

# ICE Futures Europe

## Tiered Price Limits (“TPL”)-FAQs

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### Q1: What are Tiered Price Limits?

TPLs provide an additional layer of protection, alongside preexisting Interval Price Limits, to reduce the risk of excessive volatility and significant price movements in enabled markets. The TPL functionality consists of up to three hierarchical tiers that will apply a ‘TPL amount’ to a designated reference price to determine hard limits outside of which trading, in most cases, cannot occur on the Central Limit Order Book (“CLOB”). The designated reference price for each product will either be the applicable market’s previous session’s settlement price or the previous session’s indicative closing value and will be stipulated in the IFEU Price Controls document found [here](#). The transition between progressive tiers will allow for increased price movement but in a controlled manner.

### Q2: In which contracts will TPLs be enabled?

TPLs will be enabled in Three Month [Euribor](#) Futures and [FTSE 100](#) Index Futures from **September 23, 2024**.

The TPL functionality will only be effective between 01:00 and 07:00 LLT with two active tiers in place at launch. Please note that the scope of the functionality may be subject to change, as and when determined by the Exchange.

### Q3: How do TPLs work?

When an order attempts to execute above/below the current effective tier in a market, a pre-designated ‘hold period’ will be triggered during which explicit trading will be prevented beyond the tier’s limit. Once the hold has ended, a new tier will become effective allowing trading to resume beyond the original limit up/down to the next limit enforced. Once the final tier in place has been breached, the functionality will be disabled.

### Q4: How long will the hold period be?

The hold period for both products will be one minute\*.

### Q5: What are the TPLs being applied?

- **Three Month Euribor Futures** will have TPLs enabled for the front four quarterly contracts\* with the following limits:
  - Tier 1 (TPL1): 15 basis points\*
  - Tier 2 (TPL2): 40 basis points\*
- **FTSE 100 Index Futures** will have TPLs enabled for the front three quarterly contracts\* with the following limits:
  - Tier 1 (TPL1): 150 Index points\*
  - Tier 2 (TPL2): 400 Index points\*

### Q6: How are TPL amounts determined?

The TPL amounts are determined by the Exchange, on an individual product basis, to reflect each derivative’s historical volatility and current market profile. These may be adjusted by the Exchange, if deemed required, at its sole discretion.

## Q7: What happens when a TPL is hit?

Further to the process outlined in Q3, when a TPL has been breached, the ensuing hold period will provide participants with the opportunity to react and adjust positions accordingly.

Notifications of the start and end to the hold will be broadcast directly to WebICE and via the iImpact Multicast feed.

### Example: TPL for Three Month Euribor

TPL level	TPL amount
TPL1	0.1500*
TPL2	0.4000*

When TPL1 is enforced, the following bands would be set for enabled markets:

Month	Previous session Indicative Closing Value	Lower TPL1 Band	Upper TPL1 Band
Jun-25	97.2900	97.1400	97.4400
Sep-25	97.4900	97.3400	97.6400

In TPL2, or once a hold in TPL1 has ended, the following levels would be set:

Month	Previous session Indicative Closing Value	Lower TPL2 band	Upper TPL2 band
Jun-25	97.2900	96.8900	97.6900
Sep-25	97.4900	97.0900	97.8900

During the TPL hold period, explicit order entry and subsequent trading will be permitted to continue within the TPL lower and upper bands but not beyond.

## Q8: What occurs once the market hold has ended?

Once a TPL hold period has ended, trading can resume within the new applicable price limits enforced with the next elected tier. As each tier increases in magnitude, the new price limits will allow for greater price movement while maintaining a fair and orderly market.

Market participants will have the opportunity to re-evaluate their orders. Orders placed before the hold can be modified or cancelled, ensuring these align with the prevailing market conditions.

## Q9: Can orders be placed beyond the current TPLs?

Orders cannot be placed beyond the limits of the current tier in effect. A permitted order will result in the triggering of a TPL and a subsequent market hold. Once the hold has ended and a new tier is activated, orders can be entered up/down to the next enforced tier.

## Q10: Where can I find more information about the Tiered Price Limits?

Please find a guide on the Tiered Price Limit functionality available via the [Trader Dashboard](#).



For more information: [ice.com](https://ice.com)

\*Please note, TPL parameters may be adjusted by the Exchange at its discretion. Any amendments to TPL amounts and hold periods will be documented in the IFEU Price Controls document found [here](#).