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# **ACCOUNT-BASED RISK UPGRADE FEATURE GUIDE**



**VERSION 7.X**  
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# Changes for Account-Based Product Limits in 7.17

TT User Setup 7.17.10 introduces updated account/account group-based risk screens that provide a more intuitive design for configuring product limits per account. Risk administrators can now configure outright and their related spread/strategy limits from a single window.

The screenshot shows the 'New Product Limit' dialog box with the following fields and sections:

- Account: 00121
- Gateway: CME
- Show all gateways:
- Product type: FUTURE
- Product: ES
- Future | Wholesale Order Overrides | Contract-Specific Overrides
- General**
  - Prevent trading within [ ] days of last trade date
  - Maximum position (net) 1000 contracts
  - Maximum position per contract 200 contracts
  - Maximum long/short position (gross) Unlimited contracts
- Outrights**
  - Trading Allowed
  - Maximum order size 50 contracts
  - Price reasonability 10 ticks
  - Apply to orders submitted into the market only
  - Additional margin requirements (+/-) 0 %
  - Current product margin required 0
- Intra-Product Spreads/Strategies**
  - Trading Allowed
  - Maximum order size 100 spreads/strategies
  - Price reasonability 20 ticks
  - Apply to orders submitted into the market only
  - Additional margin requirements (+/-) 0 %
  - Current product margin required 0

Buttons: Save, Save and Add New, Close

Status: Ready

Annotations:

- Set the limits that apply to both outright and spread/strategy orders. (Points to the General section)
- Set the limits that apply to just outright orders. (Points to the Outrights section)
- Set the limits that apply to just the spread/strategy orders where the legs all come from the same product and product type. \* (Points to the Intra-Product Spreads/Strategies section)

\* For limits that apply to spreads/strategy orders with legs in different products or product types, change the **Product type** to *Inter-Product Spread* or *Inter-Product Strategy*.

As part of this enhancement, product limits created for accounts in TT User Setup 7.4 will be converted to the new format upon upgrading to 7.17.10 or later (**Note:** Gateway Login risk will not be converted during the upgrade. Gateway Login limits can be manually migrated to Account Limits after the upgrade using the **Import from Gateway Login** option.)

## What Happens When Product Limits Are Migrated?

The product limit settings are not changed. What changes is that administrators no longer configure spreads and strategies independently from their related outrights (i.e., “legs”). This provides a single view of an account’s limits for a particular product.

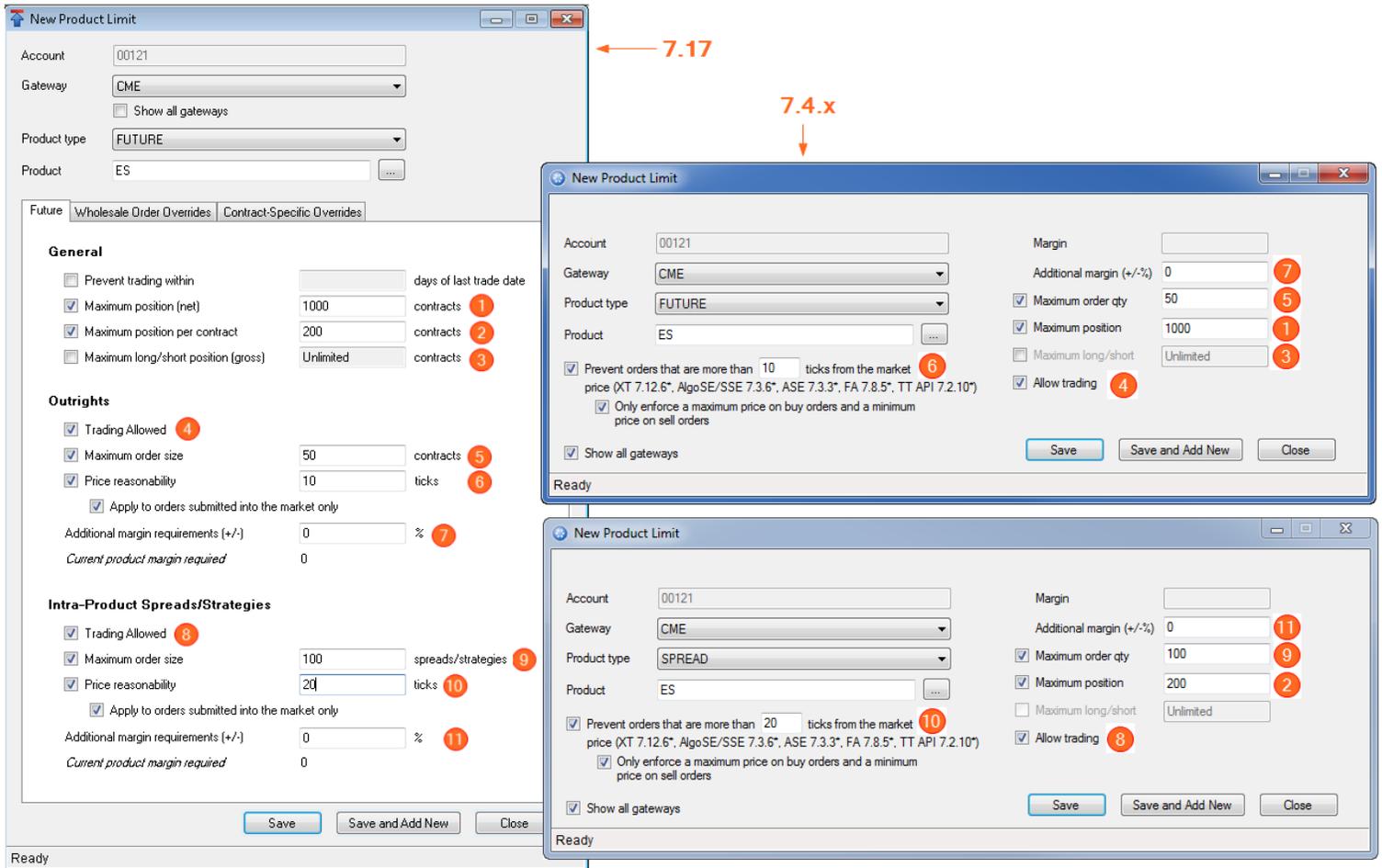
In general:

