

## Circular 19/179

### Restructuring of the ICE Futures Europe ERIS GBP LIBOR Interest Rate Futures Contract

#### Category

Trading

#### Attachments

Attachment 1: Rule Section QQQQQQ of the Contract Rule

The purpose of this Circular is to advise Members of the restructuring of the ICE Futures Europe ERIS GBP LIBOR Interest Rate Futures Contract ("the Contract"). The Contract is currently suspended. The Contract is scheduled to be made available for trading on Monday 09 December 2019, following the implementation of the proposed changes set out in this Circular and Attachment.

In connection with the Contract, the Exchange intends to implement the following changes:

1. Adopt a single futures-style price for both trading and clearing purposes (previously the Contract was traded in Net Present Value ("NPV") terms).
2. Align the Contract with the rate futures convention, whereby a long position is the equivalent to receiving the fixed rate and paying floating (previously the Contract operated the opposite way around).
3. Change the underlying floating rate for the Contract to SONIA from GBP LIBOR.
4. Amend the name of the Contract to "ICE Futures Europe Eris GBP Interest Rate Futures", removing the LIBOR reference;
5. Amend the reset frequency of the Contract to Annual/Annual. This is the reset frequency convention for GBP OIS.
6. The IMM Roll Method is to be used for all contracts, instead of Calendar Rolls for the non-custom Contracts and a choice of the two conventions for the custom Contracts. The intention is to simplify the Contract and align it with STIR futures traded on the Exchange.
7. For Custom contracts - the fixed rate, underlying tenor and effective date will now be the characteristics supported for customisation.

The proposed amendments to the Exchange Rules and Administrative Procedures are set out in Section QQQQQQ which is attached to this Circular.

**I therefore give formal notice, on behalf of the Board, in accordance with the Code of Practice that it proposes the change to the Exchange Regulation set out in the attached. The Code of Practice provides that any written request for the Board to consider whether the Code of Practice has been adhered to must be received by the Secretary within fourteen days of the date of this Circular. In the absence of any such request the proposed change will come into effect on Monday 09 December 2019.**

Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:



Laurence Walton  
Head of Regulation and Compliance

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