ICE FUTURES U.S.
55 East 52nd Street
New York, NY 10055

BY ELECTRONIC TRANSMISSION

Submission No. 21-13
January 29, 2021

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Amendments to Self-Trade Prevention Functionality ("STPF") FAQ and Related Amendments - Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission ("CFTC" or "Commission") Regulation 40.6(a), ICE Futures U.S., Inc. ("Exchange") hereby certifies the creation of a New Self-Trade Prevention Functionality ("STPF") FAQ and amendments to the Exchange's Legacy STPF FAQ, as set forth in Exhibits A and B, respectively, and amendments to Appendix III to Chapter 4 of the Exchange's Rulebook governing its Self-Trade Prevention Functionality Policy (the "Policy"), as set forth in Exhibit C. Additionally, the Exchange certifies corresponding amendments to its Wash Trade FAQ to align the document with the new STPF FAQ and Policy described herein, as set forth in Exhibit D. The amendments to the STPF FAQ, the Policy, and Wash Trade FAQ provide for explanation of the release, implementation, and requirements of the Exchange's new STPF.

Effective trade date March 1, 2021, the Exchange's new self-trade prevention functionality will be available in the ICE user portal in ICE Identifier Admin. The existing STPF, which was released in 2013, will continue to be available for those firms opting to utilize the functionality, until at least 2022, when the legacy functionality will be retired. However, those firms required to utilize the Exchange's STPF will be required to migrate to the new STPF in the third quarter of 2021. All firms instituting the Exchange's STPF after February 26, 2021, will be required to utilize the new functionality. In the intervening time period, those utilizing the legacy functionality may begin migrating to the new functionality, if they so choose.

The new functionality builds on the Exchange's legacy STPF, with important updates to provide for additional flexibility and customization. The new STPF will reside within the ICE trading engine and provide various automated configurations to prevent self-trading of orders entered with the same STPF ID. This may include orders entered within the same trading firm, or across trading firms. Trading firms manage their STPF ID through ICE's proprietary user portal in ICE Identifier Admin and have the ability to share an STPF ID to other third-party firms and/or affiliates. For those users utilizing the new functionality, the STPF ID is contained in Tag 9821 (SelfMatchPrevention ID), and the STPF instructions (Reject Resting Order ("RRO"); Reject Taking Order ("RTO"); Reject Both Orders ("RBO")) are contained in Tag 9822 (SelfMatchPreventionInstruction) of orders entered.

The use of STPF continues to be mandatory for proprietary traders with direct market access who utilize algorithmic trading applications. Further description of the new functionality and overview of the market participants required to utilize the functionality are provided in the Exchange's new STPF FAQ and provided as Exhibit A. Given that the new functionality is not structured the same way, a market participant's considerations for implementation and management will differ from the legacy functionality. As such, the Exchange has opted to create a new STPF FAQ, which will eventually replace the Exchange's existing STPF FAQ that relates to the legacy functionality and was last amended in October 2014. However, in the intervening time period, both FAQs will be provided concurrently, and the FAQ related to the legacy functionality will continue to be available to market participants via the Exchange website until such time as the legacy functionality is deprecated, but will be rebranded as the "Legacy" STPF FAQ, as set forth in Exhibit B. The mandate to utilize STPF is set forth in amended Appendix III to Chapter 4 of the Exchange Rulebook and provided as Exhibit C.

Additionally, the amendments to the Wash Trade FAQ align FAQ #10 with the new STPF FAQ provided herein. Specifically, the Wash Trade FAQ has been amended to provide a description of the STPF ID component of the Exchange's new STPF. No other amendments to the Wash Trade FAQ are provided for at this time. The amendments to the Wash Trade FAQ are set forth in Exhibit D.

The New STPF FAQ and amendments to the Exchange's Policy, Legacy STPF FAQ, and Wash Trade FAQ will become effective trade date March 1, 2021, or such other date as the Exchange may determine, which shall be no sooner than 10 business days after receipt of this submission by the Commission.

Certifications

The Exchange certifies that the amendments to the STPF FAQ, Wash Trade FAQ, and the Policy comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has determined that the amendments comply with the following relevant Core Principles:

COMPLIANCE WITH RULES

The Exchange's Policy, New STPF FAQ, Legacy STPF FAQ, and Wash Trade FAQ provide updated guidance to market participants on the requirements related to the Exchange's Self-trade Prevention Functionality. The guidance included in the FAQs is intended to assist market participants in remaining in compliance with the Exchange's Policy and Rule 4.02(c), "Trade Practice Violations."

