights and liabilities of the parties thereto have not been discharged whether by performance, compromise or otherwise.

## D.1 GENERAL

- D.1.1 Subject to Rule D.1.2, this Section D is without prejudice to, but in the case of any conflict takes precedence over, any other provision of the Rules and the terms of any other agreement which apply to a Market Contract.
- D.1.2 Following an Event of Default (as defined in the Clearing House Rules) being declared by the Clearing House, all Market Contracts shall be dealt with in accordance with the Clearing House Rules, which shall have priority over this Section D.

## D.2 [NOT USED.]

## D.3 EVENTS OF DEFAULT

- D.3.1 If the Exchange determines that a Member or non-Member Sponsored Principal is or appears to be unable or likely to become unable to meet its obligations under one or more Market Contracts or these Rules, such a circumstance shall, if so determined and declared by the Exchange, constitute an **"Event of Default"**. Without prejudice to the generality of the foregoing, in making such determination, the Exchange may take any one or more of the following events or circumstances as sufficient grounds for determining that a Member or non-Member Sponsored Principal is or appears to be unable or likely to become unable to meet its obligations under one or more Market Contracts or these Rules:
- (a) any breach by a Member or non-Member Sponsored Principal of these Rules, the Membership Agreement or any other agreement with the Exchange;
  - (b) failure by a Member or non-Member Sponsored Principal to perform or comply with any obligation to make payment or make or accept delivery under the terms of a Market Contract;
  - (c) failure by a Member or non-Member Sponsored Principal to comply with any other obligation under a Market Contract or to satisfy any liability to provide margin;

- (d) an Insolvency occurring in respect of a Member or non-Member Sponsored Principal;
- (e) a Member or non-Member Sponsored Principal taking any corporate action or other step to authorise, institute or commence any of the actions referred to in (c) above;
- (f) a Member or non-Member Sponsored Principal being refused an application for authorisation by or registration with a Regulatory Authority or being in breach of any provision of Applicable Law (including any provision of the rules of a Regulatory Authority) or a Regulatory Authority taking or threatening to take any action in relation to the Member or non-Member Sponsored Principal under Applicable Law, including the ADGM Financial Services and Markets Regulations 2015 or FSRA Requirements or taking or threatening to exercise its powers under its rules to restrict or prohibit the Member or non-Member Sponsored Principal from entering into transactions or carrying on its business or dealing with its assets;
- (g) any Authorisation or other authorisation at any time necessary to enable a Member or non-Member Sponsored Principal to comply with its obligations to the Exchange or to any other Member or non-Member Sponsored Principal or to carry on the business of the Member or non-Member Sponsored Principal in the normal course being revoked, withheld or materially modified or failing to be granted or perfected or ceasing to remain in full force and effect;
- (h) a Member or non-Member Sponsored Principal failing to satisfy the Exchange at any time that it meets any minimum net worth or other financial requirement for membership from time to time stipulated by the Exchange;
- (i) a Member or non-Member Sponsored Principal being or being declared in default under the default rules of any Exchange Body or Clearing Organisation or being declared in breach of the rules as to the financial requirements of membership of, or being refused membership of, or suspended or expelled from membership of, any Exchange Body or Clearing Organisation;
- (j) in relation to a non-Member Sponsored Principal or a Member that is a Clearing Member, any event or circumstance that has been or could be declared to be an Event of Default (as defined in the Clearing House Rules) by the Clearing House under the Clearing House Rules; or
- (k) in relation to a Member that is neither a Clearing Member nor a non-Member Sponsored Principal, any event or circumstance that would or could be declared to be an Event of Default (as defined in the Clearing House Rules) by the Clearing House under the Clearing House Rules were the Clearing House Rules to apply to the Member in the same way as they apply to a Clearing Member.

D.3.2 An event or circumstance referred to in Rule D.3.1 shall, without limitation, be deemed to have occurred in relation to a Member or non-Member Sponsored Principal being an unincorporated association or partnership if it occurs in relation to a Person comprised in such unincorporated association or partnership.

#### **D.4 DECLARATION OF DEFAULT**

D.4.1 Subject to Rule D.4.2, upon the declaration by the Exchange of an Event of Default under Rule D.3.1 or at any time thereafter, the Exchange shall issue a Default Notice to the Defaulter. The Exchange shall issue a Circular (which Circular may also include the information required under D.5.3) in respect of any Default Notice specifying the name of the Defaulter and may at its discretion publish a copy of the relevant Default Notice in or together with a Circular.

D.4.2 The Exchange may be directed by the FSRA pursuant to Applicable Law to take action or not to take action (including not to take action under Rule D.4.1) or to take specified steps under this Section D.

D.4.3 Subject to Rule A.4, the Exchange may consult with the Clearing House or any Exchange Body, Clearing Organisation, Governmental Authority or Insolvency Practitioner or any other relevant Person before or at any time after taking action or in relation to any action taken under this Section D in relation to a Defaulter.

D.4.4 A Member or non-Member Sponsored Principal who is declared a Defaulter shall not enter into any Contract or Corresponding Contract (including, for the avoidance of doubt, a Closing-out Contract) with any Person, and a Clearing Member or non-Clearing Member shall not knowingly enter into any such Contract or Corresponding Contract with a Defaulter, after the time that the Defaulter is declared a Defaulter (notwithstanding any order or instruction to do so given by any Person other than the Exchange) save in accordance with the Clearing House Rules.

#### **D.5 DEFAULT PROCEEDINGS**

D.5.1 The Exchange may declare a net sum payable by the Defaulter to the Exchange itself. Such net sum, if certified by the Exchange, shall be final, conclusive and binding upon the Defaulter and the Exchange. Such

a net sum may be treated as a proprietary liability of the Defaulter to the Clearing House for purposes of the net sum calculation under the Clearing House Rules.

- D.5.2 Without prejudice to any other provision of the Rules, in the event that a Member or non-Member Sponsored Principal has been declared a Defaulter, the Exchange may take any of the following steps in relation to such Member or non-Member Sponsored Principal:
- (a) [terminate or](#) expel a Member from membership of the Exchange, or, in the case of a non-Member Sponsored Principal, permanently remove their right to access the ICE Platform in accordance with Rule B.7.1;
  - (b) suspend or withdraw any or all membership permissions of the Member, in accordance with Rule B.7.42;
  - (c) cancel any order for a Product in the ICE Platform which is awaiting execution or cancel any trade in respect of a Product made on the ICE Platform, in accordance with Trading Procedure 3.9.1.
- D.5.3 In the event that the Exchange decides to suspend or terminate the Defaulter's membership pursuant to Rule D.5.1(a) or (b), the Exchange will announce such suspension or termination by Circular.
- D.5.4 In the event of an Insolvency occurring in respect of the Exchange, the Exchange may declare a net sum payable by or to any Member or non-Member Sponsored Principal to or from the Exchange. Such net sum, if certified by the Exchange, shall be final, conclusive and binding upon the Member or non-Member Sponsored Principal and the Exchange.
- D.5.5 In the event of the Clearing House being or appearing to be unable to meet its obligations in respect of one or more Market Contracts, the Exchange may take action to support any steps taken by the Clearing House pursuant to its default rules (including, without limitation, Rules 912, 914 and 916 of the Clearing House Rules) to Close-out, value, write down, terminate, transfer to another Clearing Organisation or otherwise manage such Market Contracts.

## D.6 NOTIFICATION

- D.6.1 As soon as reasonably practicable after a Member or non-Member Sponsored Principal has been declared a Defaulter, the Exchange may take such steps as it may in its discretion consider appropriate in order that:
- (a) the Clearing House or any Exchange Body, Clearing Organisation, Governmental Authority (including, but not limited to, the FSRA) or Insolvency Practitioner is notified; and
  - (b) any Person with whom the Member has been matched for purposes of a delivery is notified.
- D.6.2 A Member or non-Member Sponsored Principal shall forthwith give notice to the Exchange of the occurrence of any event or circumstances referred to in Rule D.3.1(a) to (k) inclusive in relation to the Member or non-Member Sponsored Principal. A Member that is a Sponsor shall promptly give notice to the Exchange of the occurrence of any event or circumstances referred to in Rule D.3.1(a) to (k) in relation to its Sponsored Principals.

## D.7 PROCEDURES

- D.7.1 The Exchange may from time to time prescribe procedures for the purposes of this Section D and to provide for the manner in which its rights or obligations under the ADGM Financial Services and Markets Regulations 2015 or FSRA Requirements in relation to such Rules or Default Proceedings may be exercised by or on behalf of the Exchange.
- D.7.2 For the purposes of exercising its powers or fulfilling its obligations under this Section D or exercising its rights or fulfilling its obligations under the ADGM Financial Services and Markets Regulations 2015 or FSRA Requirements in relation to such Rules, the Exchange shall have the right at all times through its employees or agents, without giving prior notice, to enter into any premises in which a Member or non-Member Sponsored Principal carries on its business or maintains its records to examine and remove or take copies of or extracts from the trading, accounting, computer and other records of the Member or non-Member Sponsored Principal and to operate any accounting or computing systems of the Member or non-Member Sponsored Principal and to reproduce data to which the Exchange has access, for the purpose of obtaining the names and addresses of all counterparties, details of all Unsettled Market Contracts entered into by the Member or non-Member Sponsored Principal, details of money and other property held for the account of Segregated Customers and any other information which the Exchange considers to be necessary or desirable for the purpose of implementing this Section D.
- D.7.3 The Defaulter and each Member or non-Member Sponsored Principal shall co-operate, and shall procure that its Member's Representatives or non-Member Sponsored Principal shall co-operate, fully at all times with

the Exchange and shall promptly provide such information as the Exchange or its employees or agents may request in connection with the implementation by the Exchange of this Section D or the exercise by it of its powers or the fulfilment by it of its obligations under the ADGM Financial Services and Markets Regulations 2015 or FSRA Requirements in respect of such Rules including, without prejudice to the generality of the foregoing, information regarding Market Contracts entered into by the Defaulter.

#### **D.8 DELEGATION OF FUNCTIONS**

The Exchange may from time to time appoint one or more Persons to perform any of the functions on its behalf, save those referred to in Rules D.4.1 and D.7.1, which it may or may be required to exercise under this Section D and may appoint any professional adviser to advise or assist the Exchange with respect to carrying out its functions hereunder.

#### **D.9 COSTS**

The Defaulter shall indemnify the Exchange for costs, charges and expenses which the Exchange may incur or suffer in taking any action under this Section D, including the costs or fees of any Person appointed to perform any function on behalf of the Exchange, or to advise or assist with respect thereto, under Rule D.8. Such costs may be treated as liabilities of the Defaulter to the Exchange for purposes of Rule D.5.1.

#### **D.10 CO-OPERATION WITH OTHER BODIES**

Subject to Rule A.4, the Exchange may pass on any details of or other information in its possession relating to a Defaulter or its Market Contracts to the Clearing House, or any Exchange Body, Clearing Organisation, Governmental Authority (including, but not limited to, the FSRA) or to any other of the Persons referred to in Rule D.4.3 or to any Insolvency Practitioner or other body or authority having responsibility for any matter arising out of or in connection with the Event of Default and otherwise co-operate with any such Persons in connection with such Event of Default.



**SECTION E – DISCIPLINARY**

E.0	Introduction
E.1	Notification of Breach, Breaches of Rules and Acts of Misconduct
E.2	Summary Enforcement
E.3	Investigations
E.4	ARC Hearings
E.5	Sanctions
E.6	Appeals and Appeal Panel
E.7	Emergency Suspension
E.8	Loss or Damage to Trading Facilities
E.9	Other Offences
E.10	Interaction with Clearing House Rules and Other Processes

**E.0 INTRODUCTION**

This Section E sets out the provisions and processes governing disciplinary measures which may be taken against Members and Persons Subject to the Rules. The following types of disciplinary proceedings may arise:

- (a) Summary Enforcement Proceedings taken by the Exchange (including, without limitation, the Compliance Officer) or such other Persons as may be duly authorised by the ARC Committee; and
- (b) disciplinary proceedings held by ARC [Disciplinary](#) Panels, which will take the form of either a Sub-ARC Panel holding a Summary Hearing or a Full-ARC Panel holding a Full Hearing.

Further details on each proceedings are set out in Rule E.2 for Summary Enforcement Proceedings, and Rule E.4 for disciplinary proceedings held by ARC [Disciplinary](#) Panels.

**E.1 NOTIFICATION OF BREACH, BREACHES OF RULES AND ACTS OF MISCONDUCT**

E.1.0 All Members shall immediately notify the Exchange of any breach of the Rules (including those prescribed under Rule A.9) or of any financial or commercial difficulty on the part of themselves or any Member or Person Subject to the Rules and, as soon as practicable thereafter, give the Exchange full particulars of the breach or difficulty.

**Bringing the Exchange into disrepute**

- E.1.1
- (a) No Member and no other Person Subject to the Rules shall (or shall permit any Member's Representatives to) take any action or be guilty of any omission, which in the opinion of the Exchange:
    - (i) is likely to bring the Exchange or its Members into disrepute;
    - (ii) is likely to impair the dignity or degrade the good name of the Exchange;
    - (iii) is likely to create or maintain or exacerbate manipulations (or attempted manipulations) or corners (or attempted corners) or violations of the Rules (or arrangements, provisions or directions made or given thereunder); or
    - (iv) is likely to otherwise be substantially detrimental to the interests or welfare of the Exchange.
  - (b) For the purposes of paragraph (a) above, an act which may bring the Exchange into disrepute may include, but are not limited to:
    - (i) fraud or dishonesty;
    - (ii) physical or verbal abuse of an Exchange official in the course of his [or her](#) duties;
    - (iii) abusive and/or disorderly behaviour; and
    - (iv) any act or conduct which, in the opinion of the Exchange, may reflect adversely upon the Exchange or be prejudicial to the good reputation and best interests of the Exchange.

**Conduct in relation to trading**

- E.1.2
- (a) No Member (or other Person Subject to the Rules) shall in relation to Contracts or Corresponding Contracts entered into, or orders placed, on the Market or otherwise in accordance with the Rules:
    - (i) commit any act of fraud or bad faith;
    - (ii) act dishonestly;
    - (iii) engage or attempt to engage in extortion;
    - (iv) continue (otherwise than to liquidate existing positions) to trade or enter into such Contracts or Corresponding Contracts or provide margin to or accept margin from the Clearing House when not in compliance with the minimum financial requirement currently in force in relation to the category of membership to which it belongs;
    - (v) knowingly disseminate false, misleading or inaccurate reports concerning any Product or market information or conditions that affect or tend to affect prices on the Market;
    - (vi) manipulate or attempt to manipulate the Market, nor create or attempt to create a disorderly Market, nor assist its clients, or any other Person to do so;
    - (vii) make or report a false or fictitious trade;

- (viii) enter into any Contract or Corresponding Contract or fail to close out the same either intending to default in performance of the same or having no reasonable grounds for thinking that it would be able to avoid such default (provided that it shall not be sufficient to have intended to comply with any contractual or other provision governing the consequences of default);
- ~~(ix) use or reveal any information confidential to the Exchange or another Person obtained by reason of participating in any investigation or disciplinary proceedings;~~
- (ix) [Not used];
- (x) enter an order or market message or cause an order or market message to be entered which is then cancelled or modified before execution, for the purposes of misleading market participants, for his or her own benefit, or the benefit of any other Person;
- (xi) mislead other market participants;
- (xii) overload, delay or disrupt the systems of the Exchange or other market participants;
- (xiii) disrupt the orderly conduct of trading or the fair execution of transactions; ~~or~~
- ~~(xiv) engage in any malpractice involving options; or~~
- ~~(xiv)(xv)~~ enter an order or market message or cause an order or market message to be entered with reckless disregard for the adverse impact of the order or market message.

### Market abuse

- E.1.2A Members and other Persons Subject to the Rules whose behaviour, in the judgement of the Compliance Officer, is likely to amount to market abuse, as defined in Applicable Law relating to market abuse, including but not limited to section 92(1) of the ADGM Financial Services and Markets Regulations 2015 and any relevant FSRA Requirements, shall be in breach of the Rules.

### Other acts of misconduct

- E.1.3 No Member or other Person Subject to the Rules shall carry out an act of misconduct, including, but not limited to, the following:
- (a) any conduct contrary to Rule A.2.1;
  - (b) participation in conduct by a third party which would be a violation or attempted violation of these Rules if that third party were subject to these Rules;
  - (c) a failure to pay a fine or order for costs imposed pursuant to Summary Enforcement Proceedings or by an ARC Hearing that had not been overturned by an Appeal Panel;
  - (d) any other event or practice which has developed or is developing on the Exchange and is thought to be capable of impairing the orderly conduct of business on the Exchange or affecting the due performance of contracts;
  - (e) provision to the Exchange of information (including information for the purpose of obtaining membership) which is false, misleading or inaccurate in a material respect;
  - (f) ceasing to meet eligibility criteria for membership as set out in the Rules without notifying the Exchange; ~~or~~
  - ~~(g)~~ use or reveal any information confidential to the Exchange or another Person obtained by reason of participating in any investigation or disciplinary proceedings; or
  - ~~(g)(h)~~ any other matter of which the Exchange may, from time to time, notify Members through administrative notices issued to Members.
- E.1.4 The making of a Contract or Corresponding Contract by a Member with a client (whether or not a Member) otherwise than on the Market and not falling within Rule F.2.1(a) or (b) or any other breach of Rule F.2, shall constitute an offence. Any contract so made will be deemed not made by the Member subject to the Rules, save that the Member will be subject to disciplinary Rules and proceedings.

## E.2 SUMMARY ENFORCEMENT

- E.2.1 Without prejudice to the powers of investigation and discipline contained in Rules E.3 and E.4, the Exchange (including, without limitation, the Compliance Officer) or such other Persons as may be duly authorised by the ARC Committee may take summary disciplinary measures ("**Summary Enforcement Proceedings**") in relation to a breach or contravention of or a failure to observe or comply with:

- (a) Rule E.1.2(a);
- (b) any provision of Section G;
- (c) any provision of Section J;
- (d) any provision of the Rules and Trading Procedures relating to EFPs, EFSs, EFRPs, Basis Trades, Block Trades and Asset Allocations; or
- (e) any provision of the Rules as determined by the Exchange from time to time and notified by Circular or other written notice.

E.2.2 The Exchange, either of itself or under the authority of the ARC Committee, may from time to time by Circular or other written notice to Members prescribe any procedures to govern the Summary Enforcement Proceedings commenced under this Rule, any procedure for appeal and any other matter incidental thereto.

### E.3 INVESTIGATIONS

E.3.1 Investigations into breaches or alleged breaches of the Rules may be authorised and conducted by the Compliance Officer or delegated by the Compliance Officer to other Exchange staff. In the event that the Compliance Officer is conflicted from authorising or conducting an investigation, the powers of the Compliance Officer set out in this Rule E.3.1 shall be vested in any such individual as the [chairman](#) of the ARC Committee may deem appropriate in the circumstances.

E.3.2 Once determined that a complaint, matter or concern requires investigation, the Compliance Officer shall issue a Notice of Investigation ("NoI") notifying the Member or Person concerned that an investigation has been commenced. The NoI shall be sent to the Member or the Person concerned and copied to the Member's compliance officer or other appropriate Member's Representative and shall contain a brief description of the issue under investigation.

E.3.3 In the course of conducting an investigation, the Exchange may obtain the assistance of such professional, legal or accounting advisers, Exchange Bodies, Clearing Organisations, Regulatory Authorities and other advisers or Persons as it considers [appropriate](#). Any external adviser appointed by the Exchange shall be required to treat all information obtained as well as any information it has been given access to in the course of the investigation as confidential and to disclose it only to the Exchange, save where compelled to disclose such information to a third party under any Applicable Law.

E.3.4 Members and other Persons Subject to the Rules shall co-operate fully with all such investigations (whether or not such Member or Person is the direct subject of such investigation). Without limitation, each Member and, so far as applicable, each other Person Subject to the Rules shall:

- (a) promptly furnish to the Exchange, or provide the Exchange with access to, such information and documentary and other material (including, without limitation, any information in electronic form) as may reasonably be requested (including, without limitation, in the case of Members, details of the Member's own and clients' accounts);
- (b) permit those Persons appointed to carry out or assist in carrying out the investigation on reasonable notice, such notice being commensurate with the seriousness of the potential or alleged breach of the Rules and to enter any premises in any part of the world where the Member or other Person Subject to the Rules carries on its business or maintains its records during normal business hours for the purpose of carrying out such investigation; and each Member and other Person Subject to the Rules hereby irrevocably grants the Exchange a licence for this purpose and shall procure a licence to the Exchange from any Affiliate, agent or third party under its control that is necessary for this purpose;
- (c) make available for interview [or ARC Hearing](#) itself (if the Member or Person Subject to the Rules is a natural person) and such of its Member's Representatives as may reasonably be requested; and itself answer, and procure that its Member's Representatives answer, truthfully and fully any question put by or on behalf of the [Exchange Compliance Officer](#); and if a Member, Member's Representative or Person Subject to the Rules fails to attend any such interview [with the Exchange](#) or a scheduled hearing of [the Exchange](#), an ARC [Disciplinary](#) Panel or Appeal Panel, the Member and/or Member's Representative or Person Subject to the Rules may be fined USD 1,300,000 per day of non-attendance and may be suspended or restricted access to the Market by the ARC Committee or the Exchange until they take reasonable steps to make themselves available on an alternative date;
- (d) make available for inspection, or provide access to, such documents, records or other material in its possession, power or control as may reasonably be required and, upon request, provide copies of the same; and
- (e) use its best endeavours to ensure that so far as possible its agents give similar co-operation.

E.3.5 Each Member and other Person Subject to the Rules authorises the Exchange, either directly or through the ARC Committee, to request any Exchange Body, Clearing Organisation or Regulatory Authority or Person to furnish to the Exchange, or the ARC Committee, such information and documents as the Exchange, or the ARC Committee, may require in connection with an investigation.

E.3.6 [Not used.]

E.3.7 [Not used.]

