ICE Futures Europe
Error Correction Policy

December 2024

Error Correction Facility

In certain circumstances where there has been an error in the execution of a <u>client order</u> by a Member, ICE Futures Europe (the "Exchange") makes available an 'Error Correction Facility' in order to resolve the error and ensure that the interests of the client are protected[1].
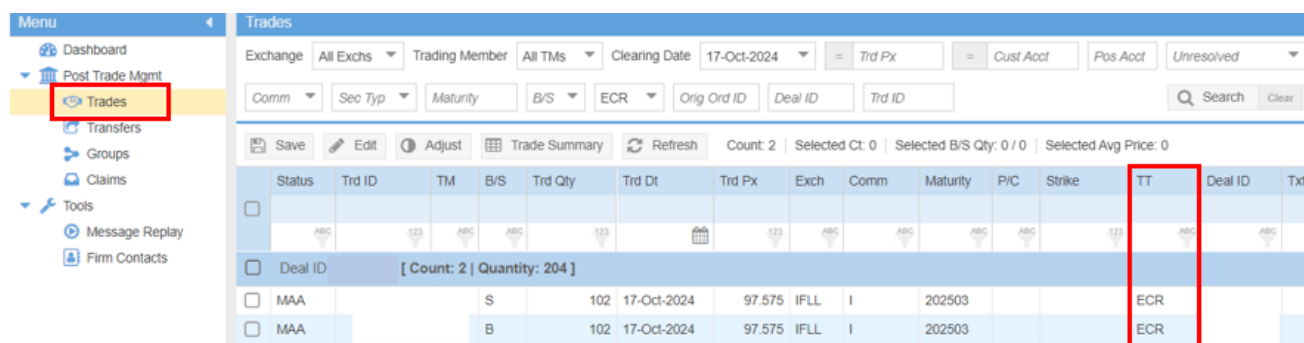
Errors must be identified promptly. The Error Correction Facility is only available to Members of the Exchange and for trades that have been executed in the <u>previous 3 business days</u>.

If the trade subject to correction is an off-screen trade (e.g. block trade, EFP, EFS, AA, Basis), and where an error is detected on the date of the client order and executed transaction (T) or T+1, the Member should correct the error using the T+1 adjustment functionality in ICE Block (by right clicking on the relevant trade within the *Deal History* tab).

If the error cannot be resolved using this functionality, the Member may be able to request an error correction - see the [Frequently Asked Questions](#) for scenarios in which an error correction may be permissible. Details regarding the nature of the error and the original client order must be provided on an [Error Correction Form](#) and emailed to MarketRegulation-Europe@ice.com.

When reviewing error correction requests, the Exchange may seek further explanations or supporting documentation from Members to confirm the nature of the error, the events which gave rise to it and related actions by Member staff. Authorisation of an error correction is at the absolute discretion of the Exchange. Exchange authorisation of an error correction request will not preclude it from commencing disciplinary proceedings if it transpires that the original error or the subsequent correction request may have been in contravention of this policy or Exchange Regulations.

When authorised, the Exchange will enter the error correction into the Front-End Clearing system (FEC), which will appear with a trade type 'ECR'. Members will be able to search for error corrections under the Trades screen in FEC by searching for ECR under the Trade Type (TT) column:

The Exchange will process the error correction as a cross trade, entering both a buy and sell side into the 'U' (unallocated) account of the Member. The Member should then allocate the buy and sell side of the trade to the relevant accounts.

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[1] Per section 8.5 of the [ICE Futures Europe Trading Procedures](#)

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Frequently Asked Questions

1. When can I use the error correction facility?

Error corrections are only available for client business. A Member may be eligible for an error correction in the following scenarios:

- A client trade has been executed with an incorrect:
    - expiry
    - product
    - strike
    - price
    - volume
- The Member failed to execute a client order

Incorrect expiry, product, or strike
If a trade has been executed by a Member in an incorrect expiry, product or strike (and, for off-screen trades, is unable to be adjusted in ICEBlock), the Member must execute a trade in the correct market, for the required volume and at a price representative of prevailing market value, in order for the volume to be registered on the Exchange. A Member with access to FEC should move both the buy and sell sides of this trade and the original incorrect trade into one account to net out (flatten) the positions.

The Member must then submit a completed Error Correction Form to request the trade details agreed with their client(s).

Incorrect price
If a trade has been executed by a Member in the correct product but at an incorrect price (and, for off-screen trades, is unable to be adjusted in ICEBlock), a Member with access to FEC should move the buy and sell sides of the trade into one account to net out (flatten) the position.