Additionally, the amendments and the new FAQ comply with Core Principle 2 and CFTC Regulation 38.152, which expressly provide for trading practices that must be prohibited by all designated contract markets, including wash trading.

AVAILABILITY OF GENERAL INFORMATION
The Exchange is publicly posting the Policy, New STPF FAQ, Legacy STPF FAQ, and Wash Trade FAQ to ensure that market participants have updated guidance and information related to the Exchange's new STPF. The Policy and FAQs will also be available on the ICE Futures U.S. website.

PREVENTION OF MARKET DISRUPTION
The amendments and the new FAQ comply with Core Principle 4 and CFTC Regulation 38.255, which expressly provide that a DCM must establish and maintain risk control mechanisms to prevent and reduce the risk of price distortions and market disruptions, such as those that result from wash trading.

PROTECTION OF MARKETS AND MARKET PARTICIPANTS
The amendments and the new FAQ comply with Core Principle 12 and CFTC Regulation 38.650, as the documents and rules are provided in furtherance of the Exchange's promotion of fair and equitable trading and to protect markets and market participants from abusive practices, such as wash trading, by any market participant.

The Exchange is not aware of any substantive opposing views expressed by members or others with respect to the new FAQ and amendments and certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and may be accessed at (https://www.theice.com/futures-us/regulation).

If you have any questions or need further information, please contact me at 312-836-6745 or at patrick.swartzer@theice.com.

Sincerely,

Patrick Swartzer
Director
Market Regulation

Enc.
cc: Division of Market Oversight

New York Regional Office

EXHIBIT A

NEW
SELF - TRADE PREVENTION FUNCTIONALITY
(STPF)

FAQs

March 2021

1) What is Self -Trade Prevention Functionality (STPF)?

STPF resides within the ICE trading engine and provides various automated configurations to prevent self-trading of orders entered with the same STPF ID. This may include orders entered within the same trading firm, or across trading firms. Trading firms manage their STPF ID through ICE's proprietary user portal. Further description of the STPF is contained within the Self-Trade Prevention Policy in Appendix III of Chapter 4 *of the Exchange Rulebook.*

Note that this FAQ document relates to the updated STPF functionality introduced in February 2021. The prior STPF functionality will be eliminated at a later date, and therefore is not described in this document. It is therefore important for companies to begin migrating to new STPF in the near future.

The STPF permits selection of any one of the following actions to occur when the matching engine detects a potential self- trade:

> Reject Taking Order (RTO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, the incoming bid/offer (or "Taking Order") will be automatically rejected.
>
> Reject Resting Order (RRO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, the resting bid/offer (or "Resting Order") will be automatically cancelled.
>
> Reject Both Orders (RBO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, both the Taking Order and Resting Order will be automatically cancelled.

In situations where the selected action is different for the Resting Order and the Taking Order, the action selected for the Taking Order will prevail. If no selection has been made for a given STPF ID, then RRO will be the default action.

2) Who is required to use STPF?

Proprietary Traders with direct market access who utilize algorithmic trading applications will be required to utilize STPF to prohibit self-trading. Proprietary Traders are defined as any entities or individuals that trade for their own account, or their company's account. The Exchange may, at its discretion, make STPF mandatory for other entities as well.

Those who are required to utilize STPF cannot opt out or otherwise override the use of the STPF. Furthermore, entities within the scope of the term "Proprietary Trader" are encouraged to utilize the elements of STPF in a manner that is appropriate to the nature of their trading operations and organizational structure.

Note, while firms and individuals that trade for client accounts, or for managed client money are not required to use the STPF, the functionality is available and may be utilized by all DMA firms.

IMPORTANT: For Proprietary Traders obligated to use STPF, migration to the new STPF system must occur no later than October 1, 2021.

3) **How is STPF set-up and administered?**

Unlike the prior version of STPF, the updated STPF is required to be set up and administered by trading firms themselves. Specifically, trading firms create an STPF ID that can be deployed for any of its traders, and/or on specific orders. Trades are prevented between any outright orders with the same STPF ID, as well as between same-spread-to-same-spread orders with the same STPF ID. This occurs whether the orders are entered by the same trading firm or trader on both sides, or different trading firms or traders, as STPF ID uniqueness is enforced across trading firms.

For FIX users, the STPF ID is contained in Tag 9821 (SelfMatchPrevention ID), and the STPF instructions (RRO; RTO; RBO) are contained in Tag 9822 (SelfMatchPreventionInstruction). The STPF ID must be all numbers, and between one and seven characters in length.