E.3.8 When, in the opinion of the Compliance Officer, he ~~or she~~ has sufficient information, ~~he~~ the Compliance Officer shall, without prejudice to any other of ~~his~~ the Compliance Officer's powers:

- (a) decide that no further action should be taken and notify any Member or other Person concerned in writing accordingly;
- (b) in the event of a minor breach, issue a written warning (which shall be private save as provided for in paragraph (d) below) to the Member concerned (or, in the case of such a breach by some other Person, that Person with a copy to any Member with whom it was associated at the time of such breach);
- (c) commence disciplinary proceedings pursuant to Rule E.4 or Summary Enforcement Proceedings under Rule E.2;
- (d) report such findings of the investigation and hand over any documents or communicate any information ~~they have~~ acquired whether during the course of ~~their~~ investigation or otherwise to such Exchange Body, Clearing Organisation or other Regulatory Authority as ~~they think~~ he or she thinks fit;
- (e) publish such findings and in such detail as ~~they deem~~ he or she deems appropriate where the matter under investigation is considered of relevance to the market in general or in the public interest; or
- (f) any combination of the foregoing,

and may take more than one of the above actions or different actions in relation to different Members or other Persons concerned in the same investigation. In the event that the Compliance Officer is conflicted from taking action under this Rule in relation to an investigation, the powers of the Compliance Officer set out in this Rule E.3.8 shall be vested in the ~~chairman~~ chairperson of the ARC Committee.

## E.4 ARC HEARINGS

### Commencement

E.4.1 A matter may be referred to the ARC Committee for disciplinary proceedings only when the Compliance Officer is satisfied that there is *prima facie* evidence of a breach of the Rules by a Member or other Person Subject to the Rules.

E.4.2 If the Compliance Officer decides to refer a matter to the ARC Committee for disciplinary proceedings, ~~he~~ the Compliance Officer shall direct that a formal written notice ("**Notice**") be sent to the Member (or, in the case of proceedings against some other Person Subject to the Rules, that Person and any Member with whom it was associated at the time of the matter in question), which shall set out the alleged breach, including a summary of the facts relied upon.

E.4.2.1 The Member or other Person Subject to the Rules that is subject to a Notice shall have 20 Business Days (~~or such further time as which may be extended by~~ the Compliance Officer ~~may in his~~ at the Compliance Officer's discretion ~~allow or shortened by the chairperson of the ARC Committee at his or her discretion~~) from the date of service of the Notice in which to serve a statement of defence ("**Defence**"). The Defence shall state whether the Member or other Person Subject to the Rules accepts the allegations in the Notice and what admissions of fact, if any, it makes. Where no Defence has been served within 20 Business Days or such shorter or extended period as has been agreed and no settlement has been reached, the ARC Committee will deem the Member or other Person subject to a Notice to have agreed to and accepted the facts and matters specified in the Notice.

E.4.2.2 Having seen and considered the Defence, the ARC Committee may, as it sees fit:

- (a) convene a Sub-ARC Panel to proceed with the disciplinary proceedings, including by holding a Summary Hearing;
- (b) where the ~~proposed~~ sanction considered by the Exchange exceeds the powers that can be exercised by a Sub-ARC Panel at a Summary Hearing, convene a Full-ARC Panel to proceed with the disciplinary proceedings, including by holding a Full Hearing; or

(c) discontinue its disciplinary proceedings.

E.4.3 Without adjournment or reference back to the Compliance Officer, the ARC [Disciplinary](#) Panel may amend a Notice by a change to the breach alleged in the Notice, addition of another breach to that specified in the Notice, or any other deletion, alteration or addition, provided that they are of the opinion that:

- (a) the deletion, alteration, addition, change, amendment or variation arises out of or in connection with the conduct which is the subject of the disciplinary proceedings;
- (b) the essential character of the nature of the breach has not been changed even though further evidence may have become available; and
- (c) the Member or other Person Subject to the Rules that is subject to the Notice would not be substantially prejudiced in any defence it might wish to put forward during the ARC Hearing.

Following any such deletion, ~~alteration~~, addition, change, amendment or variation of a Notice, the Compliance Officer shall serve an amended Notice on the Member or other Person subject to the Notice.

In any other circumstances, and in particular should an ARC [Disciplinary](#) Panel determine that a separate or unrelated course of breach of the Rules may have been revealed at an ARC Hearing, the ARC [Disciplinary](#) Panel holding the ARC Hearing may order an adjournment of the ARC Hearing to enable the separate or unrelated breach to be investigated further.

### Settlement

E.4.3A The Member and/or the Person Subject to the Rules alleged to have committed the breach may attempt to settle the disciplinary proceedings at any stage (including any appeal) with the [Compliance Officer or ARC Committee](#), as appropriate. The terms of any settlement shall be agreed between the [Compliance Officer or ARC Committee on the one hand](#) and the Member or Person Subject to the Rules as the case may be ~~and~~ [on the other hand. If agreed with the Compliance Officer, the terms of the settlement must be](#) submitted in writing to the ~~chairman~~[chairperson](#) of the ARC Committee, or in ~~his~~[the chairperson's](#) absence a quorum of the ARC Committee for ratification. ~~Upon, and upon~~ ratification, the terms of the settlement shall take effect. In the event the settlement is not [agreed or ratified, as appropriate](#), the disciplinary proceedings shall continue.

E.4.4 [Not used.]

E.4.5 [Not used.]

E.4.6 [Not used.]

### ARC Hearings

E.4.7 The ARC Committee shall be responsible for appointing ARC [Disciplinary](#) Panels to convene ARC Hearings. Each ARC Hearing shall either be a Summary Hearing or Full Hearing, as detailed in Rule C.11.

E.4.8 The ARC ~~Hearing~~[Disciplinary Panel](#) shall consider the alleged breach and determine whether there has been an actual breach of the Rules and, if so, the appropriate sanction (if any) to be imposed. In carrying out this function, the ARC [Disciplinary](#) Panel may adopt such procedures for the ARC Hearing as it considers [appropriate](#). Without limitation:

- (a) it may request from the Exchange or the Member (or the Person Subject to the Rules and any associated Member) such further statements, information, documents or other evidence as it may think fit, or either party to the proceedings may adduce further evidence as they consider necessary, within time limits agreed at the ARC Hearing;
- (b) the ARC ~~Hearing~~[Disciplinary Panel](#), or the ~~chairman~~[chairperson](#) of the ARC [Disciplinary](#) Panel sitting alone, may ~~ever~~[deal with](#) such matters as it considers appropriate in order to deal with disciplinary proceedings, including any pre-hearing review to hear procedural applications, and may issue directions and take such other steps as it considers appropriate for the clarification of the facts and issues and for the just and expeditious determination of the case;
- (c) it may, if it considers appropriate, but only with the express written agreement of the Exchange and the Member concerned (or the Person Subject to the Rules concerned and any associated Member), decide to determine the case upon written submissions and evidence placed before it during the ARC Hearing;
- (d) in all other cases, the Exchange and the Member (or the Person Subject to the Rules and any associated Member) shall be given the opportunity (and may be required by the ARC [Disciplinary](#) Panel upon reasonable notice) to attend and give evidence at the ARC Hearing and be questioned. The Exchange

or the Member (or the Person Subject to the Rules and any associated Member, as the case may be) may call witnesses to give evidence and be questioned;

- (e) it and the Member (or the Person Subject to the Rules and any associated Member) may be assisted or represented by any Person who may or may not be legally qualified;
- (f) it may require any Person who is Subject to the Rules (and request any other Person) to attend and give evidence during an ARC Hearing upon reasonable notice; the Member (or Person Subject to the Rules and any associated Member) shall be given notice of every ARC Hearing at which any Person is to give evidence and both the Member (or the Person Subject to the Rules and any associated Member, as the case may be) and the Exchange shall be allowed the opportunity of examining and cross-examining any person who attends to give evidence;
- (g) it may call for any Person to attend an ARC Hearing; save for this, all ARC Hearings shall be in private unless the Member ([or other Person Subject to the Rules](#)) requests otherwise and the ARC Committee and the ARC [Disciplinary](#) Panel consent;
- (h) it shall not be bound by any rule of law or court procedure concerning admissibility of evidence and may accept as conclusive any finding of fact made by any legally constituted court, tribunal, arbitrator, expert or any Governmental Authority;
- (i) it shall apply the civil standard of proof on the balance of probabilities, with the cogency of evidence required being commensurate with the seriousness of the alleged breach;
- (j) it may consult with and may appoint its own legal advisers; and
- (k) it may receive submissions from the Exchange on the appropriate sanction; such submissions shall be made available to the Member and/or Person Subject to the Rules concerned who shall have the right to make final submissions on penalty.

E.4.9 If the Exchange or Member (or Person Subject to the Rules or any associated Member) fails to meet a time limit imposed ~~during~~ by the ARC [Hearing-Disciplinary Panel](#) or fails to attend [an ARC Hearing](#), the ARC [Disciplinary](#) Panel may, in its discretion, allow an extension of time, ~~or~~ adjourn the ARC Hearing or proceed if necessary in the absence of the Member (or the Person Subject to the Rules and any associated Member, or either of them).

E.4.10 The findings and decisions made at the ARC Hearing shall be notified in writing to the Member (or Person Subject to the Rules and any associated Member). Such notification will include: (i) any act or practice which the Member or Person Subject to the Rules has been found to have carried out or omitted; (ii) a citation of the relevant provisions which are considered to have been breached; and (iii) the proposed sanction to be imposed and the reasons therefor. Such findings and decision shall be deemed conclusive and binding upon expiry of the time permitted for the service of a notice of appeal or receipt by the Exchange of any earlier written notice that such right of appeal will not be exercised.

## E.5 SANCTIONS

### SUMMARY ENFORCEMENT PROCEEDINGS

E.5.1 The sanctions that may be imposed on a Member or other Persons Subject to the Rules pursuant to Summary Enforcement Proceedings will include, without limitation, the imposition of fixed penalty fines [of up to USD 6,500 for an individual and USD 65,000 for a Member or other Person Subject to the Rules](#) and fixed terms of exclusion from the Market (or any part thereof). The Exchange may from time to time by Circular prescribe further sanctions that may be imposed pursuant to Summary Enforcement Proceedings.

#### Summary Hearings

E.5.2 The sanctions which may be imposed on a Member or other Persons Subject to the Rules at a Summary Hearing are ~~those set forth~~ [the same as the sanctions available to an ARC Disciplinary Panel for a Full Hearing as set out](#) in Rule E.5.3 save that:

- (a) the sanction of [termination or](#) expulsion or permanent removal of access shall not be available for Summary Hearings;
- (b) the maximum sanction of suspension which may be imposed by Summary Hearings on an individual is limited to three calendar months; and
- (c) the maximum fine which may be imposed by Summary Hearings is limited to USD 32,500 for an individual and USD 325,000 for a Member [or other Persons Subject to the Rules](#) in respect of each offence.

### Full Hearings

- E.5.3 The sanctions which may be imposed on a Member or other Person Subject to the Rules at a Full Hearing shall not exceed the following:
- (a) the issue of a public or private warning or reprimand;
  - (b) the issue of a public or private notice of censure;
  - (c) in the case of an individual, disqualification (either indefinitely or for a fixed term) from being a Director or member of a committee or any panel of the ARC Committee;
  - (d) in the case of a Member, disqualification (either indefinitely or for a fixed term) of any of its Member's Representatives from being a Director or member of a committee or any panel of the ARC Committee;
  - (e) a fine of any amount, to be paid on such terms as may be prescribed by the Exchange;
  - (f) in the case of an individual entitled to enter or access the Market, suspension or curtailment of his [or her](#) right to do so (which may include suspension of his [or her](#) registration as a Responsible Individual) for a fixed term of up to a maximum of 36 months;
  - (g) a recommendation to the Exchange that they [terminate or](#) expel a Member from membership of the Exchange, or in the case of other Persons Subject to the Rules, [terminate their status as a Person Subject to the Rules or](#) permanently remove their right to access the Trading Facilities of the Exchange under Rule B.7.1(a) ~~and, in the case of a Member, or~~ suspend ~~or withdraw any or all of a Person Subject to the membership permissions of the Member Rules~~ under Rule B.7.1(b);2;
  - (h) an order requiring the Member or Person Subject to the Rules (and any associated Member) found to have committed the breach to take such steps including, [without limitation](#), making an order for compensation, as the ARC [Disciplinary](#) Panel may direct to remedy the situation including, without limitation, making an order for restitution to any affected Person when the Member (or Person Subject to the Rules or any associated Member) has profited (or avoided a loss) from a breach at that Person's expense;
  - (i) refer the matter to the Exchange or the Clearing House for further investigation; or
  - (j) any combination of the foregoing.
- E.5.4 Where a Person Subject to the Rules is expelled [pursuant to Rule B.7.1\(a\)](#) or [has any or all of his rights of membership](#) suspended pursuant to [Rule B.7.1\(b\)](#) or [Rule B.7.2 \(as applicable\)](#) following any order made by [an ARC Panel at an ARC Hearing](#) the Rules, the ARC Committee may make such directions as it considers [appropriate](#) in respect of the Person's open Contracts or Corresponding Contracts (including, without limitation, directions for the reduction, transfer or liquidation of any of them).
- E.5.5 A Person Subject to the Rules that has been expelled may reapply for registration with the Exchange at any time after the date specified in the notice of sanction. Such reapplication will only be considered if all costs and fines associated with the notice of sanction are paid in a timely fashion.

## E.6 APPEALS AND APPEAL PANEL

### Appeal

- E.6.0 A Member or Person Subject to the Rules may appeal against any finding, determination, direction or sanction imposed by an ARC [Disciplinary](#) Panel against it by lodging a notice of appeal.
- E.6.0A A notice of appeal shall be lodged with the Compliance Officer. In the case of an appeal against the decision of a Summary Hearing, the appeal shall be heard by a further Summary Hearing held by an ARC [Disciplinary](#) Panel from members of the ARC Committee who did not attend the previous Summary Hearing, according to the procedure set out in Rule E.6.4 *et seq.* In the case of an appeal against the decision of a Full Hearing, this shall be heard in accordance with the procedure set out in the remainder of this Rule E.6.

### Composition of an Appeal Panel

- E.6.1 The Exchange shall from time to time appoint individuals who shall not be Directors or serving members of the ARC Committee, to serve on Appeal Panels. An Appeal Panel shall consist of a [chairman](#)~~chairperson~~ sitting alone or together with one or two other individuals.
- E.6.2 Individuals appointed to an Appeal Panel must be suitably skilled and experienced and be independent of the Exchange. Expert assessors may be appointed, at the discretion of the Appeal Panel (including following any request or recommendation of the Exchange or any party to the appeal), to sit with and advise the Appeal Panel but such persons shall not be entitled to vote. No person shall be appointed to an Appeal Panel and no



person may be eligible as an expert assessor if it has any direct or indirect personal or financial interest or involvement in a dispute or matter, or any party (or any client or underlying client of a party) involved in that dispute or matter, to be determined by the Appeal Panel. The Exchange may remove from office any individual who no longer meets the foregoing criteria and shall be entitled to remove from office any individual it reasonably considers to no longer be suitable for that role.

- E.6.3 The [chairman](#) of the Appeal Panel shall be a lawyer, who shall be a lawyer qualified to practice in the laws of the Abu Dhabi Global Market, and shall be appointed at the discretion of the Exchange. In the event of an equality of votes in relation to any dispute or matter before the ARC [Disciplinary](#) Panel, the [chairman](#) shall have a second or casting vote.

#### Appeal Procedure

- E.6.4 (a) Within 14 days of receiving notice in writing of a finding or order of an ARC [Disciplinary](#) Panel, or such longer period as the ARC [Disciplinary](#) Panel may in its discretion direct following such finding or order being made, the Member or Person Subject to the Rules to whom such finding or order relates or, ~~in the case of an appeal against a finding or order of an ARC Panel,~~ the Exchange, may request an Appeal Panel be convened to hear its appeal by lodging with the ARC [Disciplinary](#) Panel a notice of appeal in writing and by delivering a copy thereof to any other party. With such notice it shall lodge with the Exchange a filing fee of USD ~~2,500~~[25,000](#) unless the Exchange determines in its discretion to reduce or waive the fee. A notice of appeal shall set out the grounds of the appeal and shall contain a brief statement of all matters relied on by the appellant.

The only grounds of the appeal may be any one or more of the following:

- (i) the ARC [Disciplinary](#) Panel misdirected itself;
- (ii) the ARC [Disciplinary](#) Panel's decision was:
  - (aa) one which no reasonable ARC [Disciplinary](#) Panel could have reached;
  - (bb) unsupported by the evidence or was against the weight of the evidence; or
  - (cc) based on an error of law, or a misinterpretation of the Rules;
- (iii) the finding, determination, direction or sanction imposed by the ARC [Disciplinary](#) Panel was excessive, insufficient or inappropriate; or
- (iv) new evidence is available and that, had it been made available, the ARC [Disciplinary](#) Panel could reasonably have come to a different decision,

but no party may otherwise appeal on any other grounds against the ARC [Disciplinary](#) Panel's finding or order;

- (b) On receipt of a notice of appeal, the Exchange will constitute an Appeal Panel in accordance with the procedure set out in Rules E.6.1 to E.6.3.
- E.6.5 The Appeal Panel shall have the powers given to the original ARC [Disciplinary](#) Panel from which the appeal was made (regardless of whether such powers were actually exercised) and may adopt such procedure as it considers just, including, without limitation, all or any of the procedures that the original ARC [Disciplinary](#) Panel from which the appeal was made may have adopted pursuant to these Rules (regardless of whether such procedures were actually adopted). The appellant and the respondent may appear, make representations and call witnesses, who may be examined and cross-examined.

E.6.6 The Appeal Panel may:

- (a) dismiss or allow the appeal;
- (b) confirm or amend the finding, determination, direction or sanction of the original ARC [Disciplinary](#) Panel (including in respect of costs);
- (c) substitute or make a new finding, determination, direction or sanction; and
- (d) order any party to the proceedings to pay costs as it considers appropriate, including, but not limited to, administration costs, fees and expenses of the members of the Appeal Panel, costs of the parties, costs incurred in the investigation, preparation, and presentation of the case and any fees and expenses incurred by the Appeal Panel, Exchange or Clearing House in obtaining legal or expert advice; and any order in relation to payment of costs may also specify the manner of assessment to be used as well as a timetable for payment.

In the case of appeal against a finding, determination, direction or sanction, the Appeal Panel may affirm, vary or revoke the sanction, in all cases, within the limits set out in these Rules on the original ARC [Disciplinary](#) Panel that made the finding or order. In the case of an appeal pursuant to Rule E.6.4(a)(i), (ii) or (iv), the Appeal Panel may make such order or give such direction as it considers just, including, if thought fit, in relation to an appeal pursuant to Rule E.6.4(a)(ii), a direction for a rehearing of the case by another ARC [Disciplinary](#) Panel at another ARC Hearing.

- E.6.7 The Appeal Panel may at any stage approve the settlement of any issue between the parties on such terms as it considers expedient or satisfactory. Any withdrawal of an appeal by the appellant must be in writing and lodged with the Exchange. The [chairman](#) of the original ARC [Disciplinary](#) Panel may direct such Party to pay to the Exchange any costs set out in Rule E.6.6(d).
- E.6.8 The decision of an Appeal Panel shall be final, binding and conclusive and there shall be no further appeal and no recourse to arbitration under Section H or the Clearing House Rules. The decision shall be notified to the appellant, respondent, Exchange, Clearing House and any other party involved in writing as soon as possible.
- E.6.9 Members and other Person Subject to the Rules shall comply with any decision of the Appeal Panel. The contravention by a Member or other Person Subject to the Rules of any direction or sanction imposed under or pursuant to these Rules by the Appeal Panel shall be treated for all purposes as a breach of the Rules. The lack of enforcement by the Exchange of any sanction shall not constitute a breach of the Rules by the Exchange.
- E.6.10 The Appeal Panel shall give such publicity as they consider appropriate to any finding, determination, decision or sanction imposed or other order made by the Appeal Panel, or any ratified settlement. Any decision of the [ARC Committee or ARC Appeal](#) Panel may be published by Circular. The provisions of this Rule are without prejudice to the right of the Exchange under Rule A.4.13 or otherwise to disclose confidential information to other Regulatory Authorities or law-enforcement bodies.

## **E.7 -EMERGENCY SUSPENSION**

Notwithstanding and without prejudice to any other provision of the Rules (including without limitation this Section E of the Rules) the Exchange ([including, without limitation, the Compliance Officer](#)) may, upon reasonable belief that immediate suspension is necessary to protect the interests of the Exchange and its Members or to ensure an orderly market, suspend for up to seven Business Days the right of any Member's Representative (including clients or customers) to enter the Market to trade. Such decisions shall be reviewed by the Exchange within that period, and may be extended subject to such arrangements as the Exchange considers [appropriate](#).

## **E.8 LOSS OR DAMAGE TO TRADING FACILITIES**

- E.8.1 Damage or loss to the property of the Exchange or the Trading Facilities will be paid for by the Member causing such damage or loss unless the Member can satisfy the Exchange that the damage or loss to property was caused by a third party named by the Member.
- E.8.2 All other forms of damage or loss to property to the Exchange or the Trading Facilities will be charged to the Members when no individual or individuals can be held responsible.

## **E.9 OTHER OFFENCES**

- E.9.1 [Not used.]
- E.9.2 The Exchange may, by Circular, prescribe fixed penalty fines to be imposed on a Member who has, or appears to have, failed to comply with any obligation under the Rules.

## **E.10 INTERACTION WITH CLEARING HOUSE RULES AND OTHER PROCESSES**

- E.10.1 The existence of any disciplinary or other dispute resolution processes under any relevant Clearing House Rules shall not preclude any process under this Section E.
- E.10.2 Where there are disciplinary processes, summary enforcement processes or appeal processes under both this Section E and the Clearing House Rules, and both the panels appointed under this Section E and the Clearing House Rules consider that the disciplinary processes involve at least one common Member or Clearing Member and substantially the same subject matter, the disciplinary processes under this Section E may be consolidated with the disciplinary processes under the Clearing House Rules at the election of the panel appointed under this Section E. In such circumstances, the same procedures, documents, notices, evidence and panel members may be used in both sets of disciplinary processes.

**SECTION F – CONTRACTS**

F.1	Contracts with Clearing House
F.2	Contracts in the Making of which a Member is Subject to the Rules
F.3	Transaction Records
F.4	[Not used.]
F.5	Exchange for Physicals ("EFPs") and Exchange for Swaps ("EFSs")
F.5A	[Not used.]
F.5B	[Not used.]
F.5C	Basis Trades and Exchange for Related Positions ("EFRPs")
F.5D	Asset Allocations
F.6	Transfer of Contracts
F.7	Block Trades
F.8	Position Transfers
F.9	[Not used.]
F.10	Transaction Reporting
F.11	Indirect Clearing

## F.1 CONTRACTS WITH CLEARING HOUSE

F.1.1 Contracts shall arise only at the times and subject to the conditions set out in the Clearing House Rules. In the event of any conflict between this Rule F.1 and the Clearing House Rules, the Clearing House Rules shall prevail.

