
STATUTORY INSTRUMENTS

2017 No. 701

The Financial Services and Markets Act 2000
(Markets in Financial Instruments) Regulations 2017

PART 3

Position limits and position management controls in commodity derivatives

FCA duty to use ESMA methodology to establish position limits and to review if market changes

19.—(1) The FCA must, unless regulation 25 applies, establish position limits under regulation 16 in accordance with the ESMA methodology.

(2) The FCA must review a position limit it has established under regulation 16 where there is—

- (a) a significant change in deliverable supply or open interest; or
- (b) any other significant change on the market, based on the FCA's determination of deliverable supply or open interest.

(3) Where following a review the FCA believes that the position limit should be reset it must establish a new position limit under regulation 16.