To ensure uniqueness across trading firms, the firm that first creates an STPF ID is able to generate a "token" value for that STPF ID. Any subsequent firm who attempts to create the same STPF ID will need to obtain the token from the original firm, before they can adopt the common STPF ID. If the token is not shareable or related, the trading firm must generate a new token. For example, if STPF ID 12345 has been created by one company, it may only be used by other companies via the sharing functionality.

STPF IDs are created and managed through a new portal, located in the ICE Identifier Admin ("IIA") interface. A detailed user guide for the new STPF management portal can be found here: *https://www.theice.com/publicdocs/STPF_User_Guide.pdf*.

STPF IDs must be set up at least one trading session prior to the intended usage, to allow them to be incorporated into the ICE Trading System. A bulk upload facility exists, as noted in the user guide. Orders containing an STPF ID that is not registered in IIA will be rejected.

4) **Who has access to the STPF portal?**

All trading entities with access to the ICE Identifier Admin ("IIA") interface will have access to the STPF portal. This is similar to access for the Authorized Trader Management System ("ATMS").

5) **Who has responsibility to ensure STPF IDs are populated?**

Operational responsibility to create an STPF ID, and populate it on traders and orders, resides primarily with the entity with access to IIA and the STPF portal. Please review the relevant Rules to determine which entity(ies) may have responsibility to ensure STPF IDs are populated correctly.

6) **What account information is shared between companies using an STPF ID?**

Any company that registers an STPF ID with a token is able to view the beneficial owner and account information originally assigned to the STPF ID, as entered by the original company that created the STPF ID. Furthermore, only the original company that registered the STPF ID is able to edit this reference data. This is irrespective of whether the STPF ID is shared with another company.

7) What audit information is available for any IDs that are shared?

Audit information is available for all STPF IDs. Companies who share an STPF ID will be able to review that sharing activity, as will any company with whom they are affiliated under a common parent company by ICE User Admin. Companies who are not affiliated under a common parent company will not be able to see detailed STPF ID sharing activity. Unaffiliated companies will only be able to see that a token their company generated was used to register the STPF ID. Questions regarding unaffiliated company sharing activity for a specific STPF ID should be directed to ICE Help Desk.

8) Will the use of the STPF create any delay while checking for potentially matching orders?

No. Since the functionality operates at the trading engine level, there is no latency introduced, regardless of whether the functionality is active or not.

9) Will the STPF prevent outright orders from matching spread orders?

No, the STPF does not apply to derived orders from spreads or other strategies that trade against outright orders. Only outright-to-outright orders and spread to same spread orders will be prevented from self-trading.

10) Will the self-trade prevention functionality pertain to off-exchange transactions entered through ICE Block?

No, the self trade prevention functionality is only applicable to orders that are entered separately and directly in the electronic central limit order book market. However, please see the question below regarding Crossing Order functionality.

11) How does STPF work with Crossing Order (CO) functionality?

Unlike the prior version of STPF, the new STPF will prevent orders which are entered into the ICE Trading System using a CO from matching with a better bid/offer in the Central Limit Order Book ("CLOB") if the side of the CO has an STPF ID that matches the order in the CLOB. The behavior of STPF in a CO situation depends on the action specified on the CO (RRO; RTO; RBO). Specifically:

> Under RRO, the resting order in the CLOB is removed, and the entire volume of the CO is able to cross. Note that, in absence of a specified action, RRO is the default action.
>
> Under RTO, the entire CO volume on both sides is removed, and no cross occurs.
>
> Under RBO, the resting order in the CLOB is removed, as is the entire CO volume on both sides. No cross occurs.

Note that in a CO situation, the CO is always considered the Taking order. In addition, as noted previously, the STPF instructions on the Taking order are always used to determine STPF behavior.

For example: a CO is entered for 50 contracts at the price of 2, with STPF ID 12345 on the bid and no STPF ID on the offer. At that time, the CLOB reflects a best bid at the price of 1 for 5 contracts and a best offer at the price of 2 for 10 contracts. The resting 10 lot offer at the price of 2 has the same STPF ID 12345 (as the bid within the CO). Upon expiry of the CO wait time, the following outcomes would occur:

> RRO: Resting best offer in CLOB with STPF ID: 12345 is deleted. All 50 contracts of CO cross, provided no other bids/offers are better in the CLOB.
>
> RTO: Entire CO is deleted. The resting best offer at 2 in the CLOB with STPF ID: 12345 remains active.
>
> RBO: Entire CO is deleted, as well as the best offer at 2 in the CLOB with STPF ID: 12345.