### Platform Trades

F.1.2 The following Rules apply to a Platform Trade that is matched between one Member and another Member which may be the same Person as the first-mentioned Member pursuant to Rules F.1.3 and F.1.4. Pursuant to the Clearing House Rules, two Contracts arise at the time of such matching, which for the purposes of this Rule F.1 shall be called the "**ICE Futures Abu Dhabi Matched Contracts**".

F.1.3 The two ICE Futures Abu Dhabi Matched Contracts arising in accordance with Rule F.1.2 shall be between the following parties:

- (i) one Contract between the Clearing House and the following counterparty or counterparties acting as Buyer (the "**First Leg Contract**"):
  - (A) if the Member is a Clearing Member and is entering into a Platform Trade for Own Business, the Member;
  - (B) if the Member is entering into a Platform Trade for Own Business and is not a Clearing Member or Sponsored Principal (or, if it is a Clearing Member or Sponsored Principal, and has, by act or omission, established settings in the ICE Clearing Systems such that it will not clear the relevant Platform Trade in either such capacity), the Clearing Member that has been selected by the Member as Clearing Member for the Platform Trade ("**Clearing Member A**"), provided that Clearing Member A is party to a Clearing Agreement with the Member (such Member, not being Clearing Member A, for the purposes of this Rule F.1, a "**non-clearing Member**");
  - (C) if the Member is a Sponsored Principal and is entering into a Platform Trade for its own account, the Member, acting as Sponsored Principal ("**Sponsored Principal A**") and its Sponsor ("**Sponsor A**") on a joint basis as provided in the Clearing House Rules, provided that the Member has established settings in the ICE Clearing Systems to clear the relevant Platform Trade in such capacity;

#### *(Own Business Platform Trades of the Member)*

- (D) if the Member is a Clearing Member and is entering into a Platform Trade for the account of its client which is not a Sponsored Principal (or the client is a Sponsored Principal but has, by act or omission, established settings in the ICE Clearing Systems such that it is not acting in such capacity for the purpose of the relevant Platform Trade), the Member;
- (E) if the Member is not a Clearing Member and is entering into a Platform Trade for the account of a client which is not a Sponsored Principal (or the client is a Sponsored Principal but has, by act or omission, established settings in the ICE Clearing Systems such that it is not acting in such capacity for the purpose of the relevant Platform Trade) the Clearing Member that has been selected by the Member as Clearing Member for the Platform Trade ("**Clearing Member B**"), provided that Clearing Member B is party to a Clearing Agreement with the Member or its client (such Member or its client, not being Clearing Member B, for the purposes of this Rule F.1, a "**non-clearing counterparty**");
- (F) if the Member is a Clearing Member and is entering into a Platform Trade for the account of its client which is a Sponsored Principal and which has established settings in the ICE Clearing Systems such that it is acting as a Sponsored Principal for the purposes of the relevant Platform Trade, and the Member is the Sponsor of such Sponsored Principal, the Member, acting as Sponsor ("**Sponsor B**"), and the client, acting as Sponsored Principal ("**Sponsored Principal B**") on a joint basis as provided in the Clearing House Rules; and
- (G) if the Member is entering into the Platform Trade for the account of its client which is a Sponsored Principal and which has established settings in the ICE Clearing Systems such that it is acting in its capacity as a Sponsored Principal for the purpose of the

#### *(Client account Platform Trades of the Member)*

relevant Platform Trade, and the Member is not the Sponsor of such Sponsored Principal (irrespective of whether the Member is a Clearing Member), such other Member, acting as Sponsor ("**Sponsor C**"), and the client (of both the Member and Sponsor C), acting as Sponsored Principal ("**Sponsored Principal C**") on a joint basis as provided in the Clearing House Rules; and

- (ii) another Contract between the Clearing House and a counterparty or counterparties acting as Seller in the same way as set out in Rule F.1.3(i) above but with respect to the counterparty (the "**Second Leg Contract**").

F.1.4 Upon two ICE Futures Abu Dhabi Matched Contracts arising in accordance with Rule F.1.3(i)(B), (C), (D), (E), (F), or (G) and Rule F.1.3(ii) (solely as a result of the equivalent of such subsections of Rule F.1.3(i) applying), up to two Corresponding Contracts shall also arise between the following parties:

- (i) in the case of Rule F.1.3(i)(B), the non-clearing Member and Clearing Member A;
- (ii) in the case of Rule F.1.3(i)(C), Sponsor A and Sponsored Principal A;
- (iii) in the case of Rule F.1.3(i)(D), the Member and the client;
- (iv) in the case of Rule F.1.3(i)(E), Clearing Member B and the Member or client;
- (v) in the case of Rule F.1.3(i)(F), Sponsor B and Sponsored Principal B; and/or
- (vi) in the case of Rule F.1.3(i)(G), Sponsor C and Sponsored Principal C,

as applicable, in respect of the First Leg Contract and/or Second Leg Contract (with respect to the counterparty), provided that no such Corresponding Contract shall arise where any Sponsor or Clearing Member is an FCM/BD Clearing Member, except as provided for in Rule F.1.13. A party to a First Leg Contract may also be a party to a Second Leg Contract if it is the Clearing Member or Sponsor in respect of both legs and acts in a different capacity or for a different client or Sponsored Principal in respect of the same Platform Trade. In such circumstances, any Corresponding Contracts arising in accordance with this Rule F.1.4 will arise separately with respect to the First Leg Contract and Second Leg Contract.

The terms of any such Corresponding Contracts shall be as set out in the Customer-CM F&O Transaction Standard Terms, but on economic terms identical to the terms of the relevant ICE Futures Abu Dhabi Matched Contract, except that:

- (A) if the party to the ICE Futures Abu Dhabi Matched Contract is the seller under the ICE Futures Abu Dhabi Matched Contract, it shall be the buyer under the Corresponding Contract and *vice versa*;
- (B) it is not a cleared Contract (with the result that certain terms applicable only to cleared Contracts will not apply pursuant to the Customer-CM F&O Transaction Standard Terms); and
- (C) it shall be subject to such amended or different terms and conditions as are or have been agreed between the parties, to the extent not inconsistent with the Customer-CM F&O Transaction Standard Terms.

Additional Indirect Clearing Corresponding Contracts may arise between an Indirect Clearing Provider, Indirect Client, Second Indirect Client or Third Indirect Client and so on pursuant to an Indirect Clearing Arrangement between any such entities.

The terms of any such Indirect Clearing Corresponding Contract shall be as set out in the Customer-CM F&O Transaction Standard Terms, but on economic terms identical to the terms of the relevant ICE Futures Abu Dhabi Matched Contract, except that:

- (A) if the party to the Corresponding Contract is the seller under the Corresponding Contract, it shall be the buyer under the Indirect Clearing Corresponding Contract and *vice versa*;
- (B) it is not a cleared Contract (with the result that certain terms applicable only to cleared Contracts will not apply pursuant to the Indirect Clearing Arrangement); and
- (C) it shall be subject to such amended or different terms and conditions as are or have been agreed between the parties pursuant to the Indirect Clearing Arrangement.

#### **ICE Block, EFP, EFS, EFRP, Basis Trade and Asset Allocation Contracts**

F.1.5 A Block Trade, EFP, EFS, EFRP, Basis Trade or Asset Allocation shall be initiated off-exchange by submitting details of a transaction or proposed transaction under a Contingent Agreement to Trade. The

proposed cleared transaction to which the Contingent Agreement to Trade relates shall be referred to as a "**Non-Crossed Transaction**" for the purposes of this Rule F.1.5. The relevant details of the Non-Crossed Transaction may be reported to the Exchange by one Member ("**Block Member A**") who is party to the Non-Crossed Transaction, through the ICE Block Facility, pursuant to the Rules and in such a manner that may be prescribed by the Exchange from time to time. When submitting the relevant details to the Exchange for registration, the two Members will be deemed to represent to the Exchange that there is a Contingent Agreement to Trade in respect of the Block Trade, EFP, EFS, EFRP, Basis Trade or Asset Allocation being reported for registration with the Exchange. The other Member party to the Non-Crossed Transaction ("**Block Member B**") must subsequently confirm acceptance of the relevant details through the ICE Block Facility. Pursuant to the Clearing House Rules, two ICE Futures Abu Dhabi Block Contracts arise at the time of receipt by the Exchange in the ICE Clearing Systems of such confirmation of acceptance, provided that complete and correct data in respect of the transaction has been received.

F.1.6 The two ICE Futures Abu Dhabi Block Contracts arising in accordance with Rule F.1.5 shall be established in the same way and between such parties as set out in Rule F.1.3(i) and (ii) above but with respect to Block Member A and Block Member B, instead of the "Member" referred to therein.

F.1.7 Upon an ICE Futures Abu Dhabi Block Contract arising under Rule F.1.5 above, up to two Corresponding Contracts shall be established in the same way and between such parties as set out in Rule F.1.4 above, but with respect to Block Member A and Block Member B, as applicable. Additional Indirect Clearing Corresponding Contracts may arise between an Indirect Clearing Provider, Indirect Client, Second Indirect Client or Third Indirect Client and so on pursuant to an Indirect Clearing Arrangement between any such entities. Upon the formation of such ICE Futures Abu Dhabi Block Contracts, Corresponding Contracts or ~~Additional~~ Indirect Clearing Corresponding Contracts:

- (i) Rule 402(b) of the Clearing Rules will apply to automatically and immediately release and discharge any Clearing Member or Sponsored Principal from all and any Transaction Rights and Obligations (as defined in the Clearing Rules); and
- (ii) any party to an ICE Futures Abu Dhabi Block Contract or an Indirect Clearing Arrangement that has any rights, liabilities or obligations relating to, or arising out of or in connection with the relevant Block Trade, EFP, EFS, EFRP, Basis Trade or Asset Allocation shall be automatically and immediately released and discharged from all and any such rights, liabilities or obligations, other than: (A) any rights, liabilities or obligations that are dissimilar to (and not replaced by) those arising pursuant to an ICE Futures Abu Dhabi Block Contract, Corresponding Contract or ~~Additional~~ Indirect Clearing Corresponding Contract; (B) any rights, liabilities or obligations falling due for performance before the formation of an ICE Futures Abu Dhabi Block Contracts, Corresponding Contract or ~~Additional~~ Indirect Clearing Corresponding Contract; or (C) any rights, liabilities or obligations falling due pursuant to an ICE Futures Abu Dhabi Block Contract, Corresponding Contract, or ~~Additional~~ Indirect Clearing Corresponding Contract.

F.1.8 This Rule F.1.8 and Rules F.1.9 and F.1.10 apply to an ICE Futures Abu Dhabi Block Contract where both the buy and sell sides of the Block Trade, EFP, EFS, EFRP, Basis Trade or Asset Allocation are reported to the Exchange by the same Member (for the purposes of this Rule F.1.8, a "**Crossed Transaction**"). The relevant details may be reported to the Exchange by the Member ("**Block Member A**") through the ICE Block Facility, pursuant to the Rules and in such a manner that may be prescribed by the Exchange from time to time. Pursuant to the Clearing House Rules, two ICE Futures Abu Dhabi Block Contracts arise at the time of receipt by the Exchange in the ICE Clearing Systems of correct and complete details relating to the Crossed Transaction.

F.1.9 The two ICE Futures Abu Dhabi Block Contracts arising in accordance with Rule F.1.8 shall be established in the same way and between such parties as set out in Rule F.1.3(i) and (ii) above but with respect to Block Member A, instead of the "Member" referred to therein.

F.1.10 Upon an ICE Futures Abu Dhabi Block Contract arising under Rule F.1.8 above, up to two Corresponding Contracts shall be established in the same way and between such parties as set out in Rule F.1.4 above, but with respect to Block Member A, as applicable. Additional Indirect Clearing Corresponding Contracts may arise between an Indirect Clearing Provider, Indirect Client, Second Indirect Client or Third Indirect Client and so on pursuant to an Indirect Clearing Arrangement between any such entities.

### General Provisions

F.1.11 Subject to any Rules and procedures made pursuant to Rule F.6, an ICE Futures Abu Dhabi Matched Contract or ICE Futures Abu Dhabi Block Contract to which a Clearing Member becomes a party pursuant to Rule F.1 (and which has not been allocated by such Clearing Member to, and accepted by, another Clearing

Member in accordance with Clearing House Rules) shall be recorded with the Clearing House in the name of such Clearing Member in accordance with and subject to the Clearing House Rules.

F.1.12 An ICE Futures Abu Dhabi Matched Contract or ICE Futures Abu Dhabi Block Contract may be allocated from one Clearing Member, being the Person initially party to such contract pursuant to Rule F.1.3, F.1.5 or F.1.9 ("**Clearing Member A**") to another Clearing Member ("**Clearing Member B**") if both such Clearing Members record their agreement to such allocation in the ICE Clearing Systems on the same day that the relevant ICE Futures Abu Dhabi Matched Contract or ICE Futures Abu Dhabi Block Contract arose. Subsequent to such agreement having been recorded, the original ICE Futures Abu Dhabi Matched Contract or ICE Futures Abu Dhabi Block Contract between Clearing Member A and the Clearing House shall be terminated simultaneously with a replacement ICE Futures Abu Dhabi Matched Contract or ICE Futures Abu Dhabi Block Contract, on the same terms as the terminated Contract, arising between Clearing Member B and the Clearing House and being recorded with the Clearing House in the name of Clearing Member B, in accordance with and subject to the Clearing House Rules. Any related Corresponding Contract to which Clearing Member A was party shall also simultaneously terminate and be replaced by a Corresponding Contract to which Clearing Member B is party.

F.1.13 If Clearing Member A is an FCM/BD Clearing Member and a Corresponding Contract would otherwise arise pursuant to Rule F.1.4, F.1.7 or F.1.10 but for the fact that the Clearing Member is an FCM/BD Clearing Member, then:

- (i) there shall be no Corresponding Contract, unless the Clearing Agreement between the FCM/BD Clearing Member and the Member or the Clearing Agreement between the FCM/BD Clearing Member, acting as Sponsor, and its Sponsored Principal which is not a Member (the "**non-Member Sponsored Principal**") so provides;
- (ii) where the Clearing Agreement does so provide, the relevant Contract arising between the FCM/BD Clearing Member and the Clearing House pursuant to Rule F.1.3, F.1.6 or F.1.9 and the Clearing House Rules will be entered by such FCM/BD Clearing Member for such Member or non-Member Sponsored Principal as its customer under the terms of the Clearing Agreement between such Member or non-Member Sponsored Principal and FCM/BD Clearing Member (an "**Agency Relationship**"); and
- (iii) where the Clearing Agreement does so provide, the Contract between the FCM/BD Clearing Member and the Clearing House will be subject to particular provisions of the Clearing House Rules applicable to the Contracts to which FCM/BD Clearing Members are party.

Similar principles shall apply in relation to Indirect Clearing Arrangements where the Indirect Clearing Provider is a futures commission merchant registered with the CFTC or broker dealer registered with the SEC.

F.1.14 Each Corresponding Contract and Indirect Clearing Corresponding Contract will automatically terminate without any obligation or liability of any party to such Corresponding Contract or Indirect Clearing Corresponding Contract in the event that the Contract to which it relates is void or voided pursuant to the Clearing House Rules, at the same time as the relevant Contract terminates and without need for any further action on the part of any Person.

F.1.15 A Clearing Member may have its membership with the Clearing House and/or the Exchange suspended or terminated, or be subject to Default Proceedings by the Clearing House. Members that are not Clearing Members should be aware that such events may have effects upon Corresponding Contracts, Agency Relationships or Indirect Clearing Corresponding Contracts or their ability to enforce their rights under Corresponding Contracts, Agency Relationships or Indirect Clearing Corresponding Contracts. Members should refer to the Clearing House Rules for further details and to other references to "Customers" in the Clearing House Rules and Clearing House Procedures, in addition to the relevant risk disclosures made by the Clearing House and each Clearing Member or Sponsor.

F.1.16 Each Member and non-Member Sponsored Principal is hereby deemed to acknowledge, represent and agree that:

- (i) in entering into Contracts, Corresponding Contracts and Indirect Clearing Corresponding Contracts, Members and non-Member Sponsored Principals will act as principal and not as agent, subject to the Clearing House Rules and Rule F.1.13; and
- (ii) except as further detailed in the Clearing House Rules, the Clearing House has no obligation or liability to a Member that is not a Clearing Member, Sponsor or Sponsored Principal, whether in tort, contract, restitution, in respect of any Contract, pursuant to the Rules or otherwise (except any liability for fraud, death or personal injury or any other liability which under Applicable Laws may not be excluded); and

- (iii) in accordance with the Clearing House Rules, the Clearing House has the right to suspend or terminate the clearing of transactions, either generally or in relation to a particular Member, Clearing Member, Sponsor or Sponsored Principal, without notice.

F.1.17 If the Clearing House takes any action in relation to a Contract, including, without limitation, pursuant to Clearing House Rules 103 (*Delay in performance by the Clearing House*), 104 (*Invoicing Back and Specification of Terms*), 107 (*Conversion to other Eligible Currency*), 109 (*Alteration of Rules, Procedures, Guidance and Circulars*), 110 (*Extension or Waiver of Rules*) or 112 (*Force Majeure and similar events*), each affected Clearing Member may take equivalent action (or, if it cannot take equivalent action, it is not advisable to do so or equivalent action would not deal with the matter in hand, other appropriate action) against the relevant Member under the Corresponding Contract, including, but not limited to, terminating, and/or modifying the non-economic terms of, such Corresponding Contract and/or making adjustments to any determination of amounts paid or payable under the relevant Clearing Agreement. Each affected Client may also take such equivalent action against the relevant Indirect Client under the Indirect Clearing Corresponding Contract.

F.1.18 Each Member agrees and acknowledges that any Clearing Member selected by it for any Matched Transaction, if applicable, does not guarantee the Clearing House's performance of any of the Clearing House's obligations under the Rules, any Contract or any Corresponding Contract. In the event that the Clearing House defaults in or defers or varies the payment or performance of any obligation otherwise owed by it in respect of a Contract corresponding to a Corresponding Contract, the Clearing Member will be entitled to make a corresponding deduction, withholding or other reduction from, or tolling or deferring of any payment or performance otherwise owed by it under such Corresponding Contract and/or to make its performance under such Corresponding Contract conditional on performance by the Clearing House under the related Contract. Where any such deduction or forbearance may be attributable to Corresponding Contracts between the relevant Clearing Member with more than one Member, the Clearing Member shall allocate such deduction among such Members on a *pro rata* basis. If such defaulted or delayed payment is subsequently obtained by the Clearing Member from the Clearing House (in whole or in part), the Clearing Member shall thereupon be liable to make the corresponding payment or performance (or portion thereof) to the Member pursuant to the Corresponding Contract. This Rule F.1.18 shall apply to Clients (in relation to any Indirect Clearing Corresponding Contract with Indirect Clients) in the same way it applies to Clearing Members.

## F.2 CONTRACTS IN THE MAKING OF WHICH A MEMBER IS SUBJECT TO THE RULES

F.2.1 A Member is subject to the Rules when entering into Contracts and contracts of the following kinds:

- (a) a Corresponding Contract, made with a client on the Market or otherwise;
- (b) an Indirect Clearing Corresponding Contract;
- (c) a Contract, Corresponding Contract or Indirect Clearing Corresponding Contract arising pursuant to an Agency Relationship; and
- (d) any other Contract made or required or permitted to be made under the Rules including, without limitation, Section D.

F.2.2 The provisions of this Rule F.2 shall apply to non-Member Sponsored Principals as if they were Members, and Members shall be responsible for ensuring compliance with this Rule F.2 by their clients who are Sponsored Principals, irrespective of whether such Members are Sponsors for such Sponsored Principals.

## F.3 TRANSACTION RECORDS

- (a) All Members shall keep appropriate and complete accounting and other records relating to all Contingent Agreements to Trade, details of transactions submitted to become ICE Futures Block Contracts, Contracts, Corresponding Contracts and Indirect Clearing Corresponding Contracts to which they are a party made on the Market or otherwise in accordance with the Rules, whether for a Member's own or a client's account, and containing such details as the Exchange or the ARC Committee may from time to time prescribe. Separate accounts shall be kept in relation to each client and all orders and accounts shall be given a unique and clearly identifiable reference.
- (b) All orders registered or executed on the Market or otherwise in accordance with the Rules shall be promptly recorded in writing (or such other permanent form as may from time to time be permitted) by the Member in its own records and reported to the Exchange (or, if the Exchange permits, to the Clearing House on behalf of the Exchange) in such manner and together with such particulars as the Exchange may from time to time require. The Exchange shall (and is hereby authorised to) present



and confirm particulars of all Contracts to the Clearing House on behalf of Members and non-Member Sponsored Principals by means of the ICE Clearing Systems.

- (c) Members shall keep daily records of such open positions and shall comply with such reporting requirements as the Exchange or the ARC Committee may from time to time prescribe. The Exchange may request the Clearing House to disclose to the Exchange details of Contracts and open positions of Members.
- (d) Such records shall be maintained for a reasonable period of time (which shall be not less than five years) and shall be open to inspection by the Exchange.
- (e) The provisions of ~~the Rules in this Rule~~ F.3 shall be without prejudice to the provisions of the Membership Agreement regarding record keeping which shall supplement ~~the Rules in this Rule~~ F.3.
- (f) The provisions of this Rule F.3 shall apply to non-Member Sponsored Principals as if they were Members, and Members shall be responsible for ensuring compliance with this Rule F.3 by their clients who are Sponsored Principals, irrespective of whether such Members are Sponsors for such Sponsored Principals.

#### F.4 [NOT USED.]

#### F.5 EXCHANGE FOR PHYSICALS ("EFPS")

##### EXCHANGE FOR SWAPS ("EFSS")

These Rules shall apply to all EFP transactions and EFS transactions (including, for the avoidance of doubt, EFPs and EFSs entered on ICE Block by an ICE Block Member).

