Chapter 2

Recognition requirements



2.7A **Position management and position** reporting in relation to commodity derivatives

UK 2.7A.1

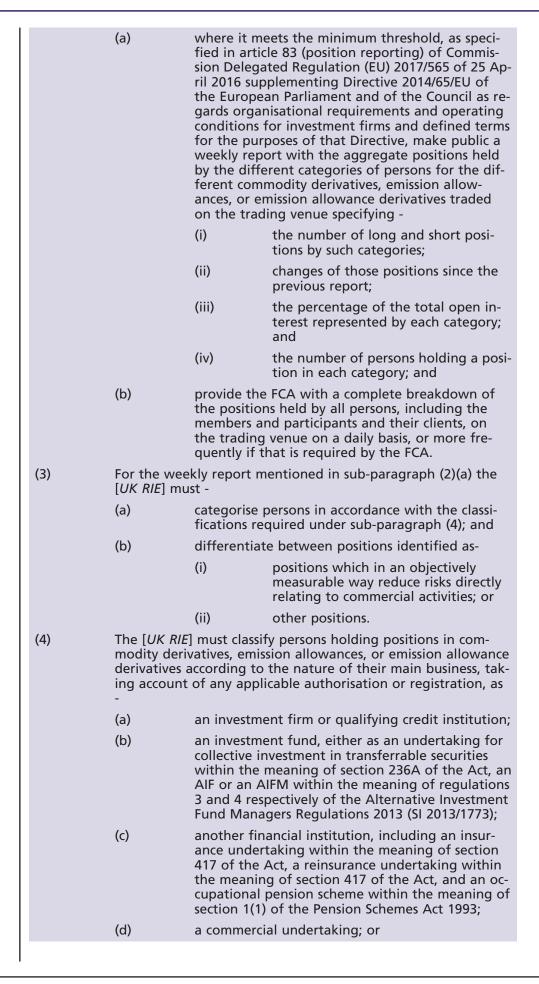
Paragraph 7BA - Position management

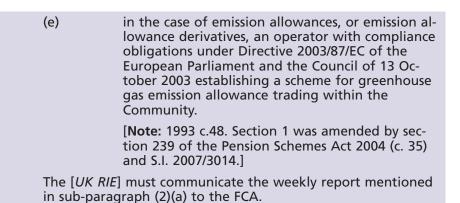
- (1) A [UK RIE] operating a trading venue which trades commodity derivatives must apply position management controls on that venue, which must at least enable the [UK RIE] to
 - monitor the open interest positions of persons; (a)
 - (b) access information, including all relevant documentation, from persons about
 - the size and purpose of a position or (i) exposure entered into;
 - (ii) any beneficial or underlying owners;
 - (iii) any concert arrangements; and
 - any related assets or liabilities in the (iv) underlying market;
 - (c) require a person to terminate or reduce a position on a temporary or permanent basis as the specific case may require and to unilaterally take appropriate action to ensure the termination or reduction if the person does not comply; and
 - (d) where appropriate, require a person to provide liquidity back into the market at an agreed price and volume on a temporary basis with the express intent of mitigating the effects of a large or dominant position.
- (2)The position management controls must take account of the nature and composition of market participants and of the use they make of the contracts submitted to trading and must-
 - (a) be transparent;
 - (b) be non-discriminatory; and
 - specify how they apply to persons. (c)
- (3)A [UK RIE] must inform the FCA of the details of the position management controls in relation to each trading venue it operates.

Paragraph 7BB - Position reporting

- This paragraph applies to a [UK RIE] operating a trading venue (1)which trades commodity derivatives, emission allowances, or emission allowance derivatives.
- (2)The [UK RIE] must -

REC 2/2





2.7A.2 G

(5)

The recognition requirements in respect of position management and position reporting set out in ■ REC 2.7A.1UK apply to a UK RIE operating a trading venue. An investment firm operating a trading venue which trades:

- (1) commodity derivatives must apply position management controls on that venue in accordance with ■ MAR 10.3.
- (2) commodity derivatives or emission allowances must provide position reports in accordance with ■ MAR 10.4.

REC 2/4