12) Will a modification of the terms of an existing order be recognized and treated as a new order for purposes of the self trade prevention functionality?

Yes. For example, assume an order to buy 1 August WTI @ 95.20 is submitted for STPD ID #1234567 and an hour later, an order to sell 1 August WTI @ 95.25 is submitted for STPF ID #1234567. If the price of the Buy order is later modified to 95.25, the system will recognize the price modification as a new bid. If such modification results in the new bid matching the existing offer for STPF ID #1234567, the functionality will prohibit those orders from matching. In this scenario, the modified bid is treated as the Taking Order for purposes of determining which order will be cancelled by the system.

13) If a bid/offer is submitted to the trading engine at the same price as a resting offer/bid that would result in a self trade if matched, would one or both of the orders be automatically cancelled?

If the resting order has the top priority in the order book, and would result in a self-trade against the entire quantity of the inbound opposing order, then the appropriate RTO, RRO, or RBO functionality will be employed, and the relevant order (RTO; RRO) or orders (RBO) will be cancelled entirely. However, if the resting order is not the top priority order for the full volume of the inbound order, then any partial fills against unrelated parties will be permitted to occur prior to cancellation of the balance of the inbound order.

For example:
Assume best bids are: $39.50 (10) – oldest in FIFO queue – STPF ID 1234567
$39.50 (5) – second oldest in FIFO queue – STPF ID 7654321

Scenario 1:
Trader enters an order to sell **5** at $39.50 under STPF ID 7654321. This order is accepted, as it will trade entirely with the oldest buy order (for STPF ID 1234567). The other buy order (for STPF ID 7654321) remains in the order book, at the same FIFO priority.

Scenario 2:

Trader enters an order to sell **12** at $39.50 under STPF ID 7654321. The STPF functionality is employed (RTO, RRO, or RBO), because a portion of the sell order would otherwise cross with the buy order for STPF ID 7654321.

The specific outcomes would be as follows:

RTO: 10 lots of the sell order would execute and the 2-lot balance would be rejected. Buy order for STPF ID 7654321 remains in the order book, at the same FIFO priority.

RRO: 10 lots of the sell order would execute. The entire resting buy order of 5 contracts for STPF ID 7654321 would be cancelled and the 2-lot balance of the sell order would rest in the book.

RBO: 10 lots of the sell order would execute, and then both the entire resting bid of 5 lots for STPF ID 7654321 and the remaining 2 lot offer would be withdrawn.

14) Are the RTO, RRO and RBO available for all future and option orders?

No. The choice of RTO, RRO & RBO alternatives is available for futures orders only. For **Option** markets, RTO is employed regardless if STPF is set to RRO or RBO.

15) Will a firm conducting proprietary trading be required to utilize STPF if it has its own internal system?

Yes, entities required to use STPF must use it regardless of any internal systems they may have. Additionally, firms may continue to employ their own internal systems for preventing self-trading activity, if they choose. Please refer to question #2 for further guidance on whether you are required to have STPF functionality enabled.

16) Will I be provided a report of my firm's orders that were cancelled due to the STPF?

The Exchange is not providing any STPF reporting at this time. However, firms should continue to monitor their order activity and identify ways to reduce self-trading activity in compliance with Exchange rules. Users will receive order cancellation notifications when their orders are cancelled as a result of the STPF. Examples of this notification are below:

RTO — Trader receives the STPF rejection notice regarding their new (taking) order. If the resting order is from a different trader, that trader does not receive a separate notice that their order caused a new order to be rejected.

RRO — Trader receives the STPF removal notice regarding their existing (resting) order. If the new (taking) order is from a different trader, that trader does not receive a separate notice that their order caused a resting order to be removed.

RBO — Trader receives a STPF rejection notice on the new (taking) order, and a STPF removal notice for the existing (resting) order. If the orders are from different traders, each one only receives the notice that is applicable to their order.

17) **How are STPF IDs associated to an order?**

Unlike the prior STPF functionality, which was facilitated by ICE User Admin, the new STPF functionality is facilitated by trading firms themselves. Trading firms create the STPF IDs they wish to employ, and then apply them to their traders as desired.

For WebICE, a trading firm can apply a single STPF ID to all orders entered by its traders, or it can make available all its STPF IDs to its traders via a dropdown menu in the order entry screen.

Note that WebICE allows a trader to vary STPF on/off in their User Preference settings. Functionality varies on FIX interfaces, some of which can populate the STPF ID downstream on an order. In either case, companies with mandatory STPF requirements should ensure they review their traders' activities regularly to ensure STPF IDs are being populated as required. Additionally, if any trader disables the functionality and ultimately transacts opposite itself or an affiliated party, these actions may result in a potential violation of Exchange wash trade rules.