- (a) EFP and EFS transactions are available in respect of those Products and Contract Months as determined by the Exchange from time to time. Such Products are not subject to the Trading Procedures unless specifically referred to.
  - (i) EFP and EFS transactions in all Contracts shall be reported to the Exchange at any time during Trading Hours and for 30 minutes thereafter.
  - (ii) On an expiry day, for all eligible Contracts, EFP and EFS transactions in respect of the expiring Contract Month must be reported within one hour after such Contract Month has ceased trading on the last Trading Day.
  - (iii) On expiry day for all ICE Futures Option Contracts, EFS transactions must be reported by the end of the designated settlement period of the underlying Futures Contract.
- (b) Details of the EFP or EFS must be reported to the Exchange in accordance with the relevant Contingent Agreement to Trade and Trading Procedure 16, or by any other means determined by the Exchange from time to time. Details of such transactions, with the exception of the price shall be displayed on the ICE Platform and made available during the Trading Day.
- (c) Upon demand by the Exchange, Members are required to obtain and provide independent evidence to support the underlying physical or swap transaction.
- (d) An EFP or EFS whose price falls within either of the following parameters can be reported, subject to the right of the Clearing House to treat a Contract as void or voided, with the Exchange directly:
  - (i) between the highest and lowest traded prices for the Contract Month for the day at the time of reporting; or
  - (ii) within a maximum price movement (as published by the Exchange from time to time) from the previous Trading Day's settlement price for that Contract Month.
- (e) Any EFP or EFS whose price is not within one of the parameters set out at (f) above will require the approval of the Exchange prior to being recorded, subject also to the right of the Clearing House to treat a Contract as void or voided. The Exchange may, before granting approval, make such enquiries as necessary to confirm the validity of the transaction.
- (f) A decision by the Exchange not to record or accept an EFP or EFS or not to present any EFP or EFS to the Clearing House is final.
- (g) All Members and Persons Subject to the Rules must ensure that, on bringing the transactions on-Exchange, they comply with all applicable Rules.

**F.5A [NOT USED.]**

**F.5B [NOT USED.]**

**F.5C BASIS TRADES**

**EXCHANGE FOR RELATED POSITIONS ("EFRPs")**

These Rules shall apply to all Basis Trades and EFRPs (including, for the avoidance of doubt, Basis Trades and EFRPs entered on ICE Block by an ICE Block Member).

- (a) Basis Trades and EFRPs are available in respect of those Products and Contract Months as determined by the Exchange from time to time. Such transactions in such Product are not subject to the Trading Procedures unless specifically referred to.
- (b) Details of the Basis Trade or EFRP must be reported to the Exchange in accordance with Trading Procedures 16A and 16B, as applicable, or by any other means determined by the Exchange from time to time. The transaction details specified in Trading Procedures 16A and 16B shall be displayed on the ICE Platform and made available during the Trading Day.
- (c) Members submitting Basis Trades for registration for clearing shall be required to provide satisfactory evidence that the Basis Trades have been submitted in accordance with the Rules and Trading Procedures. Such Members must, therefore, be in a position to supply documentary evidence in connection with a Basis Trade, including, but not limited to, evidence confirming the cash leg of Basis Trades. Such Members may also be required from time to time by the Exchange to request, and copy to it, confirmation of the details of the cash leg of a Basis Trade where another party was responsible for the registration of the cash leg. Members submitting EFRPs for registration for clearing shall be required to provide satisfactory evidence that the EFRPs have been submitted in accordance with the Rules and Trading Procedures.
- (d) Basis Trades and EFRPs shall only be registered within price parameters as defined by the Exchange from time to time.
- (e) A decision by the Exchange not to record or accept a Basis Trade or EFRP or not to present any Basis Trade or EFRP to the Clearing House is final.
- (f) All Members and Persons Subject to the Rules must ensure that, on bringing the transactions on-Exchange, they comply with all applicable Rules.

**F.5D ASSET ALLOCATIONS**

These Rules shall apply to all Asset Allocations (including for the avoidance of doubt, Asset Allocations entered on ICE Block by an ICE Block Member).

- (a) Asset Allocations are available in respect of those Products and Contract Months as determined by the Exchange from time to time. Such transactions in such Products are not subject to the Trading Procedures unless specifically referred to.
- (b) Members must comply with the applicable Minimum Volume Thresholds as determined by the Exchange from time to time, when entering Asset Allocations on ICE Block.
- (c) Details of the Asset Allocation must be reported to the Exchange in accordance with the relevant Contingent Agreement to Trade and Trading Procedures 16C, as applicable, or by any other means determined by the Exchange from time to time. The information specified in Trading Procedures 16C shall be displayed on the ICE Platform and made available during the Trading Day.
- (d) Members submitting Asset Allocations for registration for clearing shall be required to provide satisfactory evidence that the Asset Allocations have been submitted in accordance with the Rules and Trading Procedures. Such Members must be in a position to supply documentary evidence that the Asset Allocation has been agreed (the cleared part of which being subject to a Contingent Agreement to Trade) and submitted in accordance with the Rules and the Trading Procedures, including, but not limited to, evidence confirming the hedge ratio of the Asset Allocation.
- (e) Asset Allocations shall only be registered within price parameters as defined by the Exchange from time to time.
- (f) A decision by the Exchange not to record or accept an Asset Allocation or not to present the Asset Allocation to the Clearing House is final.

- (g) All Members and Persons Subject to the Rules must ensure that on registering the Asset Allocation they comply with all applicable Rules.

## F.6 TRANSFER OF CONTRACTS

Subject to Applicable Law, the Exchange may from time to time make, add to or amend the Rules and procedures providing for the transfer of Contracts between the Exchange and/or the Clearing House and another Exchange Body or its Clearing Organisation.

## F.7 BLOCK TRADES

- F.7.1
- (a) Block Trades may take place in respect of those Products designated by the Exchange from time to time as contracts that may be registered as Block Trades pursuant to the Rules. Such transactions in such Products are not subject to the Trading Procedures unless specifically referred to.
- (b) Block Trades may be submitted only during such Trading Hours of the Block Trade Contract concerned and on such Trading Days as the Exchange may from time to time prescribe.
- (c) Any Member is permitted to submit Block Trades subject only:
- (i) to the individual submitting the Block Trade on behalf of the Member, having such individual registration as is required by Applicable Laws;
  - (ii) in the case of a Trade Participant, to the Block Trade being in respect of business for Own Business and the proposed counterparty to the Block Trade pursuant to the Contingent Agreement to Trade being another Member;
  - (iii) to Members having completed such form of enrolment as may be prescribed by the Exchange from time to time;
  - (iv) to ICE Block Members having being approved by the Exchange and completed such form of enrolment as may be prescribed by the Exchange from time to time;
- (d) Where a General Participant enters into a Block Trade with or on behalf of a client who is not a Member of the Exchange, it must comply with all Applicable Laws, including in relation to suitability and appropriateness.
- (e) Members must, prior to entering into a Block Trade with a client(s) who is not a Member of the Exchange for the first time, notify such client(s) in writing of the client's classification under Applicable Laws for the purposes of the Block Trade Facility and must provide the client with details of the facility and its written terms of business and satisfy such other documentary requirements as are required by Applicable Laws.
- (f) A Member must not disclose the identity of the party to a Block Trade order to potential counterparties unless the Member has previously received that party's permission to do so. Members may disclose the terms of Block Trade orders in furtherance of bilateral negotiations, which may include indicating that the negotiations have ended.
- (g) Members are not permitted to facilitate the registration of Block Trades on a system or facility which is accessible to multiple participants that allows for the electronic matching or the electronic acceptance of anonymous bids and offers.

### Minimum Volume Thresholds

- F.7.2
- (a) The minimum number of lots in respect of each Block Trade Contract that can be registered as a Block Trade (Minimum Volume Thresholds) shall be determined by the Exchange and published from time to time. A Contract may be subject to one Minimum Volume Threshold for Block Trades which are to be published and separate Minimum Volume Thresholds for Block Trades which are not to be published or for which publication is to be deferred.
- (b) Members are, subject to F.7.1 above, permitted to enter into Block Trades which involve the trading of two or more different Contracts or Block Trades that involve the trading of two or more different Contract Months and/or strike prices of the same Contract.
- (c) An order for a Block Trade for two or more Contract Months and/or strike prices of the same contract may be matched with Block Trade orders for individual Contract Months provided that each such order meets or exceeds the Minimum Volume Threshold for that Contract or combination.
- (d) Applicable requirements relating to Block Trades, and the Minimum Volume Thresholds that apply, shall be determined by the Exchange and published from time to time. A breach of any guidance,

policy or procedures published under this Rule F.7.2 relating to Block Trades by a Member or Person subject the Rules may constitute a breach of the Rules by such Member or Person.

### **Aggregation of lots**

F.7.3 In respect of Futures Contracts designated by the Exchange as Block Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume thresholds. Likewise Members may not, in respect of Futures Contracts, combine separate orders in respect of different contracts to generate an inter-contract spread trade unless each such separate order is for the same client or meets or exceeds the Minimum Volume Threshold for the relevant Contract.

Members may aggregate separate orders provided each such separate order meets or exceeds the Minimum Volume Threshold for the relevant Contract or are received from the same client. Members may also aggregate orders for funds which are operated by the same fund manager and traded by the same fund manager, pursuant to the same strategy.

In respect of Options Contracts designated as Block Trade Contracts, Members must not aggregate separate orders in order to meet the Minimum Volume Thresholds. However, where a Member receives a Block Trade order which meets or exceeds the relevant Minimum Volume Threshold, it may aggregate orders on the matching side only, in order to facilitate registration of the Block Trade.

F.7.4 Members shall ensure, when submitting details of a Block Trade for registration for clearing, and, in particular, when aggregating orders on the matching side to facilitate a Block Trade in accordance with the Rules, (and in particular with Rule F.7.3) that they act with due skill, care and diligence and that the interests of the client(s) are not prejudiced.

### **Price**

F.7.5 Members shall ensure, when submitting details of Block Trades for registration for clearing, that the price of any Block Trade being quoted represents the Fair Market Value for that trade. On each occasion of quoting a Block Trade price, the Member must, at the time, make it clear to the potential counterparty(ies), whether a Member or a client who is not a Member of the Exchange, that the price being quoted is a Block Trade price and not the prevailing Market price.

When determining a Block Trade price, a Member should, in particular, take into account the prevailing price and volume currently available in the Market, the liquidity of the Market and general market conditions, but shall not be obliged to obtain prices from other Members, unless this would be appropriate in the circumstances.

Prices of Block Trades will not be included in the determination or calculation of any Exchange settlement price.

### **Submission of details of Block Trades**

F.7.6 Members must submit the Block Trade details to the Exchange in accordance with the relevant Contingent Agreement to Trade and Trading Procedure 17.

F.7.7 A decision by the Exchange not to record or accept a Block Trade or not to present details of the Block Trade to the Clearing House is final.

## **F.8 POSITION TRANSFERS**

F.8.1 (a) Once a Contract arises under the Clearing House Rules, that Contract may not be transferred to another Member's name without the agreement of the Clearing House and unless in accordance with this Rule F.8. Members (and non-Member Sponsored Principals) may transfer positions in accordance with relevant Clearing House processes and the Clearing House Rules in the following instances:

- (i) transfers of open Contracts from one Member or non-Member Sponsored Principal to another Member made at the request of a client (including a non-Member Sponsored Principal) where no change in the underlying position at the client level is involved; or
- (ii) transfers of open Contracts from one account to another account on the books of the same Member made at the request of a client where no change in the underlying position at the client level is involved, including a transfer from the account of a non-Member Sponsored Principal on the books of a Member acting as its Sponsor, to another account on the books of the same Member acting in a capacity other than as Sponsor.

(b) Position transfers input in accordance with Rule F.8.1(a)(i) above may be submitted on any Trading Day for the Contract Month up until the close of the ICE Clearing Systems or expiry of the relevant

Contract Month on the last Trading Day of such Contract Month, subject to guidance from the Exchange.

Position transfers where Rule F.8.1(g)(i)-(iv) below applies may be submitted on any Trading Day for the Contract Month up to five Business Days before the expiry of the relevant Contract Month, subject to guidance from the Exchange. Requests for such transfers must be provided at least one Business Day prior to the transfer date.

- (c) Position transfers which have the effect of off-setting (closing-out) existing open positions are not permitted in the spot month of a Contract.
- (d) Position transfers in Futures Contracts and Options Contracts may be effected at:
  - (i) the prior day's settlement price; or
  - (ii) at the original market price.

subject to such approvals from the Clearing House as may be required.

- (e) Position transfers in all other Options Contracts may be effected at:
  - (i) either the original market premium; or
  - (ii) a premium of zero.

subject to such approvals from the Clearing House as may be required.

- (f) For all such position transfers, the Member receiving the positions must record the transferred Contracts on its books at either the original dates or the transfer date, in accordance with the price at which the positions were transferred.

- (g) Position transfers shall not be permitted if there is any change in the beneficial ownership of the Contracts involved except for the following, at the discretion of the Exchange and on submission of such details as requested by the Exchange:

- (i) position 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 fund manager, 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 a significant change in the value of the interest of any fund participant;
- (ii) such other position transfer 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;
- (iii) with the consent of the Member(s) and the approval of the Exchange, the transfer of existing positions between accounts or between Members when the situation so requires and such transfer is in the best interests of the Exchange or the Market; and
- (iv) for purposes of this Rule, a change in beneficial ownership shall not be deemed to have occurred with respect to:
  - (aa) position transfers between firms which are 100% owned by the same Person; and
  - (bb) position transfers between any Person and any entity owned 100% by such Person.

- (h) The Exchange may review position transfers at any time. When reviewing position transfers, the Exchange may seek further explanations or supporting documentation from Members in order to confirm its understanding of the nature of the transaction. Processing of a position transfer will not preclude the Exchange from instigating disciplinary proceedings in the event that it transpires that the position transfer may have been in contravention of applicable Rules.

- (i) If a Member who is a Clearing Member or non-Member Sponsored Principal is in default with regard to the Clearing House, the Clearing House shall have discretion to transfer any or all of the rights, liabilities and obligations of the Defaulter in respect of any Contract to another Clearing Member without reference to the Exchange.

**F.9 [NOT USED.]****F.10 TRANSACTION REPORTING**

- F.10.1 Each Member and non-Member Sponsored Principal acknowledges and agrees that the Exchange shall be authorised to submit the terms of a Contract (and any related Corresponding Contract) to any repository as a delegate for the Clearing House, Clearing Member, Sponsored Principal and any relevant client, as applicable, save where the relevant Clearing Member notifies the Clearing House or the Exchange in writing that it does not require the Exchange to act as such (whether generally or in respect of particular clients, Sponsored Principals or kinds of Contract).
- F.10.2 Each Member and non-Member Sponsored Principal, and the Exchange, acknowledges and agrees that the details and terms of any Contract (and any related Corresponding Contract), and any trade in such Contract or Corresponding Contract, may be reported or disclosed to any Data Provider, Governmental Authority or the public, where such reporting or disclosure is required under Applicable Laws.
- F.10.3 Members shall comply with all obligations under Applicable Laws to report or disclose the details of trades in Contracts or Corresponding Contracts to a Governmental Authority, Data Provider or the public. Members to which such obligations apply shall make such report or disclosure within the time limits (if any) prescribed by the relevant obligation.

**F.11 INDIRECT CLEARING****Provision of indirect clearing services by Clients**

- F.11.1 In this Rule F.11, "Client" means a Member or other Person with a contractual relationship with a Clearing Member which enables that Member or other Person to clear its transactions with the Clearing House.
- F.11.2 A Member that is a Client may only provide indirect clearing services to Indirect Clients provided that all the following conditions are fulfilled:
- (a) the Client provides indirect clearing services on reasonable commercial terms and publicly discloses the general terms and conditions under which it provides those services; and
  - (b) the Clearing Member has agreed to the general terms and conditions referred to in paragraph (a).

**F.11.2A Any Member providing indirect clearing services must disclose in advance to its clients:**

- (a) that indirect clearing is intrinsically more risky than direct clearing because the end-customer is potentially exposed to the insolvency or failure of two or more different intermediaries and collateral needs to pass via two or more entities prior to reaching the Clearing House, which can add to costs, delays in receiving or transferring assets, transit risks and insolvency risks; and
- (b) that the Clearing House will not provide any protections or porting to the indirect client upon the default or insolvency of a client intermediary or Clearing Member.

**Obligations of Indirect Clearing Providers**

- F.11.3 An Indirect Clearing Provider shall offer its Indirect Clients a choice between at least the following types of accounts:
- (a) an omnibus account with the assets and positions held by that Indirect Clearing Provider for the account of its Indirect Clients;
  - (b) an omnibus account with the assets and positions held by that Indirect Clearing Provider for the account of its Indirect Clients, in which the Clearing Member shall ensure that the positions of an Indirect Client do not offset the positions of another Indirect Client and that the assets of an Indirect Client cannot be used to cover the positions of another Indirect Client.
- F.11.4 An Indirect Clearing Provider shall ensure that its Indirect Clients are fully informed about the different levels of segregation and the risks associated with each type of account it offers to its Indirect Clients pursuant to Rule F.11.3.
- F.11.5 An Indirect Clearing Provider shall assign one of the types of accounts referred to in Rule F.11.3 to its Indirect Clients that have not chosen one within a reasonable period of time established by the Indirect Clearing Provider, and inform the Indirect Client about the risks associated with the type of account assigned without undue delay. The Indirect Client may choose a different type of account at any time by requesting so in writing to the Indirect Clearing Provider.
- F.11.6 An Indirect Clearing Provider shall keep separate records and accounts that enable it to distinguish between its own assets and positions and those held for the account of its Indirect Clients.

- F.11.7 Where the assets and positions of several Indirect Clients are held by the Indirect Clearing Provider's Clearing Member in an account as referred to in Rule F.11.3(b), the Indirect Clearing Provider shall provide the Clearing Member with all the necessary information on a daily basis to allow the Clearing Member to identify the positions held for the account of each Indirect Client.
- F.11.8 An Indirect Clearing Provider shall, in accordance with the choice of its Indirect Clients, request its Clearing Member to open and maintain in the Clearing House the accounts referred to in Rule F.11.3.
- F.11.9 An Indirect Clearing Provider shall provide its Indirect Clients with sufficient information to allow those Indirect Clients to identify the Clearing House and the Clearing Member used to clear their positions.
- F.11.10 An Indirect Clearing Provider shall provide the Clearing Member with sufficient information to identify, monitor and manage any material risks arising from the provision of indirect clearing services that could affect the resilience of the Clearing Member.
- F.11.11 An Indirect Clearing Provider shall have arrangements in place to ensure that, when it defaults, all information it holds in respect of its Indirect Clients is made immediately available to the Clearing Member, including the identity of the Indirect Clients referred to in Rule F.11.7.
- F.11.12 Notwithstanding Rules F.11.3 to F.11.11 above, a Member wishing to offer indirect clearing that is prevented or prohibited under Applicable Laws or Clearing House Rules itself from complying with any of the requirements set out in Rules F.11.3 to F.11.11 must, to the extent possible and practicable under Applicable Laws and Clearing House Rules, procure the offer of the provision of such accounts, information, record keeping, default arrangements or other services to its Indirect Clients by a third party (which may or may not be affiliated with the Member), prior to making available such indirect clearing services as are capable of being provided by it in accordance with Applicable Laws and Clearing House Rules.

**SECTION G – TRADING**

G.1	Generally
G.2	Exchange Policies and Procedures
G.2A	Contracts Traded by Members on the ICE Platform
G.2B	Suspension of a Member
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G.19	[Not used.]
G.20	Disorderly Trading
G.21	Exchange Markers ("Markers")



**G.1 GENERALLY**

Contracts shall be executed on the Market in accordance with this Section G and such procedures as are for the time being prescribed under Rule G.2.

The Exchange shall from time to time determine those Products that shall be traded.

**G.2 EXCHANGE POLICES AND PROCEDURES**

G.2.1 The Exchange may from time to time by Circular or other written notice to Members and Persons Subject to the Rules, prescribe policies, guidance documents and procedures governing trading on the ICE Platform, the registration of EFPs, EFSs, Block Trades, Basis Trades, EFRPs, Asset Allocations and Cross Trades on the Market, and other aspects of business conducted on the Market.

G.2.2 A breach of any policy, guidance document or any procedures prescribed under this Rule G.2 by a Person Subject to the Rules will constitute a breach of the Rules by such Person.

**G.2A CONTRACTS TRADED BY MEMBERS ON THE ICE PLATFORM**

An order executed, matched or registered on the ICE Platform by, for or following any submission by or on behalf of a Member shall give rise to Contract(s) in accordance with Rule F.1 and Clearing House Rules.

**G.2B SUSPENSION OF A MEMBER**

Notwithstanding any other provision of the Rules, the Exchange may suspend, restrict or prevent trading, registration or execution of Contracts by a particular Member where such suspension, restriction or prevention is required under Applicable Laws or by a Governmental Authority of competent jurisdiction.

**G.3 VALIDITY OF CONTRACTS**

G.3.1 To be a valid Contract made on the Market, the Contract must have been entered into in accordance with the Rules and must further give rise to a Contract under Clearing House Rules that is not void or voided and must be:

- (a) executed or registered on the ICE Platform only by a registered Responsible Individual using his [or her](#) appropriate ITM; and
- (b) executed or registered in accordance with either Rule G.5 or Rule G.6A; or
- (c) expressly authorised by the Exchange in its discretion pursuant to Trading Procedure 8.5; or
- (d) expressly authorised by the Exchange in its discretion.

G.3.2 Once a bid or offer made on the Market has been accepted in whole or in part, there is no right of withdrawal by the Exchange or a Member, subject to each of:

- (a) Rule G.15;
- (b) any power exercisable by the Exchange pursuant to Section D;
- (c) any power exercisable by the Clearing House treating a Contract as void or voided; and
- (d) Section D or the default rules set out in the Clearing House Rules.

G.3.3 Acceptance of a bid or offer gives rise to a Contract between the two parties in accordance with the Clearing House Rules and as further described in Rule F.1, subject to each of:

- (a) Rule G.15;
- (b) any power exercisable by the Exchange; and
- (c) the Clearing House treating a Contract as void.

**G.4 PRIOR ARRANGEMENT PROHIBITED**

It shall be an offence for a Member or Member's Representatives to pre-arrange a Contract made or intended to be made on the Market, except a Contract registered or to be registered under Rule F.5 or Rule F.7. It shall also be an offence for a Member or Member's Representative to engage in pre-execution communications, except in accordance with the following procedures:

- (a) for the purposes of this Rule, pre-execution communications shall mean communications for the purpose of discerning interest in the execution of a transaction in a Product prior to the terms of an order being submitted to the ICE Platform; and

- (b) a Member or Member's Representative may engage in pre-execution communications subject to it complying with the following conditions:
  - (i) if a customer order is involved, the customer has previously consented to such communications being made on its behalf;
  - (ii) the details of such communications shall not be disclosed to any Person who is not a party to the communications;
  - (iii) no order shall be entered, and no trade shall be executed, to take advantage of information conveyed during such communications, except in accordance with this Rule; and
  - (iv) each order that results from pre-execution communications shall be registered or executed in accordance with Rule G.6A.

