

	N°	Title
	IV.1-1	POSITION LIMIT ON COMMODITY FUTURE CONTRACTS

Pursuant to Article 4.1.0.5 to 4.1.0.7 of the Clearing Rule Book

This Instruction sets forth the conditions of Open Position limit set up by LCH SA on commodity futures contract.

Article 1

Clearing Members shall ensure that the positions held for their own account and for each of its Trading Member(s) or their Client(s) do not exceed the authorised Open Position limit as defined and published by LCH SA.

The Open Position limit is the maximum number of buying or selling contracts that a Clearing Member holds for its own account or its Trading Member(s) or Client(s) for delivery after the expiry, per contract and per expiry.

Such Open Position limit applies to each of the different Position Accounts opened by Clearing Members to register the Transactions, i.e. those held:

- as House Position Account to register the transactions performed for its own account;
- as Client Position Account to register the transactions performed for the accounts of its Trading Member(s) or its Client(s).

Article 2

The Open Position limit is determined by LCH SA for each expiry. LCH SA can consult the expert committee on the relevant contract.

Article 3

The Open Position limit is published in a Notice.

Open Position limit is published 80 business days before the close of expiry.

Article 4

No later than the 12th business day before the D day of expiry (i.e. D-12), any Open Position held by the Clearing Member for its own account or for each of its Trading Member(s) or its Client(s) registered in each of the Positions Accounts listed above in Article 1 is authorised to be maintained at a maximum 200% of the Open Position limit, as defined in a Notice. This authorisation is reduced by 10% each business day until D-2 when such Open Position limit effectively applies.

Article 5

If need be, LCH SA can trigger measures intended to have those limits complied with, as described in the relevant provisions of the Clearing Rule Book. This can lead to the automatic liquidation of surplus Open Positions, after formal notice.

Article 6

After a motivated request, LCH SA can grant a derogation from the provisions of this Instruction. When granted, this derogation is published by LCH SA without revealing the identity of the beneficiary.

To assess the Open Position of one or several Clearing Members or a request for derogation, LCH SA can globally consider Transactions of Persons from the same Financial Group or acting in concert.