Please see the STPF User Guide, speak to your ISV, or speak to the ICE Help Desk, for more information.

18) **Can an STPF ID be shared between companies?**

Yes. Creation of STPF IDs is at the company level, and STPF IDs can be shared with other companies. Furthermore, generation of a "token" by the first company to create an STPF ID, and usage of that token by subsequent companies who wish to use that same STPF ID, must occur irrespective of whether the companies are affiliated or not.

Note that tokens can also be generated by subsequent companies (who themselves received a token for the STPF ID), allowing them in turn share the ID with other companies, creating a hierarchy of sharing for a given STPF ID.

For example, Company A wants to share an STPF ID with Companies B and C. Company A generates a token for Companies B and C to use. Subsequently, Company B wants to share the same STPF ID with Company D. Company B has two choices: (1) Generate its own token, for Company D to use to activate the STPF ID, or (2) Provide to Company D the original token generated by Company A to activate the STPF ID. In either case, all of Companies A, B, C, and D are using the common STPF ID.

Tokens are valid for one week from the date of their creation.

19) How is an STPF ID shared between companies?

As described in greater detail in the STPF user guide, the first trading firm to create a particular STPF ID is then able to generate a "token" for other trading firms wishing to use the same STPF ID. When a subsequent trading firm attempts to create the same STPF ID, the system will prompt for the token. It is not possible to create the same STPF ID without a token.

NOTE: Trading firms with common clients who wish to use a common STPF ID should communicate in advance to ensure there is agreement, and to facilitate a smooth setup process. Recall that STPF IDs must be generated and deployed at least one trading session prior to their intended usage.

As a reminder, beneficiary and account information on an STPF ID is shared with all companies using that STPF ID. Companies that choose to share their STPF IDs must ensure they are providing a token only to those companies who they wish to have authority to view that information.

20) What if an STPF ID is entered in error, or needs to be deleted?

There is no ability to completely delete an STPF ID. If an STPF ID was created in error and will not be used for trading, the ID can be made inactive in the STPF interface. The ID will then be invalid for trading after the next maintenance window. This action will only apply to the specific trading participant and will not impact other trading participants that already registered the STPF ID.

21) How is an STPF ID enabled or managed across multiple ICE exchanges?

When an STPF ID is enabled for a given company (with a unique ICE company ID), the STPF ID will be available for that company's activity across all ICE exchanges. Similarly, any subsequent management of that STPF ID will apply to all ICE exchanges in which it is used.

EXHIBIT B

LEGACY SELF - TRADE PREVENTION FUNCTIONALITY (STPF)

FAQs

[~~October, 2014~~] March 2021

1) What is Self -Trade Prevention Functionality (STPF)?

STPF resides within the ICE trading engine and provides various automated configurations to prevent self-trading of orders entered by the same direct market access (DMA) firm or related DMA firms; under the same Authorized Trader ID or the same account ID; or within the same Authorized Group ID. Further description of the STPF is contained within the Self-Trade Prevention Policy in the ICE Futures US Rulebook in Appendix III of Chapter 27.

The functionality has the ability to be applied at any of the following levels:

Authorized Trader ID – At this level, STPF prohibits self-trading under the same Authorized Trader ID. For WebICE users, this would be the unique User ID assigned by ICE. For orders submitted to the Exchange through a FIX connection, the Authorized Trader ID is submitted in Tag 116 to the right of the pipe delimiter.

Company ID – At this level, STPF can be employed on an inter-company or intra-company basis. The inter-company STPF prevents self-trading by different companies with common ownership (common parent company) whereas intra-company STPF prevents self-trading within a single company. Firms wishing to use this type of STPF must ensure that Company IDs, are properly populated for all orders.

Authorized Group ID – At this level, a company can create Group IDs for the purpose of preventing self-trading by members of a group (within a single entity or related entities) that have access to or knowledge of each other's orders. The Authorized Group ID (Fix Tag 144/right side) is created by the participant and is passed to the Exchange on each order message. Firms are responsible for ensuring that Authorized Group IDs are sufficiently comprehensive to include all relevant traders. Those firms that have traders utilizing WebICE IDs will need to provide the ICE User Administration team with the names and WebICE IDs of the users they want grouped together, and the ICE User Administration team will create and assign the Authorized Group IDs as requested by the firm.