### Trading Practices

#### G.5 ORDERS GIVEN ON A NOT HELD BASIS

A Member given an order to work on a not held basis has discretion to work the order in the best interests of the client. The exact terms of this discretion are not prescribed by the Exchange but will be agreed between each Member and its individual clients.

A Member may only work an order on a not held basis when it has specific instructions to do so. Any arrangements to work all of a particular client's orders on a not held basis should be supported by prior agreement. However, irrespective of whether an order is being worked on a not held basis, Members are required to immediately execute the order on the ICE Platform should the order become capable of execution. It shall be an offence to withhold an order which is capable of immediate and full execution for the purpose of soliciting matching business.

#### G.6 [NOT USED.]

#### G.6A MATCHING ORDERS

G.6A.1 Without prejudice to the obligations of a Member under Applicable Laws, a "**Cross Trade**" is defined either as a single Responsible Individual simultaneously executing matching buy and sell orders for different beneficial account owners, or by separate Responsible Individuals registered with the same Member trading together for different beneficial account owners.

G.6A.2 Pursuant to Rule G.4, any matching orders arising from pre-execution communications or pre-arrangement must be entered to the ICE Platform either:

- (a) by submission to the ICE Platform as a Cross Trade in accordance with this Rule G.6A; or
- (b) by submission as a Block Trade or EFRPs, EFP/EFS transaction, Basis Trade, EFRP or Asset Allocation, where the transaction has been registered in accordance with applicable Rules and procedures.

G.6A.2A Matching orders may be submitted to the ICE Platform as Cross Trades through the following methods:

- (a) the "**Order Book Method**" – a method by which matching business is entered into the order book as two separate orders; and
- (b) the "**Crossing Order Method**" – a method by which matching business is entered into the order book as a single order containing a matching bid and offer.

The Exchange shall designate which methods may be used for each Product or group of Products by Circular.

G.6A.3 Subject to the provisions of this Rule G.6A, once a Member or a Member's Representative has procured matching business through pre-execution communications, the process for the submission of matching orders must be initiated without delay, using the designated method for the Product concerned.

G.6A.4 In relation to matching orders which are submitted to the ICE Platform using the Order Book Method, where no bid and/or offer exists in the Market for the relevant Product, and where Members have matching orders, one side of the order shall be submitted to the ICE Platform without delay (the "**first submission**") and the matching order may only be submitted to the ICE Platform when a period of at least five seconds has elapsed since the first submission. If the matching order is to be submitted, the applicable buy or sell order must be submitted as soon as practicable and in any event no later than thirty seconds after the first order was submitted. Where a Member wishes to match a client order with an order where that Member is acting in a proprietary capacity, it shall enter the client order first and also comply with the requirements under Applicable Laws in trading against its client. Where matching orders are both client orders, the Member

shall determine which client order to enter first in accordance with Applicable Laws. Such orders may be filled by existing orders.

- G.6A.5 A bid and/or offer must not be submitted to the ICE Platform deliberately to circumvent the procedures set out in Rule G.6A.4.
- G.6A.6 [Not used.]
- G.6A.7 [Not used.]
- G.6A.8 [Not used.]
- G.6A.9 Where matching orders are to be submitted to the ICE Platform using the Order Book Method, the price of the trade must be representative and must be:
- (a)
    - (i) within the prevailing best bid and offer price on the ICE Platform; or
    - (ii) at the best bid or offer where the differential between such best bid and offer is the minimum price movement for the Product concerned (such trade must also meet any applicable Minimum Volume Thresholds which the Exchange may set by Circular from time to time); or
  - (b) where a bid but no offer, or an offer but no bid, exists on the ICE Platform, better than such bid or offer as the case may be; and
  - (c) in any event, at a price which represents a fair value for the trade.
- G.6A.9A In relation to matching orders which are submitted to the ICE Platform using the Crossing Order Method, such orders must be submitted without delay once the terms of the Crossing Order have been agreed. Crossing Orders must contain the quantity and price at which execution is sought and the submitting Member or Member's Representative must not enter an RFQ until the Crossing Order has been activated. Upon receipt by the ICE Platform, the Crossing Order will be time-stamped and will automatically initiate an RFQ, which will be exposed to the market for a prescribed time period before the ICE Platform central processing system seeks to execute the Crossing Order. The prescribed time period shall be five seconds, or such other period as the Exchange may specify by Circular. Immediately following such period, the Crossing Order will be activated, at which point it will be evaluated against other orders in the order book. Matching of orders shall occur through application of the trade matching algorithm for the Product concerned, subject to the overriding condition that the price of a resultant trade must represent a fair value for such trade.
- G.6A.10 A Member or a Responsible Individual may deliberately seek to effect a trade involving two wholly or partially matching orders provided the requirements in these Rules are met.
- G.6A.11 Members and Responsible Individuals must ensure that, when executing client business by way of a Cross Trade, they comply fully with relevant Exchange Rules and Applicable Laws and, in particular:
- (i) they act with due skill, care and diligence and in compliance with any applicable best execution requirements, applicable client order handling rules and the Member's allocation policy;
  - (ii) the interests of the client or clients, as the case may be, are not prejudiced;
  - (iii) they are in compliance with the terms and conditions applicable between the relevant Member and client; and
  - (iv) they are in compliance with Rule C.6.
- G.6A.12 The Exchange shall monitor trades made or executed by the Member resulting from the simultaneous entry of bid and offer orders which are not filled by existing orders.

## **G.7 PRIORITY OF ORDERS**

- G.7.1 A Member undertaking Own Business or business on account of any of its Member's Representatives or other Persons associated or connected to such Persons, as well as on account of other clients, shall always give priority to the orders of such other clients. However, this Rule does not require Members with house or other proprietary orders already entered in the ICE Platform when a client order is received at the same price, to give precedence to that client order.
- G.7.2 The orders of clients must be dealt with fairly and, subject to paragraph (a) above, in their due turn.

## **G.8 DISCLOSURE, WITHDRAWAL AND WITHHOLDING OF ORDERS**

- G.8.1 A Person Subject to the Rules must neither withdraw nor withhold a client's order in whole or in part for [his](#) own benefit or the benefit of any other Person. Nor shall a Person Subject to the Rules procure another Person Subject to the Rules to act in contravention of this Rule G.8.1.

- G.8.2 All client orders must be shown in whole or in part to the Market immediately upon receipt subject to Rule G.8.5 below.
- G.8.3 A Member or Person Subject to the Rules must not disclose any order to another client or to any other Person, unless so requested by the Exchange or other Regulatory Authority or organisation, without first showing the order to the Market in accordance with Rule G.8.2 above.
- G.8.4 [Not used.]
- G.8.5 In the case of orders to be shown on the ICE Platform:
- (a) All orders must be entered into the ICE Platform in full (but not necessarily shown in full) upon receipt by the Member and designated as active unless:
    - (i) the order gives the Member discretion as to the time when the order is to be displayed on the ICE Platform, in which case such order must be entered immediately into the ICE Platform in full but can be designated as inactive until the Member exercises its discretion as to when the order must immediately be shown on the ICE Platform by being designated active;
    - (ii) the Member has discretion to vary the price of the order, in which case such order must be entered immediately in full and designated active for the base price; when the Member exercises its discretion in relation to the change, the order must be amended immediately;
    - (iii) the order is subject to a condition which requires the Member to withhold the order in line with the client's requirements, in which case the order must be entered immediately in full but can be designated inactive until the condition is met when it must immediately be shown on the ICE Platform by being made active;
    - (iv) the client has given the Member instructions to work an order on a not held basis.
  - (b) Any order designated active in the ICE Platform must be entered to show at least the minimum quantity as determined by the Exchange from time to time.
  - (c) A Member may only disclose any order to other clients once all or part of the order has been displayed on the ICE Platform in accordance with Rule G.8.2 unless the order is being worked on a not held basis.

## **G.9 ABUSE OF ORDERS**

- G.9.1 A Member must not take advantage of a client's order for its own benefit, the benefit of another Member or the benefit of any Member's Representative, whether by trading ahead of the client's order or otherwise.
- G.9.2 A Member shall not be taken as having taken advantage of a client's order merely because it executes a Cross Trade in accordance with the provisions of this Section G.

### **Traders**

## **G.10 QUALIFICATION TO TRADE ON THE MARKET**

- G.10.1 A person wishing to register as a Responsible Individual with the Exchange for the purpose of conducting Exchange business on the ICE Platform must be a person employed by or representing a Member who has permission to access the ICE Platform pursuant to Rule B.6.
- G.10.2 Before the Exchange will register a person as a Responsible Individual, a person intending to be a Responsible Individual must attend and complete such training course in the use of the ICE Platform, and pass such written or practical examination or assessment as is for the time being prescribed under this Rule by the Exchange.
- G.10.3 A Member must first obtain approval for or register the person intending to be a Responsible Individual with the relevant Regulatory Authority as is required by Applicable Laws if that person is to submit or arrange Block Trades, EFPs, EFSSs, Basis Trades, Asset Allocations or EFRPs, as applicable, or enter into Contingent Agreements to Trade.

## **G.11 LIMITATION ON MEMBERS' TRADING STAFF**

A General Participant or Trade Participant may register any number of Responsible Individuals for the purpose of trading on the ICE Platform without limitation on the number of Responsible Individuals who may have access to the ICE Platform at any one time, subject to the requirements of Rule B.11 and the Rules generally.

**G.12 [NOT USED.]****G.13 PRICE LIMITS**

G.13.1 [Not used.]

G.13.2 For a Product trading on the ICE Platform:

- (a) the Exchange may implement procedures to establish the maximum price fluctuations on the Market in respect of each Product, and to provide for any consequential restriction or suspension of business; and
- (b) the absence of such procedures shall not prevent the exercise of any other power under the Rules to curtail or suspend trading on the Market.

**G.14 EMERGENCY CLOSURES AND POWER TO RESTRICT, SUSPEND OR CEASE TRADING**

G.14.1 Trading on the Market may be temporarily suspended by the Exchange in a Force Majeure Event, including the event of a fire alert, bomb scare or other alarm or in such other event which in the opinion of the Exchange makes suspension of trading necessary in the interests of the Exchange, or its Members, or is needed in order to maintain a fair and orderly market. Trading will be resumed as soon as reasonably practicable following any such interruption.

G.14.2 The Exchange may declare that trading on the ICE Platform has been suspended and will remain so until all the consequences of such an event have been remedied to their satisfaction. If, as a result of action under Rule G.13.2(a) above trading in respect of any Product may not be resumed before the end of the trading session, or at a time which, in the opinion of the Exchange, would leave sufficient time before the end of the trading session as would allow the determination of a representative settlement price, the Exchange will either:

- (a) declare the trading session suspended and determine the settlement prices; or
- (b) declare that trading continue pursuant to alternative trading arrangements, as appropriate; notification of alternative trading arrangements will be made by way of Circular, notice or such other means of communication as the Exchange sees fit.

G.14.3 The Exchange may remove one or more Contracts from admission to trading in the event that trading in such Contracts is restricted, suspended or has ceased, where such measure is necessary in the interest of the Exchange or its Members or to maintain a fair and orderly market.

G.14.4 The Exchange will suspend or remove one or more Contracts from admission to trading, or restrict, suspend or cease trading on the Market in one or more Contracts, if:

- (a) such action is required under Applicable Laws; or
- (b) the Exchange is instructed to take such action by a Governmental Authority.

G.14.5 Notwithstanding any other provision of the Rules, the Exchange shall not exercise its powers to suspend or remove from trading any Contract which no longer complies with its Rules where such step would be likely to cause significant damage to the interests of investors or the orderly functioning of the financial markets.

**G.15 TRADING DISPUTES**

G.15.1 If the price of a Matched Transaction or Contract (for the purposes of this Rule G.15, the "**trade**") made, or alleged to be made, on the ICE Platform is the subject of a dispute on the day of trade, then the market participant (who need not be a Member or party to such trade) who disputes the price of such trade shall notify the Exchange within such period of time as the Exchange may specify.

Once notified, the Exchange may, in its discretion, apply or vary procedures pursuant to Trading Procedure 11 to determine whether the price of such trade is unrepresentative.

G.15.2 The Exchange may investigate any trade which has been cancelled or where the price of such trade is adjusted due to the determination of the Exchange that it was executed at an unrepresentative price.

G.15.3 If a trade made, or alleged to be made on the ICE Platform, is disputed on the day of trade on the basis that it may have been made in breach of the Rules, then the market participant (who need not be a Member or party to such trade) who disputes the validity of the trade shall notify the Exchange within such period of time as the Exchange may specify.

Once notified, the Exchange may, in its discretion, make such enquiries in accordance with Rule C.12 to determine the validity of the trade.

**G.16 ORDER RECEIPT AND ORDER ENTRY RECORDS**

- G.16.1 Where client orders are not submitted to the ICE Platform immediately, at any Member location, into an order routing system or Front End Application, all such orders must be recorded immediately when they reach the Member either on an order slip and time-stamped on a time-stamping machine unique to each Member or entered into an electronic order system which must record the time of such entry.
- G.16.2 Additionally in the case of an order for a Block Trade, EFS, EFP, Basis Trade or EFRP and Contingent Agreements to Trade, the time that the verbal agreement of the terms of the relevant transaction is reached off-exchange (the cleared part of which being subject to a Contingent Agreement to Trade) and the Person reaching such agreement on behalf of the Member must also be recorded in such a manner immediately upon such agreement.
- All Members are required to have a time-stamping machine or electronic order recorder, or have access to an order routing system or a Front End Application at all locations where orders are received.
- G.16.3 If an order is to be transmitted to another location or locations before being shown to the Market, a further order slip must be completed and time-stamped or a further electronic record made for each location.
- G.16.4 In the case where orders are submitted through an order routing system or a Front End Application, Members must ensure that there is an adequate audit trail of submission of orders to the Trading Server and that their systems arrangements meet the Exchange requirements for orders and that their Front End Applications meet the Exchange's Front End Application Conformance Criteria.
- G.16.5 Members must ensure that all trade and transaction records include such information required by the Exchange which, at a minimum, must include all information under Trading Procedure 3.1.2 and be in accordance with Rule F.3.
- G.16.6 The Exchange may from time to time prescribe additional information that may be required to be recorded on order and trade records. Members must ensure that all such required information is recorded and provided in accordance with the relevant provisions in the Rules.

**G.17 OPEN INTEREST**

- G.17.1 A Member's open interest in any Future or series of an Option is the number of Lots, long or short, which the Member holds either for its Own Business or on behalf of clients which will either be:
- offset by trading out in the Market;
  - in the case of Options, exercised, abandoned or held to expiry;
  - in the case of Futures, offset or added to by the exercise of a relevant Option; or
  - taken to delivery or cash settlement.
- G.17.2 The open interest figures published daily by the Exchange are calculated on the basis of the number of Contracts held by Members which remain open.
- G.17.3 Members' positions are maintained in sub-accounts as set out in the Clearing House Rules.
- G.17.4
- Open interest at the close of business on a Trading Day for each sub-account will be calculated using the method set out above after a cut-off time on the subsequent Trading Day, and will include any settlements and position adjustments carried out before the cut-off time. The cut-off time will be notified by the Exchange to Members from time to time.
  - In respect of certain Products notified to Members by the Exchange from time to time, the Exchange will calculate an indicative "open interest" figure on the last Trading Day of each Contract Month in respect of the expiring Contract Month. Such indicative open interest figure will be calculated on the basis of the number of contracts held by Members at the close of business on the last Trading Day in such Contract Month.
  - In respect of such Products notified to Members under Rule G.17.4(b) Members will be permitted to perform settlements and position adjustments in respect of positions in the expiring Contract Month after the cessation of trading in such Contract Month up to the last Trading Day cut-off time, which will be as notified by the Exchange to Members from time to time. Members must ensure that positions in the expiring Contract Month which should not be maintained gross in accordance with Rule G.17.5 are settled on the last Trading Day of the expiring Contract Month prior to the last Trading Day cut-off time.

G.17.5 In cases where clients, including certain in-house departments, hold both long and short positions, Members will need to determine, in accordance with Applicable Law or otherwise, whether these should be maintained gross or whether, or to what extent, they should be netted or otherwise closed out.

G.17.6 Once positions have been netted or otherwise closed out, they may not subsequently be re-opened by Members themselves other than by trading in the Market, except that Members wishing to re-open positions in order to effect deliveries on behalf of clients or otherwise may apply to the Exchange for permission to do so.

**G.18 [NOT USED.]**

**G.19 [NOT USED.]**

**G.20 DISORDERLY TRADING**

It shall be an offence for a Responsible Individual or Member to engage in disorderly trading whether by high or low ticking, aggressive bidding or offering, or otherwise.

**G.21 EXCHANGE MARKERS ("MARKERS")**

G.21.1 The Exchange shall determine from time to time those Products and Contract Months which may be published as tradable and/or non-tradable Markers.

G.21.2 Members may execute trades in the tradable Markers daily during the Trading Hours as determined by the Exchange from time to time.

G.21.3 Bids and offers in Markers are displayed in the ICE Platform with a price of zero representing the relevant Marker price. For those Products and Contract Months where it is permitted to trade at a premium or discount to the Marker price, the price of such Markers will be prefixed by a plus or minus sign as appropriate. For example, trades in a Marker at +1 cent will be at a premium of 1 cent to the Marker price for that specific Marker while those executed at -1 cent will be at a discount of 1 cent to the Marker price.

G.21.4 Markers will appear in the ICE Platform with the previous Trading Day's Marker price as representing the relevant Marker price for that Trading Day. This price will be replaced with the Marker price as determined by Exchange staff in accordance with Trading Procedures 2.4.12 to 2.4.19, and published daily.

G.21.5 The Exchange may, in its discretion, vary the means of calculation of the Marker prices or exclude trades from the calculation of the Marker price if the Exchange feels it is in the best interests of the Exchange to do so.

**SECTION H – ARBITRATION**

- H.1 Scope and Definitions
- H.2 Arbitration of Disputes between Members and the Exchange



## H.1 SCOPE AND DEFINITIONS

H.1.1 This Section H is subject to Rule I.8.

H.1.2 For purposes of this Section H, the following terms shall have the meanings set out opposite each:

TERM	DEFINITION
"Dispute"	means any dispute, difference, controversy or claim (of any and every kind or type, whether based on contract, tort, statute, regulation, or otherwise) arising out of, in relation to, or in connection with the Rules or any Contract, including any dispute as to the existence, construction, validity, interpretation, enforceability, termination or breach of the Rules or any Contract;
"ICC"	means the International Chamber of Commerce;
"ICC Rules"	means the Rules of Arbitration of the International Chamber of Commerce;
"Permitted Cover"	has the meaning given to the term in the Clearing House Rules; and
"Tribunal"	means an arbitral tribunal established under Rule H.2.

## H.2 ARBITRATION OF DISPUTES BETWEEN MEMBERS AND THE EXCHANGE

H.2.1 Any Dispute between the Exchange and a Member may be referred to and finally resolved by arbitration under the ICC Rules, which ICC Rules are deemed to be incorporated into this Section H. In the event of a conflict between any provision of the ICC Rules and this Section H, this Section H shall prevail but only to the extent of the inconsistency.

H.2.2 The seat of arbitration will be in the Abu Dhabi Global Market and the language of the arbitration proceedings shall be English.

H.2.3 The Tribunal will comprise three arbitrators appointed by the ICC. The ICC shall nominate one of the arbitrators to act as the [chairman](#) of the Tribunal. The members of the Tribunal will be persons considered by the ICC in its discretion to have experience with respect to the subject matter of the Dispute. Tribunal members shall not be current or former employees or directors of any Member that is a party to the arbitration, current or former employees of the Exchange or Clearing House or any person or persons with a material interest or conflict of interest in the outcome of the Dispute.

H.2.4 The Tribunal shall have the power on the application of any party to an existing arbitration, to require one or more Members to be joined to an existing arbitration. Each Member agrees that it may be joined as an additional party to an arbitration involving the Exchange and another Member.

H.2.5 If more than one arbitration is begun under these Rules and the Exchange or a Member that is a party to an arbitration so concerned serves notice upon the Tribunals concerned that it believes two or more arbitrations are substantially related and that the issues should be heard in one set of proceedings, the Tribunal appointed in the first-filed of such proceedings shall have the power to determine whether, in the interests of justice and efficiency, the proceedings should be consolidated and heard together before that Tribunal.

H.2.6 In the case of such joinder or consolidation, the Tribunal shall make a single, final award determining all Disputes between the relevant parties in those proceedings. Each Member and the Exchange irrevocably waives any right to challenge any award or order of any Tribunal by reason of the fact that it arises from a joined or consolidated arbitration. In addition to the waiver of challenge on the basis of joinder set out in the Membership Agreement, each Member and the Exchange hereby irrevocably waives any right to challenge any award or order of any tribunal appointed under the Membership Agreement by reason of the fact that it arises from a consolidated arbitration.

H.2.7 The award of the arbitral Tribunal will be final and binding on the Exchange and any Member from the day it is made. Judgment upon the award may be entered or the award enforced through any other procedure in any court of competent jurisdiction and the Exchange and each Member hereby submits to the jurisdiction of any such court of competent jurisdiction for the purposes of enforcement of the award.

H.2.8 The provisions of this Section H may not be varied by any Member save where each Member that is a party to the Dispute or arbitration proceedings and the Exchange so agree in express written terms.

