



March 19, 2025

DMIST - Derivatives Market Institute for Standards
2001 K Street, NW
Suite 725, North Tower
Washington, DC 20006

Re: ICE Response to DMIST's Public Consultation Paper on Position Transfers

Intercontinental Exchange Inc. on behalf of itself and its subsidiaries (collectively "ICE"), appreciates the opportunity to provide feedback to the DMIST *Consultation Paper: Standard Regarding Position Transfers*.

In the pages which follow are ICE's comments to the Consultation Paper, presented in-line to excerpts from the Consultation Paper itself. Any section numbering is taken from the original DMIST Consultation Paper.

Thank you for your time and consideration,

Alison Rossi
Director, Product Management, ICE

2. PROPOSED STANDARD

DMIST believes that achieving full operational efficiency for Position Transfers requires automating the process. Ideally, an automated process will take in the required information, distribute it to the risk, compliance and operations departments for approval, upload the information to exchanges, and provide status updates to the Client throughout the process.

ICE - Upload of position transfers at ICE is to the CCP system, not to the exchange.

DMIST recommends publishing a standard that 1) establishes a template clients can use to submit a Position Transfer Request to its Clearing Member(s) and a standard template for Clearing Members to more easily upload Position Transfer data to CCPs; and (2) a corresponding standard template for CCPs to adopt for receiving data from Clearing Members.

For the purpose of this standard, DMIST defines two types of Position Transfers: simple and complex.

Simple Position Transfers are partial Position Transfers with no change in beneficial ownership and no significant impact on open interest on a single CCP and where one receiving Clearing Member is involved.

ICE - This definition should stipulate that additional funding is not required by the CCP from either party to the transfer; any transfer requiring funding is subject to additional timing restrictions (as noted below) and should be considered a Complex Position Transfer. Also, in all cases of position transfer, CCP approval may be required according to its stated procedures.

Complex Position Transfers are partial Position Transfers that may require additional information and analysis. Triggers that require additional Clearing Member compliance and/or exchange review include full-account Position Transfers, change of beneficial owner, significant impact on open interest in spot period, pre-funding as determined by either transfer firm, and multiple Clearing Members and/or CCPs involved.

ICE - This definition should include the use case requiring additional funding as required by the CCP from either or both parties to the transfer, and not solely "as determined by either transfer firm." Also, in all cases of position transfer, CCP approval may be required according to its stated procedures.

Generally, exchange approval is required when there has been a change in beneficial owner or a significant impact on open interest in spot month contracts. In addition, processing could be delayed based on the geographic location of the Client, the markets and clearing members involved in the transfer.

Standard Client Request Form

A standard Client Request Form would have the following advantages:

- Clients would have one template to use to submit transfer requests to any clearing firm in the industry; and
- A completed template would speed up approval, reviews and transfer processing, since all information required to effect the transfer would be available and consistently presented to the clearing firms.

The Client Request Form would include two parts:

1. The information needed by the Clearing Members for review and approvals; and
2. The information needed by the Clearing Members to submit for processing at the CCPs.

Timing for Simple Position Transfers

Simple Position Transfers that are requested via a fully completed Client Request Form five (5) hours ahead of the market clearing close should be completed on the day of the transfer request. The Client Request Form should be sent simultaneously to both the Originating and Receiving Clearing Members.

ICE - The ability to complete a simple transfer same day will depend also on when it is submitted to the CCP, which should be done as soon as possible after the Clearing Members receive the request from the client.

A CCP may impose alternate timing requirements, permanently or case-by-case, based on local market clearing timing, including but not limited to changes based on CCP time zone or to accommodate the CCP approval process.

The size of the transfer may impact the ability to complete the transfer the same day.

Timing for Complex Position Transfers

Complex Position Transfers requested via a fully completed Client Request Form at least 24 hours in advance of the nearest market clearing close on the intended transfer date should be completed on the next business day.

When exchange approval is required, a Position Transfer that is requested via a fully completed Client Request Form 48 hours ahead of the nearest market clearing close on the intended transfer date should be completed in two business days. The Client Request Form should be sent simultaneously to both the Originating and Receiving Clearing Members.

Notifying Clearing Members of intent to transfer in advance of submitting the actual Client Request Form may help speed up processing.

ICE - The ability to complete a complex transfer next day or by request day+2 will depend also on when it is submitted to the CCP, which should be done as soon as possible after the Clearing Members receive the request from the client.

A CCP may impose alternate timing requirements, permanently or case-by-case, based on local market clearing timing, including but not limited to changes based on CCP time zone or to accommodate the CCP approval process.

In addition, a CCP may impose an earlier instruction cut-off or be unable to process the transfer on the requested business day depending upon deadlines for additional funding required by the CCP from either or both parties to the transfer.

