

	Number: C-EX-ENE-03/2019 Segment: Energy Derivatives Date: 28 March 2019 Effective Date: 29 March 2019 Replaces: C-EX-ENE-05/2018
Subject	Position Limits Supervision and Control.
Summary	Supervision Procedure and Position Limits Control. It is modified due to the publication by CNMV of new Limits to the Maximum Positions that a holder can take on commodity derivatives contracts.

MEFF has tools to control and supervise position limits on Energy Derivatives Contracts.

These tools will monitor in real time prearranged trades and trades executed in the Request For Quote Trading System, the resulting open position, at MEFF Member level, holder and if it is a hedge transaction or not.

If the total amount of the existing open position exceeds, in a certain percentage established by Instruction, the limits established in this Circular (Annex), MEFF will report it to CNMV, with all the available information.

If the total amount of the existing open position exceeds the limits established in this Circular (Annex), MEFF will proceed as follows:

- Will report to CNMV if the Member has exceeded the position limits and the evidence at its disposal.
- Will contact the non-compliance Member asking to close the position in the exceeded quantity or the whole position, once confirmed with CNMV. The closing or reduction of the position might be temporary or permanent according to CNMV.
- If needed, MEFF will ask the information to the non-compliance Member, including documentation regarding:
 - Volume and purpose of the position or incurred exposure.
 - Effective beneficiaries.
 - Arranged measures.
 - Relevant assets and liabilities of underlying market.

The limits established by CNMV, at the effective date of this Circular, are available in the following link:

<https://cnmv.es/portal/verDoc.axd?t={6a02d737-0b19-43ed-bf60-04a12302dfa3}>