- H.2.9 Nothing herein shall prevent the Exchange or any Member from seeking urgent interim, provisional or conservatory relief from a court of competent jurisdiction in connection with a Dispute. Any application for such relief from a court of competent jurisdiction shall not be deemed to be an infringement or a waiver of the arbitration agreement in this Rule H.2.
- H.2.10 The commencement of any arbitral proceedings shall be without prejudice to and shall not limit in any way the right of the Exchange to instigate any procedure under Section D, Rules C.9, E.2, E.4, I.15, I.18, I.19 or the Complaint Resolution Procedures, including without limitation in relation to any Event of Default, any investigation, delivery dispute, disciplinary proceedings or the imposition of a sanction.
- H.2.11 Each Member that now or hereafter has a right to claim sovereign immunity from suit or sovereign immunity from enforcement for itself or any of its assets shall be deemed to have irrevocably waived any such immunity to the fullest extent permitted by Applicable Laws. Such waiver shall apply in respect of any immunity from:
- (a) any proceedings commenced pursuant to this Section H;
  - (b) any judicial, administrative or other proceedings to aid an arbitration commenced pursuant to this Section H; and
  - (c) any effort to confirm, enforce, or execute any decision, settlement, award, judgment, service of process, execution order or attachment (including pre judgment attachment) that results from any judicial or administrative proceedings commenced pursuant to this Section H.
- H.2.12 The rights and obligations of a Member under the Rules and in relation to any Contract are of a commercial and not a governmental nature.
- H.2.13 No Member shall raise or in any way whatsoever assert a defence of sovereign immunity in relation to any claim or enforcement proceedings arising from a Dispute under these Rules.
- H.2.14 All Permitted Cover standing to the credit of a Member which is a Clearing Member (or the Clearing Member used by the Member) who is party to one or more Contracts subject to a Dispute or difference to which this Section H applies, whether or not such Permitted Cover is held with respect to a disputed Contract, may be retained by the Clearing House until the Dispute in question is finally disposed of.

**SECTION I – GENERAL PROVISIONS ON CONTRACTS**

I.1	Procedures
I.2	[Not used.]
I.3	Contract Months or Contract Dates
I.3A	Delivery and Settlement Obligations
I.4	General
I.5	War or Government Intervention
I.6	New Legislation
I.7	Invoicing Back and Cash Settlement
I.8	Governing Law and Jurisdiction
I.9	Contract Security
I.10	Exchange Monitoring
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I.12	Settlement to Market
I.13	Application of Rules
I.14	Further Amendment of Contract Terms and Contract Procedures
I.14A	Regulatory Functions
I.15	Trade Emergency Panel
I.16	Definitions and Interpretation
I.17	Non-Performance of Delivery Obligations
I.18	Delivery Disputes
I.19	Appeals Procedure
I.20	[Not used.]
I.21	Environmental Compliance and Liability
I.22	[Not used.]
I.23	Currency Events and Economic & Monetary Union or Separation
I.24	"Buyer" and "Seller" in the Contract Terms and Contract Procedures
I.25	Risk Disclosures
I.26	PRIIPs Restrictions

## I.1 PROCEDURES

All Contracts shall be subject to such Contract Procedures as may from time to time be adopted by the Exchange, provided always that, if any conflict between the Contract Procedures and the Contract Terms shall arise, the provisions of the Contract Terms shall prevail and provided further that no Contract Procedure shall be adopted other than for the regulation of administrative matters affecting Contracts (which shall include, without limitation, all such matters as are regulated by the Contract Procedures first adopted with this Rule). The Exchange may at its discretion at any time revoke, alter or add to the Contract Procedures and any such amendment shall be circulated to the Members and shall have such effect on existing as well as new Contracts as the Exchange may direct.

## I.2 [NOT USED.]

## I.3 CONTRACT MONTHS OR CONTRACT DATES

Trading shall be permitted in respect of such spot and forward months ("**Contract Months**") or spot and forward dates ("**Contract Dates**") in a particular Product as the Exchange shall determine from time to time, including such groups of ~~econtract-months~~[Contract Months](#) and groups of ~~econtracts-dates~~[Contract Dates](#) as determined by the Exchange from time to time.

## I.3A DELIVERY AND SETTLEMENT OBLIGATIONS

The Exchange may perform or provide delivery or settlement management functions in respect of any Contract that becomes subject to delivery or settlement obligations, including to the extent required for the Exchange to comply with its obligations under Applicable Law in respect of effective settlement arrangements. For such purposes, the Exchange may take any action permitted under these Rules or the Clearing House Rules in respect of the delivery or settlement under any Contract and the Exchange may further act as agent or service provider to the Clearing House in the exercise of any right or power of the Clearing House under the Clearing House Rules in respect of the delivery or settlement under any Contract.

## I.4 GENERAL

### I.4.1 [Not used.]

### I.4.2

In the Contract Terms and Contract Procedures, references to the Exchange in the context of delivery rights and obligations shall be read as reference to the Clearing House where the context so dictates, including, without limitation, where there is reference to situations where the Clearing House becomes counterparty to delivery rights and obligations pursuant to the Clearing Membership Agreements or the Clearing House Rules (be this due to a Clearing Member being declared a defaulter, or following the expiry of an open contract on the market or otherwise). For the avoidance of doubt, the Contract Terms and Contract Procedures are not intended to vary the terms of any Clearing Membership Agreement and, in the event of any conflict between the terms of such documents/agreements, the terms of the Clearing Membership Agreement shall prevail over the Contract Terms and Contract Procedures.

## I.5 WAR OR GOVERNMENT INTERVENTION

### I.5.1

If the Exchange, after consultation and/or agreement with the Clearing House, determines in its discretion that one of the following conditions is satisfied:

- (a) a state of war exists or is imminent or threatened and is likely to affect the normal course of business;
- (b) a Governmental Authority has proclaimed or given notice of its intention to exercise controls which appear likely to affect the normal course of business; or
- (c) the Cooperation Council for the Arab States of the Gulf, the United Arab Emirates, European Union, United States of America, United Kingdom or a similar supranational or multinational institution has introduced, varied, terminated or allowed to lapse any provision, so as to be likely to affect the normal course of business, or has given notice of its intention to do so,

then Contracts for such Contract Months or Contract Dates as the Exchange shall specify shall, upon the Exchange's formal announcement that such condition is satisfied, be invoiced back at the official quotation in respect of each such Contract Month or Contract Date fixed by the Clearing House for the date of the announcement or for such one of the six Business Days (not counting any day on which there was no official quotation) immediately preceding the date of the announcement as the Exchange shall in its discretion specify in the announcement.

- I.5.2 In respect thereof, accounts shall be made up by the Clearing House on that basis for each Member contracting with it. Settlement of such accounts shall be due immediately and shall be treated as complete and final notwithstanding any further change of circumstances.
- I.5.3 In the case of a Contract Month or Contract Date for which there is no official quotation, Contracts shall, for the purpose of this Rule I.5, be invoiced back at the market value as determined by the Exchange in consultation and agreement with the Clearing House.
- I.5.4 Any announcement by the Exchange under this Rule I.5 shall be made by Circular.
- I.5.5 The decision of the Exchange under this Rule as to the price at which Contracts are invoiced back shall be binding on both parties and no dispute as to such price may be referred to arbitration, but the completion of invoicing back shall be without prejudice to the right of either party to refer disputes arising out of a Contract to arbitration under the Clearing House Rules.

## I.6 NEW LEGISLATION

- I.6.1 If the Exchange, after consultation with the Clearing House, in its discretion determines that a change of legislative or regulatory provisions of United Arab Emirates, the Emirate of Abu Dhabi, the Abu Dhabi Global Market, the European Union, the United Kingdom, the United States of America, any other country or any international organisation, or of institutions or market organisations in any country or group of countries (including, without limitation or prejudice to the generality of the foregoing, a change in respect of duties or taxes) has affected, is affecting or is likely to affect the normal course of business of the Exchange or the performance of Contracts, the Exchange shall have the power (without prejudice to their powers under any other provision of the Rules) to vary this Section I (including, without limitation, as regards any existing Contract) in any way it deems necessary or desirable for the restoration or preservation of the orderly course of business.
- I.6.2 Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or such existing Contracts as may be specified by the Exchange). Without limiting its powers hereunder, the Exchange will use its best endeavours to keep any such variation to the minimum that they consider reasonably necessary to deal with the situation.
- I.6.3 Any use of the Exchange's powers under this Rule I.6 shall be notified by Circular. Any variation made under this provision shall take effect at such time and for such period as the Exchange shall prescribe, but (without prejudice to the preceding paragraph) shall not take effect earlier than the publishing of the relevant Circular.
- I.6.4 Every Contract affected by a variation under this Rule I.6 shall remain in full force and effect subject to such variation and shall not be treated as frustrated or repudiated except so far as may be allowed in the Exchange's Circular.
- I.6.5 Any Circular published by the Exchange under this Rule I.6 may be varied or revoked by a subsequent Circular.

## I.7 INVOICING BACK AND CASH SETTLEMENT

- I.7.1 In any case where an invoicing back price has been fixed in accordance with this Section I, the fixing of such price shall not limit the jurisdiction of the board of arbitration to make such award as it deems fit in the circumstances.
- I.7.2 All cash settlements and invoicing back prices fixed by the Exchange under the Contract Terms and Contract Procedures shall be final and binding on all parties. No dispute arising from or in relation to any cash settlement or invoicing back price fixed by the Exchange under the Contract Terms and Contract Procedures shall be referred to arbitration under the Clearing House Rules but the completion of cash settlement or invoicing back shall be without prejudice to the right of either party to refer any other dispute arising out of the Contract to arbitration or to any other action under the Clearing House Rules.
- I.7.3 Nothing in these Rules shall be deemed to be a waiver of the exclusion of the Exchange's liability in damages for anything done or omitted in the discharge of its regulatory functions, pursuant to section 126 of the ADGM Financial Services and Markets Regulations 2015.

## I.8 GOVERNING LAW AND JURISDICTION

This Section I, each Contract, Contract [TermTerms](#) and Contract Procedures and all non-contractual obligations arising out of or in connection therewith, are governed by and shall be governed by and construed

in accordance with the laws of England and Wales and any matter arising therefrom shall be subject to arbitration under the Clearing House Rules.

### **I.9 CONTRACT SECURITY**

The Clearing House may call for such additional margin at any time and from time to time as may be deemed necessary in accordance with the Clearing House Rules to ensure security for or satisfaction of all obligations relating to a Contract.

### **I.10 EXCHANGE MONITORING**

In order to assist the Exchange in monitoring the performance of Contracts (but without obliging it to do so and without prejudice to any other power which it might have), the Exchange may, at any time and from time to time, require Members and the Clearing House to supply to it such information as it considers. The Exchange may require such information to be supplied to it through the Clearing House.

### **I.11 EXCHANGE'S POWERS**

The provisions of this Section I shall be without prejudice to any powers given to the Exchange by other provisions of the Rules.

### **I.12 SETTLEMENT TO MARKET**

At the request of the Exchange or otherwise, the Clearing House may apply a system of settlement or marking to market or revaluation to Contracts in accordance with the Clearing House Rules. Accordingly, references in this Section I to:

- (a) a Contract shall be construed as including settlement obligations arising in accordance with the Clearing House's systems; and
- (b) the price at which the Buyer or Seller contracted to buy or sell shall be construed as the price for the time being registered on behalf of the Buyer or Seller by the Clearing House under such systems,

and all terms of a Contract shall be construed to allow the application of such systems.

### **I.13 APPLICATION OF RULES**

I.13.1 Each Contract shall be subject to the Rules. Each Contract shall also be subject to the Clearing House Rules. The Clearing House Rules provide that the Clearing House is a party as principal to each Contract, whether as Buyer or Seller and that its counterparty is the relevant Clearing Member (or Sponsored Principal and Sponsor acting jointly). This Section I shall be construed accordingly and, in particular, references to "Buyer" and "Seller" shall include the Clearing House unless the context otherwise requires.

I.13.2 The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods of 1980, shall apply to Contracts.

### **I.14 FURTHER AMENDMENT OF CONTRACT TERMS AND CONTRACT PROCEDURES**

I.14.1 In respect of any Contract, the Contract Terms and Contract Procedures may from time to time be amended pursuant to this Rule I.14 without prejudice to any right contained elsewhere in the Rules to amend the Contracts Terms. Such an amendment may, according to its terms, have an effect on existing as well as new Contracts, and in such case, all Contracts declared to be affected shall forthwith (or at such time as the terms of the amendment shall indicate) automatically be modified in conformity to the amendment.

I.14.2 The Exchange shall not propose an amendment under this Rule I.14 on terms affecting existing Contracts if the amendment is in their opinion likely to affect the market price of the Product. The restraint imposed by this paragraph (b) shall not apply in respect of Contract Months which, in the case of Contracts as the Exchange shall specify, are for the time being more distant than the ninth forward Contract Month.

I.14.3 In this Rule I.14, references to the amendment of the Contract Terms and Contract Procedures include additions to and the partial revocation of the Contract Terms and Contract Procedures.

### **I.14A REGULATORY FUNCTIONS**

I.14A.1 Where the Exchange considers that circumstances have arisen, or are reasonably likely to arise, in which it would be desirable for any of the Contract Terms and Contract Procedures to be varied in the interests of ensuring the orderly operation and evolution of the Market or pursuant to any of the Exchange's other regulatory functions, the Exchange shall have the power (without prejudice to its powers under any other

provision of the Rules) to vary any of the Contract Terms and Contract Procedures in any way it deems appropriate to respond to such circumstances in accordance with the Exchange's regulatory functions. Such circumstances may include, without limitation:

- (a) where the provisions for the specification, pricing, settlement or other aspects of a Contract are no longer representative of practices in the underlying market to which a Contract relates;
- (b) where, without changes to the provisions for the specification, pricing, settlement or other aspects of a Contract, there is a risk of material detriment being caused to the market for that Contract, whether in terms of liquidity, reputation or otherwise;
- (c) where a Contract may, without variation, cease to be a viable hedging tool; or
- (d) where any aspect of the current business on the Market in respect of any Contract is, in light of any other current or anticipated circumstances, at risk of being conducted otherwise than in an orderly manner and/or so as to afford adequate protection to participants in the Market and such risk may be addressed by changes to the Contract Terms and Contract Procedures.

1.14A.2 Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or such existing Contracts as may be specified by the Exchange). Without limiting their powers hereunder, the Exchange will use its reasonable endeavours to keep any such variation to the minimum that they consider reasonably necessary to respond to the circumstances in question.

1.14A.3 The Exchange's powers under this Rule I.14A shall be exercisable by Circular. Any variation made under this provision shall take effect at such time and for such period as the Exchange shall prescribe, but (without prejudice to the preceding paragraph) shall not take effect earlier than the publication of the relevant Circular. The Exchange shall seek to give Members prior notice but, where deemed necessary, changes may take effect immediately upon the posting of such Circular or at such other time as the Exchange prescribes.

1.14A.4 Every Contract affected by a variation under this Rule I.14A shall remain in full force and effect subject to such variation and shall not be treated as terminated or frustrated or repudiated except so far as may be allowed in the relevant Circular.

1.14A.5 Any Circular published by the Exchange under this Rule I.14A may be varied or revoked by a subsequent Circular.

## **I.15 TRADE EMERGENCY PANEL**

I.15.1 In the event of the Exchange identifying or suspecting the development or possible development of a situation or practice referred to below, the Exchange may forthwith refer the matter to a panel (the "**Trade Emergency Panel**"), being a minimum of three people comprising: non-executive Directors or two Clearing House senior executives nominated for this purpose by the Clearing House. The Trade Emergency Panel may take such professional advice as it sees fit in coming to any decision.

I.15.2 If in the opinion of the Trade Emergency Panel an excessive position or unwarranted speculation or any other undesirable situation or practice affecting or capable of affecting the Market is developing, or has developed, it may take any steps whatsoever to provide for, correct or check the further development of such situation or practice and may give directions to any Member or non-Member Sponsored Principal accordingly. Such steps may (without prejudice to the generality of this Rule I.15), if the Trade Emergency Panel considers, extend to trading which occurred before or on the date that such step is instigated.

I.15.3 A Member or non-Member Sponsored Principal contravening a direction of the Trade Emergency Panel under this Rule I.15 shall be liable to the same sanctions (including expulsion or suspension from membership) as if a breach of the Rules were committed.

## **I.16 DEFINITIONS AND INTERPRETATION**

I.16.1 In this Rule I.16 and in Rules I.17 to I.19, unless the context otherwise requires, the term "**Party**" means the Seller or the Buyer under a Contract, which shall not include the Clearing House (except where the context otherwise requires).

I.16.2 Any discretion that may be exercised by a Person or body under Rules I.17 and I.18 will be exercised in the absolute discretion of such Person or body.

## **I.17 NON-PERFORMANCE OF DELIVERY OBLIGATIONS**

I.17.1 If it appears to the Clearing House that a Party has, or may have, failed to perform its delivery obligations under a Contract, the Clearing House may take such steps as it deems appropriate to achieve an amicable

settlement between the Parties to the affected Contracts and may refer the matter to the Exchange. Subject to Rule I.17.2, if a reference is made to the Exchange under this Rule I.17.1, the Exchange will refer such matter to the ARC Committee under Rule I.18.1.

- I.17.2 If a reference is made to the Exchange under Rule I.17.1 but an amicable solution is notified to the Exchange by the Parties involved prior to the referral of the matter to the ARC Committee under Rule I.18.1 by the Exchange, the Exchange will either:
- (a) refer such matter to the ARC Committee under Rule I.18.1; or
  - (b) not refer such matter to the ARC Committee under Rule I.18.1 but make such determination as it appears to the Exchange, in its discretion, to be expedient concerning the settlement of such Contract and shall convey its determination to the Parties and to the Clearing House; such determination shall be binding on the Parties and the Clearing House and no dispute as to such determination may be referred to arbitration, but shall be without prejudice to the right of either Party to refer any other failure (or apparent failure) of a Party in the performance of its obligations under a Contract or any related dispute to arbitration under the Clearing House Rules.
- I.17.3 If it comes to the attention of the Exchange, other than pursuant to Rule I.17.1, that a Party to a Contract has, or may have, failed to perform its obligations under a Contract, the Exchange may refer such matter to the ARC Committee under Rule I.18.1.

## I.18 DELIVERY DISPUTES

- I.18.1 The Exchange may, in respect of a delivery under a Contract, refer any dispute to the ARC Committee, but must refer any matter to the ARC Committee:
- (a) in the circumstances stated in Rules I.17.1, I.17.2(a) or I.17.3; or
  - (b) if a Party claims under the relevant Contract Terms and Contract Procedures that a Force Majeure Event has occurred hindering or preventing due performance of its delivery obligations under a Contract.

The Exchange will not refer a dispute or matter in respect of a delivery under a Contract to the ARC Committee if a Party has been declared a Defaulter under Section D or the default rules of the Clearing House. The Exchange will notify the Clearing House and each of the Parties to the affected Contracts that a dispute or matter has been referred to the ARC Committee.

- I.18.2 Following the referral of a dispute or matter to the ARC Committee, the ARC Committee shall convene a panel to determine the dispute or matter ("**ARC Delivery Panel**"). The ARC Delivery Panel may either be a Sub-ARC Panel or a Full-ARC Panel, as detailed in Rule C.11, depending on the seriousness of the dispute or matter, which shall be determined by the ARC Committee at their discretion. The Exchange may, in its discretion, require both Parties, or either of them, to pay to the Exchange a fee of USD 232,500 for convening the ARC Delivery Panel, unless the Exchange determines, in its discretion, to waive or reduce the fee.
- I.18.3 The ARC Delivery Panel may, in its discretion, require the Parties to the affected Contracts to present written submissions and evidence in support of their claim, to the ARC Delivery Panel by such time and in such form as the ARC Delivery Panel may direct. An oral hearing will only take place if the ARC Delivery Panel, in its discretion, considers it to be necessary. A Party may be assisted by or represented by any person who may be legally qualified at that oral hearing if the ARC Delivery Panel in its discretion considers it to be necessary.
- I.18.4 The ARC Delivery Panel will determine the dispute or matter on such evidence as it thinks is relevant, notwithstanding that such evidence may not be admissible in a court of law, and make one or more of the directions contemplated by Rule I.18.6 below.
- I.18.5 Following the determination of any dispute or matter pursuant to Rule I.18.6, the ARC Delivery Panel shall report in writing its findings (which shall include, as may be appropriate, whether a Party has failed to perform its delivery obligations under a Contract or whether a Force Majeure Event has occurred under the relevant Contract Terms and Contract Procedures, hindering or preventing the performance of its delivery obligations under a Contract), to the Exchange, the Clearing House and to each of the Parties to the affected Contracts.
- I.18.6 The ARC Delivery Panel may, either at the same time or in advance of its written findings being available, make any one or more of the following directions, except that if it determines that a Force Majeure Event has occurred under the Contract Terms and Contract Procedures which has hindered or prevented the performance of a Contract by five Business Days after the due date for delivery of the product under a



Contract, the ARC Delivery Panel shall only be entitled to make the direction referred to in paragraphs (b) and (d) below:

- (a) direct a Party as to how delivery under the affected Contracts should proceed;
- (b) make a recommendation to the Clearing House to invoice back one or more of the affected Contracts at a price to be set by the ARC Delivery Panel in its discretion, taking into account any information it considers to be relevant for this purpose which may have been supplied by the Exchange; the price for invoicing back may at the ARC Delivery Panel's discretion take account of any compensation that it may consider should be paid to or by a Party; in the event of any delay to the invoicing back process, the ARC Delivery Panel may, at its discretion, in advance of it setting a price for invoicing back, and in agreement with the Clearing House, direct the Clearing House to make an interim payment to a party; the amount of the interim payment will be set by the ARC Delivery Panel at its discretion, and in such an event the price for invoicing back shall take account of the interim payment as appropriate;
- (c) direct any of the Parties to pay to the other Party any damages [\(which will, in general, be assessed based on English law principles for contractual damages, unless otherwise stipulated in the relevant Contract Terms or Contract Procedures\)](#) or *ex gratia* payments it considers appropriate; or
- (d) direct any of the Parties to pay to the Exchange costs in an amount determined by the ARC Delivery Panel in its discretion; such costs may include, but shall not be limited to, the fees and expenses of members of the ARC Delivery Panel or any expert, any legal costs and expenses which the Exchange or the Clearing House may incur or be subjected to in respect of such dispute or matter.

In the case where the ARC Delivery Panel finds that a Party has failed to perform its delivery obligations under a Contract, the ARC Delivery Panel may additionally impose a fixed fine, to be paid on such terms as may be prescribed by the ARC Committee, on that Party as follows:

- (e) In the case of an ARC Delivery Panel that is a Sub-ARC Panel, impose a fine of [any amount up to USD 325,000](#);
- (f) In the case of an ARC Delivery Panel that is a Full-ARC Panel, impose a fine of any amount.

I.18.7 The determination of a matter by the ARC Delivery Panel shall be without prejudice to the powers of the Exchange and the ARC Committee to take such action under Section E as it considers in its discretion appropriate.

