

**Submission Date**

15/12/2017

# ESMA\_QA\_1521

Status: Answer Published

## **Additional Information**

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### **Level 1 Regulation**

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

### **Topic**

Position limits

### **Subject Matter**

Spot month

### **Question**

How should the spot month be defined for contracts where there are daily, weekly, quarterly and calendar as well as monthly variants of the same contract?

## ESMA Answer

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15-12-2017

Original language

[ESMA 70-872942901-36 Commodity derivatives Q&A, Q&A 2.15]

The determination of the spot month for the application of the spot month position limit should be made by the NCA on the basis of the contract specification and the characteristics of the market for that particular commodity derivative.

Where there are daily or weekly as well as monthly contracts, the positions to be included in the spot month period and subject to the position limit, include positions in contracts referencing days or weeks which fall entirely inside that spot month.

For many contracts, the spot month will be the current calendar month in which delivery is taking place (until the final day of that month). For example, between 1 and 30 January, January is the spot month.

In other contracts, where e.g. the January contract expires at the end of December, the spot month will change to the next calendar month which is available to trade. For these contracts, for most of January, the spot month will be February (and positions in any days or weeks falling wholly within February will count towards the spot month limit).