Note: In the past Fix Tag 144 (right side of pipe) Authorized Group ID. has been used for a slightly different purpose in identifying the routing of an order, it is now being repurposed for use by companies that wish to utilize the STPF at the Authorized Group level. Companies using Authorized Group IDs will be required to populate Tag 144 right with an alpha-numeric identifier that indicates the unique Authorized Group ID it has assigned to its trader or group of traders within the company. Companies using the Authorized Group ID STPF will have to ensure that this is the only information being submitted under Tag 144 right. Any use of Tag 144 Right for other purposes, that is not an identified group of traders, could result in unintended blocking of orders submitted by traders who share a common Tag 144 right.

Account ID – At this level, STPF prohibits self-trading for the same account. The account must be an exact match.

The STPF permits selection of any one of the following actions to occur when the matching engine detects a potential self- trade:

Reject Taking Order (RTO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, the incoming bid/offer (or "Taking Order") will be automatically rejected.

Reject Resting Order (RRO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, the resting bid/offer (or "Resting Order") will be automatically cancelled.

Reject Both Orders (RBO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, both the Taking Order and Resting Order will be automatically cancelled.

2) Who is required to use the STPF?

Proprietary Traders with direct market access who utilize algorithmic trading applications will be required to utilize STPF to prohibit self-trading at the Authorized Trader ID, Authorized Group ID or Company level. Proprietary Traders are defined as any entities or individuals that trade for their own account, or their company's account. The Exchange may make the STPF mandatory for other Proprietary Traders at a future date.

Those who are required to utilize STPF cannot opt out or otherwise override the use of the STPF. Furthermore, entities within the scope of the term "Proprietary Trader" are encouraged to utilize the elements of STPF at a level that is appropriate to the nature of their trading operations and organizational structure.

Note, while firms and individuals that trade for client accounts, or for managed client money are not required to use the STPF, the functionality is available and may be utilized by all DMA firms.

3) How is the STPF set-up and administered?

Participants are required to contact ICE User Administration at iceuseradministration@theice.com to set up the self-trade prevention functions.

4) Will the use of the STPF create any delay while checking for potentially matching orders?

No. Since the functionality operates at the trading engine level, there is no latency introduced, regardless of whether the functionality is active or not.

5) Will the STPF prevent outright orders from matching spread orders?

No, the STPF does not apply to derived orders from spreads or other strategies that trade against outright orders. Only outright-to-outright orders and spread to same spread orders will be prevented from self-trading.

6) **How do I assign Authorized Group IDs for groups of WebICE users that share an order book or otherwise have knowledge of each other's orders?**

Firms should email the ICE User Administration team at iceuseradministration@theice.com with the names and WebICE IDs of the users they want grouped together, and the Administration team will create and assign the Authorized Trader Group IDs as requested by the Firm.

7) **Will the self-trade prevention functionality pertain to orders entered as Crossing Orders (COs) or permitted, off-exchange transactions entered through ICEBlock?**

No, the self trade prevention functionality is only applicable to orders that are entered separately and directly in the electronic central limit order book market. However, the Exchange will continue to review transactions resulting from COs and off-exchange transactions for evidence of wash trading.

8) **Will a modification of the terms of an existing order be recognized and treated as a new order for purposes of the self trade prevention functionality?**

Yes. For example, assume the self trade prevention is set to prevent orders for the same account from matching. Also assume an order to buy 1 August WTI @ 95.20 is submitted for account #123 and an hour later, an order to sell 1 August WTI @ 95.25 is submitted for account #123. If the price of the Buy order is later modified to 95.25, the system will recognize the price modification as a new bid. If such modification results in the new bid matching the existing offer for account #123, the functionality will prohibit those orders from matching. In this scenario, the modified bid is treated as the Taking Order for purposes of determining which order will be cancelled by the system.

9) **If a bid/offer is submitted to the trading engine at the same price as a resting offer/bid that would result in a self trade if matched, would one or both of the orders be automatically cancelled?**

If the resting order has the top priority in the order book, and would result in a self-trade against the entire quantity of the inbound opposing order, then the appropriate RTO, RRO, or RBO functionality will be employed, and the relevant order (RTO; RRO) or orders (RBO) will be cancelled entirely. However, if the resting order is not the top priority order for the full volume of the inbound order, then any partial fills against unrelated parties will be permitted to occur prior to cancellation of the balance of the inbound order.

For example:
Assume best bids are: $39.50 (10) – oldest in FIFO queue – Authorized Trader JSMITH
$39.50 (5) – second oldest in FIFO queue – Authorized Trader JDOE

Scenario 1:
JDOE enters an order to sell **5** at $39.50. This order is accepted, as it will trade entirely with JSMITH's buy order. JDOE's buy order remains in the order book, at the same FIFO priority.