## I.19 APPEALS PROCEDURE

A Party to an affected Contract or the Exchange may appeal against any finding, determination or direction made by the ARC Delivery Panel under Rule I.18.6(a), (c), (d), (e) or (f) by lodging a notice of appeal. Such notice of appeal shall be lodged in writing with the Compliance Officer in accordance with the procedure set out in Rule E.6.

## I.20 [NOT USED.]

## I.21 ENVIRONMENTAL COMPLIANCE AND LIABILITY

I.21.1 In this Rule I.21, the following terms shall, unless the context otherwise requires, have the meanings set out opposite each:

- (a) The term "**Commodity**" means any kind of property which is capable of being delivered pursuant to a Contract.
- (b) The term "**Environment**" means all or any of the following media (whether alone or in combination): air (including the air within buildings or other natural or man-made structures whether above or below ground), water (including surface water, sub-surface water, groundwater, coastal, marine or inland waters or waterways, and water within drains, sewers or other natural or man-made structures), land (including surface land, land under water, soil and sub-soil), any natural resource and any ecological systems and living organisms supported by these media.
- (c) The term "**Environmental Law**" means, as in force from time to time, any Applicable Law governing or relating to pollution, the protection of the Environment, noise, nuisance, health, safety or natural resources, or the use, sale, delivery, registration, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials, and includes, without limitation, UAE Federal Law No. 24 of 1999 for the Protection and Development of the Environment, Cabinet Resolution No. 37 of 2001 concerning the Executive Regulations of the Federal Law No. 24 of 1999 concerning the Protection and Development of the Environment, the Abu Dhabi Environment Agency Guidelines for

storage of chemicals and hazardous materials, Requirements of the Supreme Petroleum Council with regard to materials, products and waste related to the petroleum industry and related requirements imposed by ADNOC or the Port of Fujairah Authority.

- (d) The term "**Environmental Permit**" means any licence, approval, authorisation, permission, certificate, certification, registration, notification, waiver, order or exemption that is issued, granted or required under Environmental Law.
- (e) The term "**Hazardous Material**" means all chemicals, materials, substances, preparations or articles, whether natural or man-made and whether solid, liquid or gaseous, which are defined or regulated as toxic, hazardous, noxious, radioactive, flammable, corrosive or caustic or as a pollutant, contaminant or waste or words of similar import under any Environmental Law or Environmental Permit, or which may otherwise be capable, whether alone or in combination, of causing harm to any human or other living organism or the Environment.
- (f) The term "**Transferee**" means a Person nominated by a Buyer to whom a transfer or delivery is to be made under a Contract and includes reference to the Buyer where transfer or delivery is to be made to the Buyer.
- (g) The term "**Transferor**" means a Person nominated by a Seller by whom a transfer or delivery is to be made under a Contract and includes reference to the Seller where transfer or delivery is to be made by the Seller.

I.21.2 Without prejudice to Rule A.7 of the Rules, and without prejudice to Clearing House Rule 111 (*Liability*), neither the Exchange, nor the Clearing House is responsible for, and neither shall have any liability whatsoever in respect of, any application, notification, reporting, data or information sharing, registration, certification, authorisation, investigation, remediation or the taking or not taking of any other action or thing that may be required by any Environmental Law or Environmental Permit in respect of any Commodity or Contract. In particular, but without limitation, neither the Exchange, nor the Clearing House, shall be responsible for, or have any liability whatsoever in respect of, the taking or not taking of any of the following actions:

- (a) any pre-registration, registration or other action in connection with any Hazardous Material or other substance, preparation, article or material that is the subject of, or part of, any Commodity or Contract;
- (b) any preparation, reporting or delivery of any data in connection with any Hazardous Material or other substance, preparation, article or material that is the subject of, or part of, any Commodity or Contract;
- (c) any procurement, registration, notification or reporting of serial number in connection with any Hazardous Material or other substance, preparation, article or material that is the subject of, or part of, any Commodity or Contract; or
- (d) any classification, re-classification, labelling or packaging, pursuant to Environmental Laws, of any Hazardous Material or other substance, preparation, article or material that is the subject of, or part of, any Commodity or Contract.

I.21.3 Without prejudice to Rule A.7 of the Rules, and without prejudice to Clearing House Rule 111 (*Liability*), neither the Exchange, nor the Clearing House, is responsible for, and neither shall have any liability whatsoever in respect of:

- (a) the condition, safety or compliance or non-compliance with any Environmental Law or Environmental Permit;
- (b) the presence of any Hazardous Material or occurrence of any contamination related to; or
- (c) any other liability or obligation arising under Environmental Law or Environmental Permit related to, any barge, installation, equipment, vehicle, land, water or other location or area used in connection with the sale, delivery, registration, handling, transportation, treatment, management, storage, disposal, release or discharge of any Commodity. Further, neither the Exchange, nor the Clearing House, shall be responsible for, or have any liability whatsoever in respect of, the condition or safety of any Commodity delivered pursuant to any Contract.

I.21.4 Each Member delivering a Commodity pursuant to a Contract shall comply, and shall be deemed to represent and warrant that it has complied, fully with any application, notification, reporting, data or information sharing, registration, certification, authorisation, investigation, remediation or the taking or not taking of any other action or thing required by any Environmental Law or Environmental Permit and applicable to such

Commodity, including, without limitation, as related to the condition or safety of such Commodity. In particular but without limitation, each such Member shall comply, and shall be deemed to represent and warrant that it has complied, fully with any and all requirements specified in Rule I.21.2 to the extent applicable to such Commodity.

- I.21.5 Neither the Buyer nor the Seller, nor their Transferees or Transferors, shall have any claim against the Exchange or the Clearing House, whether in contract, tort or restitution, as a fiduciary or under any other cause of action, for any loss, liability, cost, damage or expense incurred or suffered as a result of any non-compliance with any Environmental Law or Environmental Permit, the condition of or any hazard posed by any Commodity, or the presence of any Hazardous Material or occurrence of any contamination.

## I.22 [NOT USED.]

## I.23 CURRENCY EVENTS AND ECONOMIC & MONETARY UNION OR SEPARATION

I.23.1 In this Rule I.23, the following terms have the following meanings, unless the context otherwise requires:

- (a) the term "**Currency**" means the currency or lawful tender for the time being of a State, group of States or a region within a State, and, where the context admits, the currency of a State, group of States or a region within a State prior to the introduction of a new or successor currency for that State, group of States or a region within a State, or the currency of a region prior to such region becoming a State;
- (b) the term "**Market Conventions**" includes, without limit, day count conventions, settlement periods, rate fixing, business day conventions, basis for market quotations and coupon frequency; and
- (c) the term "**State**" means a state as that concept is understood in public international law.

I.23.2 Without prejudice to any step which has been or may be taken or to the powers of the Exchange under this Rule I.23, any other Rule or the terms of a Contract, the Exchange may:

- (a) make such changes to the terms of a Contract as the Exchange considers to be necessary or desirable:
  - (i) to facilitate the calculation of, trading of, or the payment of amounts under or in respect of Contracts in a different Currency;
  - (ii) to redenominate lots into a different Currency;
  - (iii) to reflect changes arising out of or in connection with Market Conventions as a consequence (direct or indirect) of the introduction of a new or successor Currency or the invalidity or disuse of an existing Currency;
  - (iv) arising out of or in connection with the trading or quotation in a Currency of securities which have been designated by the Exchange pursuant to the Contract Terms and Contract Procedures;
  - (v) to require bids, offers or the minimum price fluctuation to be quoted in a different Currency,
 and shall publish such changes and any applicable exchange rate for relevant Currencies by Circular. Such changes may, without limitation, include changes to the currency in which amounts under a contract shall be paid, the lot size, the currency of the exercise price, Market Conventions and rounding provisions used to calculate the invoicing amount and shall affect existing as well as new contracts as the Exchange may determine;
- (b) require the discharge, by cash settlement or otherwise, of Contracts which are denominated in a Currency of a State, group of States or a region within a State, at a price determined by the Exchange and the making of new Contracts which are denominated in a different Currency of the same State, group of States or a region within a State, in either case in accordance with procedures implemented by the Exchange from time to time under this Rule I.23, in order to achieve the conversion of contracts to contracts denominated in a new or successor Currency; and
- (c) in connection with taking steps under the procedures referred to in Rule I.23.2(b), require a Member and, through him, one or more clients to enter into one or more contracts which singly or in aggregate may not give rise to the same economic exposure as the contracts discharged pursuant to Rule I.23.2(b) (without limit, this could occur where, as a result of implementing conversion procedures, part lots are produced which are rounded up or down to produce whole lots), to enter into contracts which, in aggregate, may be less than or more than the number of discharged contracts, or may require cash settlement of whole or part lots produced as a result of implementing the procedures referred to in Rule I.23.2(b).

**I.24 "BUYER" AND "SELLER" IN THE CONTRACT TERMS AND CONTRACT PROCEDURES**

- I.24.1 Subject to Rule I.24.2, the terms "Buyer" and "Seller" in the Contract Terms and Contract Procedures shall be construed as including, in relation to a Contract recorded at the Clearing House in an Individually Segregated Sponsored Account, both or either of the relevant Sponsor and Sponsored Principal.
- I.24.2 Notwithstanding any other provision of the Rules, Contract Terms or Contract Procedures:
- (a) where an Options Contract or where the Contract Terms and Contract Procedures make reference to a "Buyer" in the context of the Person who is entitled to exercise the option, the term "Buyer" shall be construed as including, in relation to an Individually Segregated Sponsored Account, either the relevant Sponsor or the Sponsored Principal (whichever is authorised to exercise the option or does actually exercise the option); and
  - (b) where the Contract Terms and Contract Procedures make reference to:
    - (i) "Buyer" in the context of a Person taking delivery, accepting delivery, accepting transfer, serving or receiving any notice, making payment or nominating a "Transferee" (as defined in the relevant Contract Terms and Contract Procedures), such term shall be construed as including, in relation to an Individually Segregated Sponsored Account, either the relevant Sponsor or the Sponsored Principal (whichever is authorised to take delivery, accept delivery, accept transfer, serve or receive a notice, make payment or nominate a "Transferee" (as defined in the relevant Contract Terms and Contract Procedures) or actually does so); and
    - (ii) "Seller" in the context of a Person who is making delivery, making a transfer, serving or receiving any notice, taking payment or nominating a "Transferor" (as defined in the relevant Contract Terms and Contract Procedures), such term shall be construed as including, in relation to an Individually Segregated Sponsored Account, either the relevant Sponsor or the Sponsored Principal (whichever is authorised to make delivery, make a transfer, serve or receive a notice, take payment or nominate a "Transferor" (as defined in the relevant Contract Terms and Contract Procedures) or actually does so).
- I.24.3 The Clearing House Rules set out the rights and liabilities of Sponsored Principals and Sponsors. In particular, Members and non-Member Sponsored Principals should be aware that, notwithstanding any other provision of the Rules, Contract Terms or Contract Procedures:
- (a) the relevant Sponsored Principal and Sponsor are each jointly and severally liable, to one another, in each case as principal and without limitation, to the Clearing House in respect of all obligations and liabilities arising in connection with the Individually Segregated Sponsored Account and all Contracts recorded in it;
  - (b) whether the Clearing House makes any payment or performs any other obligations in connection with an Individually Segregated Sponsored Account or Contract to the Sponsor or the Sponsored Principal or otherwise to the account or to the order of the Sponsored Principal in accordance with Clearing House Rules 1902(c) and 1902(d): (i) such payment or performance to the extent made will satisfy and discharge the obligations of the Clearing House to the Sponsored Principal and any obligations of the Clearing House to the Sponsor; and (ii) where the Sponsor is a Non-FCM/BD Clearing Member (as defined in the Clearing House Rules) and payment or performance is made to the Sponsored Principal (or to its account or order, other than to the account of the Sponsor), such payment or performance to the extent made will be deemed to be in satisfaction and discharge of any related payment or performance obligation of the Sponsor pursuant to the related Customer-CM Transaction (as defined in the Clearing House Rules);
  - (c) whether the Sponsor or Sponsored Principal makes any payment or performs any other obligation in connection with an Individually Segregated Sponsored Account or Contract to the Clearing House: (i) such payment or performance to the extent made will satisfy and discharge the obligations of both the Sponsor and the Sponsored Principal to the Clearing House; and (ii) where the Sponsor is a Non-FCM/BD Clearing Member (as defined in the Clearing House Rules), such payment or performance to the extent made will be deemed to be in satisfaction and discharge of any related payment or performance obligation of the Sponsored Principal pursuant to the related Customer-CM Transaction (as defined in the Clearing House Rules);
  - (d) the Clearing House is entitled to receive and act upon instructions, notifications, notices and forms (whether in electronic or paper format) in respect of an Individually Segregated Sponsored Account from either the Sponsor or the Sponsored Principal without further reference to any other party;

- (e) each of the Sponsor and Sponsored Principal is entitled as a joint holder of the Individually Segregated Sponsored Account to give such instructions, notifications, notices and forms and hereby is deemed to authorise the other to give such instructions, notifications, notices and forms in respect of the Individually Segregated Sponsored Account for such purposes, subject to the Clearing House Rules; and
- (f) the Disciplinary Proceedings set out in Part 10 of the Clearing House Rules, which apply to Clearing Members (including Sponsors), apply to Sponsored Principals in the same way as they apply to Clearing Members with no Customers (as defined in the Clearing House Rules). In addition, Section E and Rule A.9 apply in respect of disciplinary matters.

## I.25 RISK DISCLOSURES

These disclosures are provided for information purposes only. The statements are not exhaustive and do not provide all the information that potential users and Members may need to make any decision in relation to using the Exchange or entering into a Contract.

- (a) Potential users of all Contracts should be aware and Members should be mindful when marketing to clients, of the following: The value of investments may go down as well as up; past performance is not necessarily a reliable indicator of future performance; parties to Contracts may not get back their original investment and could make losses greater than their initial investment or collateral; Exchange price movements can have a positive or negative impact on the value of Contracts; there are various risks relating to trading derivatives, such as interest rate risk, credit risk, market risk, leverage risk, tax risk and political risk. If in any doubt, seek professional advice; neither the Exchange nor the Clearing House provides any professional advice; various Contract Terms and Contract Procedures contain particular risk disclaimers for historic reasons, but potential users of all Contracts should be aware, and Members should be mindful when granting permission(s) to clients to access the Exchange or when offering the Exchange's products to clients, that the absence of a risk disclaimer in a Contract Term or Contract Procedure should not be interpreted as indicating that there is no particular risk in relation to the relevant Contract.
- (b) Potential users of all Contracts must familiarise themselves with and Members should be mindful, when marketing to clients of, the following:
  - (i) the relevant Contract Terms and Contract Procedures (including Contract Terms and Contract Procedures of the underlying Futures Contract where they are users or potential users of Options Contracts);
  - (ii) the Rules, notices posted on the Market, Clearing House Rules, Clearing House circulars, Clearing House procedures, and any other relevant materials in respect of a particular Contract;
  - (iii) the mechanism by the Exchange or any third party to determine any EDSP (as defined in the relevant Contract Terms and Contract Procedures) or price which is used as the reference price for an EDSP or to settle a Contract; and
  - (iv) the controls operating in the cash market during the relevant period, where applicable.
- (c) Potential users of all Contracts must consider and Members should be mindful when marketing to clients of, the risks of holding positions into the expiry of a Contract. Persons holding open positions during any notice period or at expiry will be subjected to delivery obligations in relation to the relevant underlying asset or Contract, or settlement obligations. In particular, such Persons should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, taking into account that there may be relatively limited liquidity provision, or whether to "roll" or close positions prior to expiry.
- (d) Potential users of all Contracts must assess for themselves or take professional advice in relation to, and Members should be mindful when marketing to clients of, the risks inherent in any investment, and in particular those having possible impact on a Contract's pricing or value, including:
  - (i) Possible influences on price formation in the underlying securities, cash or physical markets which might affect market movements, the EDSP (as defined in the relevant Contract Terms and Contract Procedures) or any reference price used for settling the Contract, particularly prior to expiry or any end of day trading. Prices may be affected by information disclosures, news, world events or the trends in other markets.

- (ii) Trading activity may be affected by the activity of particular market participants who are seeking to obtain price convergence between the EDSP (as defined in the relevant Contract) and prices in physical markets. Such participants might typically seek to achieve this by unwinding their physical positions during the EDSP period at prices which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that the final EDSP differs from the price of any underlying immediately prior to the commencement of the EDSP period.

## **I.26 PRIIPS RESTRICTIONS; IN RELATION TO EUROPEAN ECONOMIC AREA RETAIL CUSTOMERS ONLY**

I.26.1 The Exchange understands that certain Members may offer trading and intermediary services related to PRIIPs Contracts traded on the Exchange to EEA Retail Investors where they are permitted to do so and where the Exchange is permitted to provide such access. In such circumstances, EEA Retail Investors may also have direct trading access to PRIIPs Contracts traded on the Exchange. The Exchange has therefore produced Key Information Documents in the English language in relation to its PRIIPs Contracts. Translated versions of English language Key Information Documents may also be published by the Exchange at its discretion from time to time as set forth in Rule I.26.2. These steps are being taken in order to provide a more efficient basis for compliance with the PRIIPs Regulation and the PRIIPs RTS for Members whose clients are EEA Retail Investors. To the extent permitted under the PRIIPs Regulation, the Exchange undertakes no duty of care for the contents of any Key Information Documents and makes no warranty, representation or undertaking as to the accuracy of any Key Information Document. The Exchange has not considered the specific circumstances of any Member or EEA Retail Investor. Persons should only trade in PRIIPs Contracts based on their own assessments of the risks and should take their own financial, tax and legal advice. Members are responsible for verifying whether the Key Information Documents produced by the Exchange are sufficient for their purposes or their clients' purposes, for adding any further disclosures as may be required for their clients and for assessing the suitability and appropriateness for their clients of any PRIIPs Contracts traded on the Exchange. Effective as from 1 January 2018, no Member shall offer, sell, distribute or otherwise make available any PRIIPs Contracts to any EEA Retail Investor, unless:

- (a) for PRIIPs Contracts offered to EEA Retail Investors in EEA Member States where the Exchange has produced a Key Information Document in English or a translated Key Information Document in either case only where English or such other language is an official language of that EEA Member State: the Key Information Document has been provided to the EEA Retail Investor by the Member in accordance with Rule I.26.3 to I.26.8 in good time and in accordance with the PRIIPs Regulation and PRIIPs RTS (together with any necessary Member-specific disclosures) before such EEA Retail Investor is bound by any contract or offer relating to a PRIIPs Contract; or
- (b) for PRIIPs Contracts offered to EEA Retail Investors in EEA Member States where the Exchange has not produced a translated Key Information Document in an official language of that EEA Member State: a key information document (which may be faithfully and accurately translated from the Key Information Document or otherwise produced in an official language of the EEA Member State in which the EEA Retail Investor is located) has been provided to such EEA Retail Investor by the Member in accordance with Rule I.26.3 to I.26.8 (with the references in Rule I.26.3 to I.26.8 to the Key Information Document being construed as references to the local language key information document produced by the Member, and references to the Exchange's website being construed as a reference to the website used by the Member to publish or make available the local language key information document produced by the Member) in good time and in accordance with the PRIIPs Regulation and PRIIPs RTS (together with any necessary Member-specific disclosures) before the EEA Retail Investor is bound by any contract or offer relating to a PRIIPs Contract.

I.26.2 The Exchange will initially only produce and publish English language Key Information Documents for PRIIPs Contracts but may publish any translated Key Information Documents in other languages at its discretion. As a result:

- (a) unless the Exchange chooses to do so, at its discretion, the Exchange will not be responsible for producing, publishing or providing EEA Retail Investors with Key Information Documents in any official language of the EEA Member State in which the EEA Retail Investor is located nor for ensuring that any applicable requirements under the PRIIPs Regulation or PRIIPs RTS have been satisfied for any local language key information document produced by Members;
- (b) the Exchange is not a 'manufacturer' of any PRIIPs for purposes of the PRIIPs Regulation with respect to any offer to any EEA Member State other than those in which English is an official language or otherwise where a translated Key Information Document in a non-English language is published on

its website; and accordingly, any Member or other Person offering such products in such EEA Member State will itself be the 'manufacturer' for purposes of the PRIIPs Regulation, since PRIIPs Contracts for which no such translation is provided are not intended by the Exchange for distribution to EEA Retail Investors in such EEA Member States; and

- (c) any Member which produces and makes available to EEA Retail Investors any local language key information documents for PRIIP Contracts in any language or format that has not been produced and published by the Exchange agrees to indemnify the Exchange for any losses or liabilities suffered by the Exchange as a result of the Member publishing and making available to such EEA Retail Investors such key information documents which are misleading or inaccurate or are inconsistent with: (A) the English language Key Information Document produced by the Exchange for that PRIIP Contract (or any revised versions of the same); (B) the relevant parts of any legally binding pre-contractual and contractual documents; or (C) the requirements of Article 8 of the PRIIPs Regulation (and as further specified in the relevant PRIIPs RTS).

I.26.3 Subject to Rule I.26.4 to I.26.6, Members must provide relevant Key Information Documents to EEA Retail Investors by:

- (a) providing the EEA Retail Investor with a paper copy of the relevant Key Information Document;
- (b) providing the EEA Retail Investor with a link to the address on the Exchange's website that contains the relevant Key Information Document; or
- (c) providing the EEA Retail Investor with the relevant Key Information Document on a Durable Medium other than paper.

I.26.4 Members must provide a paper copy of the relevant Key Information Document to EEA Retail Investors for any PRIIPs Contracts that are being made available to the EEA Retail Investor if the relevant PRIIPs Contracts are being made available on a face-to-face basis, unless the EEA Retail Investor requests otherwise.

I.26.5 If a Member provides the relevant Key Information Document for any PRIIPs Contract that is being made available to an EEA Retail Investor by providing a link to the Exchange's website pursuant to Rule I.26.3(b):

- (a) the Member must retain evidence that the EEA Retail Investor has regular access to the internet (this requirement is satisfied if the EEA Retail Investor has provided an email address for the purposes of the EEA Retail Investor's business with the Member);
- (b) the Member must give the EEA Retail Investor a choice between receiving the relevant Key Information Document on paper or by means of a link to the Exchange's website, and the Member must retain evidence of the EEA Retail Investor's choice to receive the relevant Key Information Document via the Exchange's website;
- (c) the Member must notify the EEA Retail Investor of [his](#) right to request a paper copy of the relevant Key Information Document free of charge;
- (d) the Member must provide a paper copy of the relevant Key Information Document to that EEA Retail Investor when requested by the EEA Retail Investor and free of charge;
- (e) the Member must provide electronic or written notification to the EEA Retail Investor of the specific address on the Exchange's website for the relevant Key Information Document; and
- (f) where revised versions of the relevant Key Information Document are available, the Member must provide previous versions of the relevant Key Information Document if any previous versions are requested by the EEA Retail Investor.