The Member must then submit a completed Error Correction Form to request the trade details agreed with their client(s).

Incorrect volume
Where a trade has been executed with surplus volume, a Member with access to FEC should move the buy and sell side of the excess number of lots into one account to net out (flatten) the excess position.

Example: a client order was to trade 200 lots of Brent Crude Futures, but 250 lots were executed. To rectify the excess volume, the buy and sell side of 50 lots will need to be placed in one account, and the correct 200-lot position allocated into the relevant accounts.

Where a trade has been executed with insufficient volume, the Member must first execute a further trade for the required additional volume in the relevant market, at a price representative of prevailing market value. The Member should allocate both sides of this trade into one account to net out (flatten) the position. They should then submit a completed Error Correction Form to request the trade price agreed with their client for this additional volume.

Missed execution
If a Member has failed to execute their client's order, they must first execute a trade in the relevant market, for the required volume and at a price representative of prevailing market value, in order for the volume to be registered on the Exchange. The Member should allocate both sides of this trade into one account to

net out (flatten) the position. They should then submit a completed [Error Correction Form](#) to request the trade agreed with their client.

2. I do not have access to the Front-End Clearing system. How do I request an error correction?

Without access to FEC, the Clearing Members to the trade will need to be contacted to ensure they are aware of the issue. One of the Clearing Members will need to submit a completed [Error Correction Form](#).

3. The buy/sell side of a trade has been allocated to the wrong account. How can I correct this error?

Errors of this nature must be identified in a timely manner and reallocated to the correct account(s) in FEC by T+5. If the misallocation has not been identified by T+5, the Member may be able to utilise the position transfer facility[2].

4. I have booked a duplicate trade. How can I correct this error?

An error correction cannot cancel a trade. However, a Member can move both sides of the duplicate trade into one account to net out (flatten) the position. The resulting positions from the duplicate trade must be managed appropriately by the Member.

5. A co-brokered off-screen trade has been deemed erroneous. How can I correct this error?

The T+1 adjustment facility in ICEBlock is not available for co-brokered off-screen trades. One Member with access to FEC should take the buy and sell sides of the trade into one account to net out (flatten) the position. To request an error correction for the trade details agreed with the client(s), refer to the relevant scenario set out above in this FAQ.

6. I have incorrectly executed a one-sided client order on screen. How can I correct this error?

Where a one-sided client order has been incorrectly executed on screen, the Member will need to manage this open position appropriately prior to submitting an [Error Correction Form](#).

7. I have incorrectly executed a TAS (Trade at Settlement) or TAPS (Trade at Platts Settlement) block trade. How can I correct this error?

The T+1 adjustment facility is not available for TAS or TAPS trades. Where an incorrect TAS or TAPS block trade is identified on T+1, depending on the nature of the error, an error correction may need to be requested - refer to the relevant scenario set out above in this FAQ.

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[2] https://www.ice.com/publicdocs/Position_Transfer_Guidance.pdf

8. I have booked a trade with an incorrect trade type. How can I correct this error?

Trades booked with an incorrect trade type cannot be corrected in Exchange systems after the date of execution. Ensure a record of the error is retained for audit purposes.

Any questions arising from this Policy should be addressed to the Market Regulation department on +44 (0) 20 7065 7797 (email MarketRegulation-Europe@ice.com).

ERROR CORRECTION FORM

Date and time of error:	
Date and time of client order:	
Date and time error was detected:	
Member name and mnemonic:	
Trader mnemonic:	

Nature of error (tick the appropriate box)

☐ Price ☐ Product ☐ Other (provide details below)

☐ Expiry ☐ Missed execution

☐ Volume ☐ Strike

Please provide a detailed explanation of the error:

Order/trade details	Client order details	Incorrect trade (if applicable)
Trade type (e.g. screen, block, EFP)		
Buyer		
Seller		
Exchange MIC		
Exchange Product Code		
Expiry		
Call/Put and strike price		
Price (include legs if spread trade)		
Volume (in lots)		
Time		
Deal ID	N/A	

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I confirm that I am authorised to make this request on behalf of the aforementioned Member. I confirm that the information provided above is accurate and that this request is made in accordance with this policy document and ICE Futures Europe Regulations. Where applicable, the appropriate client consent has been obtained and any price improvement achieved has been or will be offered in full to the client.

Name:	
Date:	
Job title:	
Signature:	
Contact number:	

Please e-mail this form to ICE Futures Europe Market Regulation at MarketRegulation-Europe@ice.com.