



JUNE 2025

Market operator obligations review

ICE Futures Europe (IFEU)

Findings from the FMA's review of how well IFEU is meeting its licensed market operator obligations, for the two-year period 1 January 2023 to 31 December 2024.

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Executive summary

IFEU and the purpose of this report

ICE Futures Europe (**IFEU**) is a licensed market operator under the Financial Markets Conduct Act 2013 (**FMC Act**), licensed to operate the IFEU derivatives market (the **Derivatives Market**) in New Zealand. The Financial Markets Authority – Te Mana Tātai Hokohoko (**FMA**) is required to review and report, at least once every two years¹, on how well IFEU is meeting its market operator obligations under the FMC Act².

This review covers the period 1 January 2023 to 31 December 2024 (**the review period**) and is our fifth review of IFEU since it became licensed on 1 December 2014.

IFEU is a Recognised Investment Exchange (**RIE**) in the UK. The UK's Financial Conduct Authority (**FCA**) is IFEU's primary regulator. Accordingly, IFEU must comply with the Financial Services and Markets Act 2000 (UK) (**FSM Act**) and satisfy the requirements set out in the Financial Services and Markets Act 2000 (Recognition for Investment Exchanges and Clearing Houses) Regulations 2001 (UK) (**Recognition Requirements**) and associated FCA rules.

Membership of IFEU's futures and options markets totalled 223 firms as at 31 December 2024. However, IFEU did not have any members in New Zealand during the review period.

How we approached this review

IFEU is licensed under the FMC Act to operate an overseas-regulated market. A key requirement for such markets is that the home jurisdiction has a level of requirements and supervision in relation to investor protection and market integrity that is comparable to the FMC Act. This allows us to rely on the overseas regulator to assess and monitor the capability and compliance of the operator.

Due to IFEU's overseas-regulated market status and IFEU not having any members in New Zealand during the review period, our review has focused on whether the FCA was satisfied with IFEU's compliance with applicable UK law during the review period, IFEU's self-assessment report, and whether there is reason to believe that IFEU did not comply with its market operator obligations in New Zealand.

Conclusion

We are satisfied that, during the review period, IFEU met its market operator obligations under the FMC Act. We based our conclusions largely on:

- the FCA's oversight of IFEU. The FCA confirmed it was not aware of any circumstances that would lead it to consider that IFEU does not meet the Recognition Requirements; and
- the self-assessment report issued by IFEU under section 337 of the FMC Act, where IFEU set out the arrangements it had in place to comply with its FMC Act obligations.

See the '[Our review and findings](#)' section of this report for more details.

¹ A condition of ICE Futures Europe's licence is a review every two years.

² A market operator's full obligations are set out on page 6.

About IFEU

IFEU operates the Derivatives Market. Products traded on the Derivatives Market include futures and options on crude oil, interest rates, equity derivatives, natural gas, power, coal, emissions, and soft commodities such as cocoa, coffee, sugar and wheat.

IFEU was established in 1980 and is a wholly owned subsidiary of Intercontinental Exchange Inc. (**Intercontinental Exchange**), which is listed on the New York Stock Exchange. Clearing and settlement services are provided for all IFEU's contracts by ICE Clear Europe, another subsidiary of Intercontinental Exchange.

IFEU's licence and conditions

As a licensed market operator in New Zealand, IFEU must comply with the FMC Act and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

IFEU is recognised as an investment exchange and an auction platform in the UK under the FSM Act. As a UK RIE, IFEU must comply with the FSM Act and Recognition Requirements as well as FCA rules.

The conditions of IFEU's licence in New Zealand require it to inform New Zealand investors that it is primarily regulated under UK law. It must also ensure any of its members making regulated offers³ of derivatives in New Zealand are licensed under the FMC Act, if required.

Every six months IFEU must provide the FMA with information about members making derivatives offers in New Zealand. IFEU must also notify the FMA if it intends to materially change the rules for the Derivatives Market.

³ As defined in the FMC Act

Our review and findings

Market operator obligations

In the FMC Act, 'market operator obligations' mean:

- the general obligations contained in section 314 of the FMC Act, being:
 - to ensure, to the extent reasonably practicable, that each of the licensed markets is fair, orderly and transparent
 - to have adequate arrangements for notifying disclosures from participants in its markets, and for continuing to make them available
 - to have adequate arrangements for handling conflicts between its commercial interests and the obligation to ensure its markets operate in a fair, orderly and transparent manner
 - to have adequate arrangements for monitoring the conduct of market participants in its markets
 - to have adequate arrangements for enforcing compliance with market rules
 - to have sufficient resources (including financial, technological and human resources) to operate its licensed markets properly
- an obligation to respond to any request from us to make changes to market rules (section 333)
- an obligation to provide us with a self-assessment from the review period of how it complies with its obligations (section 337)
- an obligation to act on our, or the Minister's⁴ direction if it has failed to meet any of its obligations (sections 340 to 342)
- any condition of a market operator's licence.

Overseas equivalence and our approach

Foreign regulated market operators may be licensed under the FMC Act if they meet certain conditions.

A key condition is that the home jurisdiction responsible for regulating and supervising the market operator provides a level of investor protection and market integrity comparable to that promoted by the FMC Act.⁵ This allows us to rely on the overseas regulator to assess and monitor the capability and compliance of the market operator.

Requirements equivalent to the FMC Act market operator obligations are set out in the UK's Recognition Requirements for RIEs. More information on these [Recognition Requirements](#) is available on the FCA website. The FCA monitors IFEU's compliance with these Recognition Requirements.

⁴ New Zealand Minister for Commerce and Consumer Affairs

⁵ The original authorisation of ICE Futures Europe as a futures exchange was assessed under a similar requirement in the repealed Securities Markets Act 1988. ICE Futures Europe was deemed to have a licence from 1 December 2014 as it moved to the FMC Act regime.

IFEU must also follow several [notification rules](#) made by the FCA under the FSM Act. These require an RIE to notify the FCA of changes in its business, including disciplinary actions, auditors and information technology systems.

FCA's oversight of IFEU

The FCA has released guidance on its approach to supervision. The FCA, like many regulators, employs a risk-based and proportionate approach to supervision, which includes proactive, reactive and thematic supervision.

For the current review period, the FCA reported to us that IFEU retains its status as an RIE in the UK and that, based on information known to the FCA, it is not aware of any circumstances that would lead it to consider IFEU is not meeting the Recognition Requirements.

During the review period, the FCA did not publish any reviews of IFEU's compliance with its obligations and IFEU was not subject to censure, criticism or disciplinary proceedings by the FCA.

IFEU's self-assessment

As required by the FMC Act, IFEU provided the FMA with a self-assessment report on how it met its obligations under section 314 of the FMC Act for the period 1 January 2023 to 31 December 2024.

IFEU explained how it complied with each of its FMC Act obligations and referred to the equivalent UK Recognition Requirements where appropriate. IFEU also provided annual reports covering the review period to support its compliance with the resourcing requirements of the FMC Act.

We are satisfied that IFEU had adequate arrangements in place to comply with its FMC Act obligations.

Conclusion

We are satisfied that IFEU complied with its FMC Act market operator obligations as a licensed market operator during the review period. The reasons are:

- IFEU demonstrated it has adequate arrangements in place to meet its FMC Act obligations, as set out in its self-assessment report
- the FCA confirmed that it has no reason to consider that IFEU did not comply with the UK Recognition Requirements during the review period.