I.26.6 If the Member provides the relevant Key Information Document for any PRIIPs Contract that is being made available to an EEA Retail Investor in a Durable Medium other than paper pursuant to Rule I.26.3(c):

- (a) the Member must retain evidence that the EEA Retail Investor has regular access to the internet (this requirement will be satisfied if the EEA Retail Investor has provided an email address for the purposes of the EEA Retail Investor's business with the Member); and
- (b) the Member must give the EEA Retail Investor a choice between receiving the relevant Key Information Document on paper or in a Durable Medium other than paper; and the Exchange will, and the Member must, retain evidence of the EEA Retail Investor's choice to receive the Key Information Document in a Durable Medium.

- I.26.7 Members must have adequate systems, controls and policies to ensure compliance with the requirements of Rules I.26.1 to I.26.6 and, at the request of the Exchange, be able to show evidence of any such systems, controls, policies and, subject to Applicable Law, evidence that those requirements have been met in relation to any single EEA Retail Investor that is a client of a Member.
- I.26.8 Members whose clients offer PRIIPs Contracts to EEA Retail Investors must procure that all such clients agree to terms equivalent to those set forth in this Rule I.26 as regards their dealings with EEA Retail Investors and the position and liability of the Exchange.
- I.26.9 In this Rule I.26, the following words and expressions shall, unless the context otherwise requires, have the following meanings:

<b>TERM</b>	<b>DEFINITION</b>
"Durable Medium"	means a durable medium as defined in point (m) of Article 2(1) of Directive 2009/65/EC;
"EEA Retail Investor"	means a retail investor as defined in Article 4(6) of the PRIIPs Regulation who is located in a Member State of the European Economic Area;
"Key Information Document"	means the key information document drawn up by the Exchange (including any non-English language translated key information document produced by the Exchange at its discretion) and published on its website (including any revised versions produced by the Exchange from time to time) for a PRIIPs Contract for purposes of facilitating compliance with the PRIIPs Regulation; the key information documents (and any revised versions) published by the Exchange can be found on the Exchange's website;
"PRIIP"	means a packaged retail and insurance-based investment product as defined in Article 4(3) of the PRIIPs Regulation;
"PRIIPs Contract"	means a Contract that is (or is determined by the Exchange from time to time as likely to be or to have a material risk of being) a PRIIP;
"PRIIPs Regulation"	means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on Key Information Documents for packaged retail and insurance-based investment products (PRIIPs), as amended from time to time, together with any regulatory technical standards adopted by the European Commission pursuant to the PRIIPs Regulation, as amended from time to time; and
"PRIIPs RTS"	means any regulatory technical standards adopted by the <a href="#">European Commission</a> pursuant to the PRIIPs Regulation, as amended from time to time.



**SECTION J – POSITION REPORTING, ACCOUNTABILITY AND LIMITS**

J.0	Power to Restrict Open Positions
J.1	Definitions
J.2	Reporting of Positions
J.2A	Submission of Account Information
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J.4	Bona Fide Hedging Positions
J.5	Risk Management Positions
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J.7	Aggregation of Positions
J.8	Position Accountability
J.9	Enforcement of Limits
J.10	Exchange Access to Position Information
J.11	Emergency Powers Not Limited

**J.0 POWER TO RESTRICT OPEN POSITIONS**

J.0.1 The Exchange may promulgate limits and associated arrangements in relation to open positions that may be owned, controlled or carried by a Member or Person for Own Business or for another Person. The limits and associated arrangements in respect of designated Contracts are promulgated in the remainder of this Section J of the Rules.

**J.1 DEFINITIONS**

For purposes of this Section J, the following terms shall have the meanings set out opposite each:

<b>TERM</b>	<b>DEFINITION</b>
"Accountability Level"	means a threshold for positions held set by the Exchange in a designated Contract which if exceeded may trigger enhanced reporting requirements;
"Delivery Limit"	means the maximum permitted holding upon the expiry of a designated physically-deliverable Contract and net of EFP and EFS positions given up post-expiry;
"Expiry Limit"	means the maximum permitted holding in the expiring Contract Month of a designated Contract which if exceeded may trigger enhanced reporting requirements;
"FTP"	means File Transfer Protocol;
"Futures Equivalent Contract"	means an Options Contract that has been converted to a futures equivalent contract in accordance with the procedures specified in Rule J.9;
"Limit"	unless the context otherwise requires, means a limit, whether a Position Limit, Expiry Limit, Delivery Limit or otherwise, but excludes an Accountability Level;
"Omnibus Account"	means an account containing the positions of more than one Person;
"Position Limit"	means the maximum permitted holding in a designated Contract or Contract Month either by a single account or across multiple accounts controlled by the same entity;
"Reportable Position Account"	means an account held by a Member or Person with reportable positions;
"Reporting Firm"	means each Member or Person that owns, controls, or carries for another Person a Reportable Position Account or reportable volume threshold account in any Contract, as specified by the Exchange;
"Volume Threshold Account"	means a trading account held by a Clearing Member which has reached or exceeded the applicable reportable volume threshold; and
"Web Portal"	means the Exchange's designated portal interface used to receive Reportable Position Account and Volume Threshold Account identification information.

**J.2 REPORTING OF POSITIONS**

- (a) Each Member or Person that owns, controls, or carries for another Person a Reportable Position Account in any Exchange Contract, as specified by the Exchange, in a single Contract Month of a Future or a single Contract Month for a put or call Option (regardless of strike price), shall submit to the Exchange:
- (i) an account identification form as specified by the Exchange for each Reportable Position Account in accordance with Rule J.2A; and
  - (ii) a daily report with respect to such positions, in a form acceptable to the Exchange, containing the account numbers and the number of open contracts in each such Futures Contract Month and each such Option Contract Month that equals or exceeds the applicable reporting level specified in paragraph (c), and such other information as the Exchange may require.

Each Clearing Member that owns, controls, or carries for another Person a Volume Threshold Account in any Future or Option as specified by the Exchange, during a single Trading Day, across all expirations, and for Options, all puts or calls (regardless of strike price) across all expirations, shall submit to the Exchange an account identification form in such manner as specified by the Exchange for each Volume Threshold Account in accordance with Rule J.2A.

- (b) In addition, with respect to any Person that owns, controls or carries positions that meet or exceed the All Month Accountability Level or Single Month Accountability Level of any Future or Option, the Member shall report to the Exchange the positions carried by such Person in all Contract Months of that Future and Option, regardless of size. Without limiting any provision of the Rules, Members shall provide such additional information with respect to positions, and the ownership of such positions, as may be requested by the Exchange.
- (c) The reportable levels and volume thresholds for all Products will be as notified by the Exchange to Reporting Firms from time to time.

## J.2A SUBMISSION OF ACCOUNT INFORMATION

- J.2A.1 Reporting Firms which hold, control, or carry for any Person a Reportable Position Account must submit to the Exchange either by electronic submission via secure FTP or by manual entry through the Exchange's designated Web Portal, information identifying the ownership and control of each Reportable Position Account and all trading accounts related to each such Reportable Position Account, in a form and manner as specified by the Exchange, after the account reaches or exceeds the applicable reportable position threshold prescribed by the Exchange. Such submission shall be made in accordance with the timing and other requirements specified in Rule J.2A.3.
- J.2A.2 A Clearing Member which holds or carries for itself or any Person a Volume Threshold Account, must submit to the Exchange either by electronic submission via secure FTP or by manual entry through the Exchange's designated Web Portal, information identifying the ownership and control of the Volume Threshold Account using the form and manner as specified by the Exchange, after an account reaches the reportable volume trading level as prescribed by the Exchange. Such submission shall be made in accordance with the timing and other requirements specified in Rule J.2A.3.
- J.2A.3 At a minimum, information regarding the names of the owner(s) and controller(s), account number and account type for each Reportable Position Account and each Volume Threshold Account shall be submitted to the Exchange by the close of business on the Business Day following the date on which the Reportable Position Account or Volume Threshold Account, as applicable, reached or exceeded the applicable reportable threshold, and all supplemental information shall be submitted no later than the close of business on the third Business Day following the date on which the account reached or exceeded the applicable reportable level. All information shall be submitted to the Exchange in a format or manner as specified by the Exchange.
- J.2A.4 Reporting Firms shall update any information submitted by them via the relevant forms as specified by the Exchange whenever such information changes or becomes inaccurate, by submission of updated, accurate information by electronic submission via secure FTP or by manual entry through the Exchange's designated Web Portal, within the time frames specified in Rule J.2A.3.

## J.3 LIMITS AND EXEMPTIONS

- J.3.1 Limits on Contracts may be imposed at the discretion of the Exchange from time to time. Such Limits may include, without limitation, Limits imposed to ensure compliance with any position limits established under Applicable Laws. The nature of the Limits and the Contracts affected shall be notified to the Members from time to time.

A Member shall not carry a position that exceeds the Limits on behalf of any Person unless the Member has confirmed that such Person has received an exemption from the Exchange.

All Limits shall be calculated on a net futures-equivalent basis by product and will include Contracts that aggregate into one or more source Products ("**Combined Contracts**"). Such Products and how they aggregate into a Combined Contract shall be published by the Exchange from time to time.

The Exchange may require compliance with Position Limits and Accountability Levels on a futures-only basis to the source Products into which other Products are combined.

- J.3.2 A Person seeking an exemption from Limits shall file a written request in the form required by the Exchange, which shall include:

for the purposes of all Limits:

- (a) a description of the size and nature of the exemption sought;
- (b) an explanation of the nature and extent of the Person's business and such other information as may demonstrate that the granting of the exemption is consistent with the Rules;
- (c) a statement indicating whether the Person on whose behalf the request is made:
  - (i) maintains positions in the contract for which the exemption is sought with any other Member; or
  - (ii) has made a previous or contemporaneous request pursuant to the Rules through another Member and, if so, the relationship between the information set forth in such requests;
- (d) a statement that the Person will comply with any limitations imposed by the Exchange with regard to such positions;
- (e) a statement that the Person will immediately supply the Exchange with a supplemental statement whenever there is a material change to the information provided in the Person's most recent application; and
- (f) an agreement to comply with all related Rules;

additionally, for the purposes of Position Limits:

- (g) a statement that the intended positions will be either:
  - (i) bona fide hedges that are economically appropriate and necessary or advisable as an integral part of the Person's business and comply with all Exchange requirements relating to hedging;
  - (ii) risk management positions as described in Rule J.5; or
  - (iii) arbitrage or spread positions;

additionally, for the purposes of Expiry Limits:

- (h) a statement that:
  - (i) the intended positions are economically appropriate and necessary or an integral part of the Person's business; and
  - (ii) the Person will either supply the Exchange with all information it may request in relation to the Person's other related positions, including physical cargoes, over the counter and bilateral swaps positions, and positions held on or cleared by other exchange bodies or Clearing Organisations; or will relinquish the Expiry Limit exemption with immediate effect; and

additionally, for the purposes of Delivery Limits:

- (i) a statement that the intended position:
  - (i) is further to a commercial need for a delivery above the Delivery Limit;
  - (ii) is consistent with the Person's existing business; and
  - (iii) can be supported through delivery by the applicant's operational capacity.

J.3.3 Within five Business Days of the submission of the written request and any supplemental information requested, the Exchange shall notify the Person seeking a Limits exemption whether the exemption has been granted and any limitations placed thereon (if applicable). The Exchange may impose such limitations on the approval as are commensurate with the Person's business needs, financial ability and personal integrity, as well as the liquidity, depth and volume of the market for which the exemption is sought. An exemption will remain in full force and effect until the Person requests a withdrawal or the Exchange revokes, modifies or places further limitations thereon.

J.3.4 A Person approved to exceed Position Limits must initiate and liquidate such positions in an orderly manner consistent with sound commercial practices, and must not initiate or liquidate such positions in a manner calculated to cause unreasonable or unwarranted price changes or fluctuations, breach or circumvent the Rules or otherwise impair the good name of the Exchange.

J.3.5 A Person approved to exceed Expiry Limits must notify the Members through whom the Person's positions are held of the existence and duration of such an exemption.

- J.3.6 A Person approved to exceed Delivery Limits must notify the Clearing Member through whom it is proposed to make delivery of the existence and duration of such an exemption, and must ensure that its position after expiry and following the submission of all outstanding EFPs is at or below the Delivery Limit or the approved exemption level permitted.
- J.3.7 In the event a Person exceeds its Position Limit specifically due to sudden unforeseen increases in its *bona fide* hedging or risk management needs, such Person shall not be considered in breach of the Rules provided that the Person requests a hedge exemption to carry such increased position within one Business Day following the day on which the Person's Position Limit was exceeded, unless the Exchange has expressly approved a later request which may not exceed five Business Days, in each case following the day on which the Position Limit was exceeded and provided further that such exemption is granted by the Exchange.
- J.3.8 In the event a Person exceeds its Position Limit specifically due to sudden unforeseen increases in its *bona fide* hedging needs, such Person shall not be considered in breach of the Rules provided that the Member on behalf of such Person requests a hedge exemption to carry such increased position within two Business Days following the day on which the Person's Position Limit was exceeded, provided however that no such request shall be granted during the last three days of trading in an expiring Future.
- J.3.9 Nothing contained in this Section J shall in any way be construed to limit the powers of the Clearing House to establish position limits under the Clearing House Rules, regardless of whether such position limits are in addition to or differ from any Limits established by the Exchange.

#### J.4 BONA FIDE HEDGING POSITIONS

The Exchange may grant exemptions from the Position Limits for positions qualifying as *bona fide* hedge positions.

*Bona fide* hedging transactions and positions shall mean transactions or positions in a Future or Option, where such transactions or positions normally represent a substitute for transactions to be made or positions to be taken at a later time in a physical market, and where they are economically appropriate to the reduction of risk in the conduct and management of a commercial enterprise, and where they arise from:

- (a) the potential change in the value of assets which a Person owns, produces, manufactures, processes, or merchandises or anticipates owning, producing, manufacturing, processing, or merchandising;
- (b) the potential change in the value of liabilities which a Person owes or anticipates incurring; or
- (c) the potential change in the value of services which a Person provides, purchases or anticipates providing or purchasing.

Notwithstanding the foregoing, no transactions or positions shall be classified as *bona fide* hedging for purposes of the Rules unless their purpose is to offset price risks incidental to commercial cash or spot operations and such positions are established and liquidated in an orderly manner in accordance with sound commercial practices.

#### J.5 RISK MANAGEMENT POSITIONS

For the purposes of the Rules contained in this Section J, risk management positions are defined as Futures and Options positions which are held by or on behalf of a commercial entity or an Affiliate of a commercial entity, which typically buys, sells or holds positions in the Underlying or forward market, a related cash market, or a related over-the-counter market and for which the underlying market has a high degree of demonstrated liquidity relative to the size of the positions and where there exist opportunities for arbitrage which provide a close linkage between the Futures and Options market and the underlying market in question.

#### J.6 ARBITRAGE AND SPREAD POSITIONS

The Exchange may grant exemptions from the Position Limits for arbitrage, intra-commodity spread, inter-commodity spread, and eligible Options/Options or Options/Futures spread positions.

#### J.7 AGGREGATION OF POSITIONS

Subject to Rule J.9, in determining whether a position is a reportable position or any Person has exceeded the Limits published by the Exchange or Limits determined pursuant to an exemption granted by the Exchange pursuant to the Rules, the following shall apply:

- (i) all positions in accounts for which such Person by power of attorney or otherwise directly or indirectly holds positions or controls trading, shall be included with the positions held by such Person;

- (ii) the Limits upon positions shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if all the positions were held, or the trading of the positions was conducted, by a single Person; and
- (iii) if a Person can demonstrate to the satisfaction of the Exchange that a position is independently controlled, then that position will not be considered as contributing to any Limit.

## **J.8 POSITION ACCOUNTABILITY**

J.8.1 A Member who holds or controls, or carries for another Person, aggregate positions in excess of those Accountability Levels specified by the Exchange from time to time in respect of those contracts designated in Rule J.3:

- (i) shall provide, in a timely manner upon request by the Exchange, information regarding the nature of the Person's related cash, Futures and Options positions, trading strategy, and hedging information, if applicable (including all relevant documentation, from about the size and purpose of a position or exposure entered into, information about beneficial or underlying owners, any concert arrangements and any related assets or liabilities in the underlying market) and any information required of the Exchange by a Regulatory Authority pursuant to Rule A.3; and
- (ii) shall not, when so directed by the Exchange, further increase positions which exceed the levels published by the Exchange; all such positions must be reduced by liquidation, termination or offsetting trades in an orderly manner on a temporary or permanent basis as the specific case may require,

and the Exchange will unilaterally take appropriate action to ensure the liquidation, termination, reduction or offsetting trade if the Member does not comply.

For purposes of this Rule J.8, all positions in accounts for which a Person, by power of attorney or otherwise, directly or indirectly controls trading shall be included with the positions held by such Person. The provisions of this Rule J.8 shall apply to positions held by two or more Persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by a single Person.

J.8.2 The Exchange may require a Member to provide liquidity back into the market at an agreed price and volume on a temporary basis with the express intent of mitigating the effects of a large or dominant position.

## **J.9 ENFORCEMENT OF LIMITS**

J.9.1 No Member may for itself or any other Person maintain a combination of Futures and Futures Equivalent Contracts which is, or which when aggregated in accordance with Rule J.7 is, in excess of the Limits established by the Exchange.

For the purposes of the Rules contained in this Section J:

- (a) the Futures Equivalent Contract of each Option is calculated by reference to the delta ratio published daily by the Exchange; and
- (b) a long Future, a long call Option and a short put Option are on the same side of the market; similarly, a short Future, a short call Option and a long put Option are on the same side of the market.

Members are responsible for maintaining their position and their customers' positions within the Limits established or specified by the Exchange pursuant to these Rules. If, however, a Member's or customer's position exceeds Position Limits on any Trading Day due to changes in the deltas of the Option Contract, the Member or customer shall have one Trading Day to bring the position within the limits.

J.9.2 In the event the Exchange learns that a Member or customer maintains positions in accounts with more than one Member such that the aggregate position in all such accounts exceeds the Position Limits established by the Exchange, the Exchange may notify all Members maintaining or carrying such accounts that the aggregate position held across all Members is in excess of the Limits. Such notice may also instruct each such Member to reduce the positions in such accounts twenty-four hours after receipt of the notice, proportionately or otherwise so that the aggregate positions of such accounts at all such Members do not exceed the Limits established by the Exchange, unless as provided by Rule J.9.3 below, a request for an exemption is made and granted by the Exchange pursuant to these Rules. Any Member receiving such notice shall immediately take such steps as may be necessary to liquidate such number of Futures and/or Options as shall be determined by the Exchange in order to cause the aggregate positions of such accounts at such Members to comply with the Position Limits established by the Exchange. Notwithstanding the foregoing, the Members may reduce the positions of such accounts by a different number of Futures and Options so long as after all reductions have

been accomplished at all Members carrying such accounts, the aggregate positions at all such Members and across Combined Contracts complies with the Limits established by the Exchange.

J.9.3 Subject to the foregoing provisions of this Rule J.9, in the event that a Member's position (whether for [Limits](#) Own Business or for the account of a customer) exceeds the limits established by, or ordered by the Exchange, such Member shall liquidate such number of Contracts as the Exchange shall direct in order to eliminate the excess within such time as the Exchange may prescribe and shall report to the Exchange when such liquidations have been completed.

If a Member fails to liquidate such Contracts within the time prescribed by the Exchange, then in addition to any other actions the Exchange may take, the Exchange may take such steps as it may deem necessary or appropriate to liquidate such Contracts on behalf and at the expense of such Member to the extent necessary to eliminate such excess.

J.9.4 Notwithstanding Rules J.9.2 and J.9.3 above, and where in the opinion of the Exchange an excessive position, capable of affecting the Market is developing, or has developed, the Exchange may take any steps as it deems necessary to provide for, correct or check the further increase of such position and may give directions to Members accordingly. Such steps may (without prejudice to the generality of this Rule J.9 and without limitation), if the Exchange considers, extend to trading which occurred before or on the date that such step is instigated.

J.9.5 A Member contravening a direction of the Exchange under this Rule J.9 shall be liable to the same sanctions (including expulsion or suspension from membership) as if a breach of the Rules were committed.

J.9.6 The Exchange may report any breach of Position Limits to the Clearing House in order for the Clearing House to impose further margin requirements or Position Limits under the Clearing House Rules.

## **J.10 EXCHANGE ACCESS TO POSITION INFORMATION**

J.10.1 Without limiting any provision of these Rules, the Exchange shall have the authority to obtain from any Member information with respect to any positions owned, controlled or carried for another Person by such Member or any customer of such Member in any Contract. This authority shall include the authority to obtain information concerning positions maintained in Omnibus Accounts and positions held at other firms, and it shall be the obligation of a Member receiving such an inquiry to obtain such information from its customer. In the event a Member fails to provide the requested information the Exchange, in addition to any other remedy provided in these Rules, may order that the Member liquidate the positions which are related to the inquiry.

J.10.2 The information referred to in Rule J.10.1 may include (without limitation):

- (a) information or documentation regarding the size and purpose of any position owned, controlled or carried for another Person;
- (b) information regarding the beneficial or underlying ownership of any position;
- (c) information regarding any arrangements in place which enable the Member, acting in concert with any other Person(s), to maintain aggregate positions in excess of limits established by the Exchange;
- (d) information regarding any related assets or liabilities in the underlying market; and
- (e) any other information that the Exchange may require from time to time to comply with its obligations under Applicable Law.

J.10.3 Members shall provide information requested by the Exchange pursuant to Rule J.10.1 within the time limits (if any) specified by the Exchange.

## **J.11 EMERGENCY POWERS NOT LIMITED**

Nothing contained in this Section J shall in any way be construed to limit the emergency powers enumerated elsewhere in the Rules, and, unless the Exchange in taking emergency action states otherwise, any such emergency action shall be effective with respect to all Members and all Persons, regardless of whether an exemption from the Limits has previously been granted pursuant to these Rules.