Type of Transfer	Request Deadline	Completion Deadline	Example: Day of the week=Tuesday
Simple Position Transfer	5 hours before clearing market close	Same Day by local clearing market close	20:00 Tuesday: Clearing Market Close 15:00 Tuesday: Request deadline 20:00 Tuesday: Transfer completed
Complex Position Transfer	24 hours before local clearing market close	Next business day before nearest local clearing market close	20:00 Tuesday: Nearest Clearing Market Close 20:00 Tuesday: Request deadline 20:00 Wednesday: Transfer completed

Complex Position Transfer requiring exchange approval	48 hours before local clearing market close	Two business days before nearest local clearing market close	20:00 Tuesday: Nearest Clearing Market Close 20:00 Tuesday: Request deadline 20:00 Thursday: Transfer completed
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ICE - As noted in the definitions, above, the deadlines stated in this table must be viewed as guidelines which are subject to variation on a CCP and/or case-by-case basis.

Communication

The Client Request Form should be sent to both Originating and Receiving Clearing Members simultaneously when information is disclosable to both parties.

ICE - Consider whether this form also should be submitted, as information only, to the CCP to further facilitate the transfer process.

3. CONSULTATION QUESTIONS

Questions for Exchanges

1. Should DMIST create a standard form for Clearing Members to request Exchange approval for Position Transfers involving a change in beneficial ownership?

ICE - We already have forms/processes in place for Exchange approval related to Position Transfers, where such approval is required. Each Exchange has different rules and may require additional information based on its own internal processes. Further, we have no requirement to upload the information into an Exchange system, such that broad standardization would be beneficial. As such, ICE does not support a standard Exchange request form.

It is also worth noting that Exchange approval may not be limited to cases involving change of beneficial owner. Additional cases, such as but not limited to transfers in near-month contracts or with large OI impact, may also require approval according to each Exchange's rules.

Questions for Clearinghouses

1. Is the CCP Upload Functionality Template (Figure 3) missing information needed to complete a Position Transfer?

ICE - Comments on fields already indicated in the proposed standard:

Product Exchange must be the CCP's MIC; and

Originating and Receiving Firm values must be the firms' CCP-assigned mnemonics.

The file indicated in the Standard should also include:

Originating Customer Account (required)*;

Originating Customer LEI (optional);

Receiving Customer Account (optional)*;

Receiving Customer LEI (optional);

Receiving Open/Close (optional); and

Receiving CTI (required where applicable).

*Assuming the Originating/Receiving Account represented in the Consultation's Figure 3 are for Position Account which is also and separately required by ICE; we suggest the field name be clarified.

In addition, any CCP-specific fields or rules should not be included in this Standard, but in the CCP's own specifications, as different systems processing a transfer-file upload may have different rules and field requirements, even within the same CCP. Agree that any additional fields indicated by the CCP should come after the fields specified in the Standard.

2. Are there roadblocks that would prevent a CCP from conforming to headers according to the recommended format listed in Figure 3?
3. Please share any recommendations, changes or challenges you would have in conforming to the data formats outlined in Figure 3.
4. Do roadblocks exist that would prevent a CCP from accepting the data in the order in which it is listed in Figure 3?

ICE - Multiple ICE systems may require update to support the proposed layout.

Questions for All

1. Are there benefits of transfer standardization for exchanges, CCPs, Clearing Members or Clients that are not already identified in the proposed standard?
2. What additional standards may be helpful to support or facilitate this proposed standard?

ICE - It is ICE's opinion that position transfers should be used only when standard, trade-based corrections or adjustments are not available or practicable. ICE allows trade-specific updates and adjustments through trade date plus 5 business days; we encourage members to utilize these features rather than position transfer whenever possible.

3. What impediments exist to meet the proposed standard?
4. Should DMIST develop a standard for cleared swaps positions transfers/porting?

Additional Comments

DMIST welcomes any comments that you may have that were not covered in the above consultation questions.

ICE - The paper includes timings on when a client should get position-transfer instructions to a clearing member, but there is nothing on CM's inputting transfers into CCP's system. The 'assumption' has been made that transfers can be made up to the end-of-day close of the Clearing System.

Although this may be accurate, position transfers entered after a certain time may be rejected due to funding issues. Had they been entered earlier in the day then funding may have been possible.

On a similar point there is nothing in here about engaging with the CCP's or exchanges as early as possible where sign off may be required. Today it is common for a CM to come to us days in advance of a large position transfer to ask us if it is likely to need funding. This is especially important where the transfer involves a CM in another region, where time zone differences may cause the request to come in late in the CCP's business day. By discussing the transfer at an early date the CCP may be able to advise the CM how much margin to place at the CCP prior to entering the transfer.