Scenario 2:

JDOE enters an order to sell **12** at $39.50. The STPF functionality is employed (RTO, RRO, or RBO), because a portion of the sell order would otherwise cross with JDOE's buy order.

The specific outcomes would be as follows:

RTO: 10 lots of the sell order from JDOE would execute vs JSMITH and the 2-lot balance would be rejected. Buy order from JDOE remains in the order book, at the same FIFO priority.

RRO: 10 lots of the sell order from JDOE would execute vs JSMITH. The entire resting JDOE buy order of 5 contracts would be cancelled and the 2-lot balance of the JDOE sell order would rest in the book.

RBO: 10 lots of the sell order from JDOE would execute vs JSMITH, and then both the entire resting bid of 5 lots (JDOE) and the remaining 2 lot offer (JDOE) would be withdrawn.

10) Are the RTO, RRO and RBO available for all future and option orders?

No. The choice of RTO, RRO & RBO alternatives is available for futures orders only. For Option markets, RTO is employed regardless if STPF is set to RRO or RBO. However, options <u>will</u> honor the granularity of prevention (Authorized Trader; Authorized Group; Account; Company) as defined by the company

11) **Will a firm conducting proprietary trading be required to utilize STPF if it has its own internal system**?

Yes, Proprietary Traders (as defined) with direct market access are required to use STPF regardless of any internal systems they may have. Additionally, firms may continue to employ their own internal systems for preventing self-trading activity, if they choose.

12) Will I be provided a report of my firm's orders that were cancelled due to the STPF?

The Exchange is <u>not</u> providing any STPF reporting at this time. However, firms should continue to monitor their order activity and identify ways to reduce self-trading activity in compliance with Exchange rules. Users will receive order cancellation notifications when their orders are cancelled as a result of the STPF. Examples of this notification are below:

RTO — Trader receives the STPF rejection notice regarding their new (taking) order. If the resting order is from a different trader, that trader does not receive a separate notice that their order caused a new order to be rejected.

RRO — Trader receives the STPF removal notice regarding their existing (resting) order. If the new (taking) order is from a different trader, that trader does not receive a separate notice that their order caused a resting order to be removed.

RBO — Trader receives a STPF rejection notice on the new (taking) order, and a STPF removal notice for the existing (resting) order. If the orders are from different traders, each one only receives the notice that is applicable to their order.

13) **Can different STPF controls be applied within the same company, e.g. at the Authorized Trader Level and at the Authorized Group level, or RTO for one trader and RRO for another trader?**

No. Once activated, STPF will apply broadly across the entire company. The STPF level chosen will apply globally to all ICE markets and ICE Exchanges on which a company is active and cannot be varied by Exchange or Market, and cannot be turned on and off by Market or Exchange. Furthermore, it is not possible to limit application of STPF to a sub-list of accounts, Authorized Trader IDs, or Authorized Group IDs. Therefore, it is important that DMA companies consider the implications of setting up STPF with a given set of parameters, before making that selection.

EXHIBIT C

APPENDIX III

Self-Trade Prevention Functionality Policy

All market participants engaging in proprietary trading are required to implement procedures to protect against self-trading that violates the Exchange's wash trading prohibition set out in Rule 4.02(c).

The ICE Platform has functionality, called the "Self-Trade Prevention Functionality" ("STPF") that can assist participants in preventing violations of wash trading prohibitions. As set out below, certain participant categories are required to utilize the STPF.

Description of Functionality

The STPF resides within the ICE trading engine and provides various automated configurations to prevent self-trading of orders entered [~~by~~]with the same STPF ID[~~firm or related firms; under the same Authorized Trader ID or the same account; or within the same Authorized Group ID~~]. This may include orders entered within the same trading firm, or across trading firms. All STPF ID configurations are required to be set up and managed by trading firms through ICE's proprietary user portal. [~~The functionality has the ability to be applied at any of the following levels:~~

