

NOTICE

May 4, 2012

Category(ies):
Notice**Attachments:**
None**Summary of content**

Clearing Participants now have the option of providing trading system access either through Systems Managed Accounts or under written Clearing Authorization & Guaranty forms.

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Systems Managed Accounts

Clearing Participants are advised that recent amendments to the Rules of both ICE Futures Canada and ICE Clear Canada for Systems Managed Accounts (SMAs) have received non-disapproval from The Manitoba Securities Commission.

These rule amendments provide Clearing Participants in the category of Futures Commission Merchant with the option of how they will provide trading system access to the Direct Access Trading Participants (DATP) they clear.

The ICE Platform allows for two methods of granting access: through Local Managed Accounts (LMA) and through System Managed Accounts (SMA).

LMAs, which use the DATP's Member Mnemonic, provide for a DATP to have unfiltered access directly to the Trading System, and the Clearing Participant is unable to force any limits on the trading of that DATP at the trading system level.

In addition, in the event that a Clearing Participant wishes to terminate its clearing arrangements with that DATP, it is required to provide notification to the Exchange and the Exchange then takes the required steps to shut down the system access of the DATP. An LMA is set up and effectuated through the provision of a written Clearing Authorization and Guaranty.

SMAs, on the other hand, provide Clearing Participants with the ability to set trading limits on the participants they clear at the trading system level, as well as the ability to shut off all trading rights of DATPs at the system level. Clearing Participants are also able to view all trades made through SMAs. SMAs do not require the submission of any written forms to the Exchange.

There is significantly more control and certainty for a Clearing Participant in issuing an SMA to an entity that it provides clearing services to, as opposed to granting trading access through a LMA.

Clearing Participants who wish to review the current status of the DATPs that they provide clearing services to, or wish to have SMAs set up, should contact the persons listed on this Notice to discuss the processes and procedures that will be required.