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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
Economically Equivalent OTC contracts

Question
What is a lot in the case of Economically Equivalent OTC contracts (EEOTC)?

ESMA Answer

19-12-2016

Original language

[ESMA 70-872942901-36 Commodity derivatives Q&A, Q&A 2.3]

A significant number of OTC contracts are specified by reference to a quantity of the underlying commodity and not the standardised lot sizes of an exchange-traded derivative. Where an OTC contract is not defined in standardised lots the size of the contract should be calculated as a multiple of the standard unit of trading used by the trading venue for the commodity derivative to which the OTC contract is equivalent.