> ~~Company ID – At this level, STPF can be employed on an inter-company or intra-company basis. The inter-company STPF prevents self-trading by different companies with common ownership (ie, under a common parent company) whereas intra-company STPF prevents self-trading within a single company. Firms wishing to use this type of STPF must ensure that Company IDs, are properly populated for all orders.~~
>
> ~~Authorized Group ID – At this level, a company can create Group IDs for the purpose of preventing self-trading by members of a group (within a single entity or related entities) that have access to or knowledge of each other's orders. The Authorized Group ID (Fix Tag 144/right side) is created by the participant and is passed to the Exchange on each order message. Firms are responsible for ensuring that Authorized Group IDs are sufficiently comprehensive to include all relevant traders. Those firms that have traders utilizing WebICE IDs will need to provide the ICE User Administration team with the names and WebICE IDs of the users they want grouped together and the ICE User Administration team will create and assign the Authorized Group IDs as requested by the firm.~~
>
> ~~Authorized Trader ID – At this level, STPF prohibits self-trading under the same Authorized Trader ID. For WebICE users, this would be the unique User ID assigned by ICE. For orders submitted to the Exchange through a FIX connection, the Authorized Trader ID is submitted in Tag 116 to the right of the pipe deliminator.~~
>
> ~~Account – At this level, STPF prohibits self-trading for the same account. The account must be an exact match.~~]

Note that the STPF does not apply to derived orders from spreads or other strategies that trade across outright orders. Only outright-to-outright orders and spread to same spread orders will be prevented from self-trading.

[~~The STPF permits selection of any one of the following actions to occur when the matching engine detects a potential self- trade:~~

~~Reject Taking Order (RTO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, the incoming bid/offer (or "Taking Order") will be automatically rejected.~~

~~Reject Resting Order (RRO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, the resting bid/offer (or "Resting Order") will be automatically cancelled.~~

~~Reject Both Orders (RBO) – If a new incoming bid/offer would result in a self-trade match with a resting offer/bid, both the Taking Order and Resting Order will be automatically cancelled.~~

~~If the resting order has the top priority in the order book, and would result in a self-trade against the entire quantity of the inbound opposing order, then the appropriate RTO, RRO, or RBO functionality will be employed, and the relevant order (RTO; RRO) or orders (RBO) will be cancelled entirely. However, if the resting order is not the top priority order for the full volume of the inbound order, then any partial fills across unrelated parties will be permitted to occur prior to cancellation of the balance of the inbound order.~~

~~All prevention criteria configurations are set up by ICE User Administration upon request.~~]

Further information is set out in the FAQ on Self Trade Prevention Functionality.

Mandatory Use of STPF

The STPF has been implemented to assist firms and individuals conducting proprietary trading with their wash trade compliance procedures.

The use of STPF is mandatory [~~at the Authorized Trader ID level~~] for Proprietary Traders with direct market access ("DMA") who utilize algorithmic trading applications. For the purposes of this Policy, "Proprietary Trader" means: an entity (company or individual) that trades for its own account or their company's account, and which does not trade for customer/client accounts.

The Exchange intends that the mandatory use of the STPF may [~~at Authorized Trader ID level~~] will be extended over time to cover other[all] Proprietary Traders and/or commercial/merchant entities other than those which trade for customer/client accounts. However, the STPF is available and may be utilized by all DMA firms.

Those who are required to utilize the STPF to prohibit self-trading [~~under the same Authorized Trader ID level~~] may not opt out or otherwise override the use of the STPF[~~ at this level~~].

Other market participants are encouraged to utilize the STPF in a manner that[~~at a level that~~] is appropriate to the nature of their trading operations and organizational structure.

It is incumbent upon all market participants to be able to demonstrate compliance with the rules that prohibit wash trading. The failure to utilize the STPF will be deemed an aggravating factor if such market participant is found to have engaged in wash trading, that would have been prevented by the STPF.

[~~Further information is set out in the FAQ on Self Trade Prevention Functionality, located at https://www.theice.com/publicdocs/futures_us/Self_Trade_Prevention_Functionality_FAQ.pdf~~]

EXHIBIT D

Wash Trade

FAQ

[~~February 2016~~] March 2021

*   *   *

10. Does the Exchange provide market participants any wash trade prevention features and is it mandatory for certain market participants?

In December 2013, the Exchange introduced the Self Trade Prevention Functionality ("STPF") policy. STPF [~~functionality~~] resides within ICE's trading engine and provides various automated configurations to prevent self-trading of orders entered [~~by~~]with the same STPF ID[~~direct market access ("DMA") firm or related DMA firms~~]. [~~The STPF functionality is customizable based on each market participant's needs and therefore can be implemented at the following levels: Authorized Trader ID, Company ID, Authorized Group ID or Account ID.~~]

Currently, proprietary traders with direct market access ("DMA") access who utilize algorithmic trading applications are required to utilize STPF to prohibit self-trading[~~ at any of the various levels noted above~~]. Proprietary Traders are defined as any entities or individuals that trade for their own account, or their company's account.

For additional STPF information please refer to the Exchange's STPF FAQ.