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23/09/2022

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Additional Information

Level 1 Regulation

Markets in Financial Instruments Directive II (MiFID II) Directive 2014/65/EU- Secondary Markets

Topic

Position limits

Subject Matter

Agricultural contracts

Question

How should agricultural contracts that have a high variability of open interest during the year be treated (i.e. minimum open interest is below 20,000 lots but maximum above it)?

ESMA Answer

23-09-2022

Original language

[ESMA70-872942901-36 Commodity derivatives, Position limits, Q&A 13]

Article 17 of RTS 21a states that new and less liquid agricultural commodity derivatives for which the total combined open interest in spot and other months' contracts does not exceed 20,000 lots for a consecutive three-month period are assigned a spot month and other months' position limit of 10,000 lots. Therefore, any agricultural commodity derivatives with a high variability would have to exceed the threshold of 20,000 lots of open interest on a daily basis based on end-of-day figures for three consecutive months before an individualised position limit has to be set for that agricultural commodity derivatives.