- Spread limits will be combined with their corresponding Future limits.
- Strategy limits will be combined with their corresponding Option limits.
- Stock and bond limits will be unchanged.
- Limits for unsupported product types (Swap, Warrant, Forex, and NDF) will be deleted.
- Limits that apply to all products (e.g. where the product is a wildcard \*) may become multiple records as needed to ensure that everything that was previously tradable remains tradable, and what was previously untradable remains untradable.
- Two new product types, Inter-product Spread and Inter-product Strategy, will be automatically created for spreads and strategies that have legs in different products.

**Note:** In 7.17, strategies that have legs in different product types (e.g. a Future leg and an Option leg) must be configured as Inter-product Strategies. If this type of strategy was configured in 7.4, after the upgrade you must manually configure an Inter-product Strategy limit before the strategy is tradeable. See [How do I set limits for strategies with legs in different products after the upgrade?](#) for more details.

# Differences in the 7.4 and 7.17 Account-based Product Limit Windows

Although the function of each product limit has not changed, the field name and/or location on the **Product Limits** window may have changed. The following figure and table show the 7.17 and the 7.4 account-based **Product Limits** windows.



No.	Name in 7.17	Name in 7.4	Description
1	Maximum position (net)	Maximum position	The total maximum position allowed across all contracts per product. Long and short positions offset each other (e.g., the limit will never be hit if only calendar spreads are traded).  Note that in 7.4.x, this limit was only configured when creating product limits for Futures.
2	Maximum position per contract	Maximum position	The maximum position allowed per any one contract within a given product (e.g., if set to 5, the account cannot get longer or shorter than 5 in the September contract, or in any other contract).

			Note that in 7.4.x this limit was only configured when creating product limits for spreads.
3	Maximum long/short position (gross)	Maximum long/short	<p>The maximum allowed sum of all long contract positions plus working buys per product, as well as the maximum allowed sum of all short contract positions plus working sells per product.</p> <p>This works as a spread limit. For example: If set to 5 and the account is long 3 in the Sep contract and short 3 in Dec contract, then an order to buy two Sep/Dec spreads (or any other spreads) can be entered, but an order to buy three or more spreads would be rejected.</p> <p>The limit also accounts for outright orders. So, given the previous example, an order to buy 3 or more futures in any contract other than Dec or an order to sell 3 or more futures in any contract other than Sep would be rejected.</p>
4	Trading allowed	Allow trading	Whether or not outright trades are allowed (e.g., if unchecked, an order to buy 1 futures contract would be rejected; however 1 spread order might be approved, depending on the "Trading allowed" settings for spreads).
5	Maximum order size	Maximum order qty	The maximum number of orders allowed for a single outright trade.
6	Price reasonability	Prevent orders that are more than X ticks away from the market	Whether or not an outright trade can be placed more than the specified number of ticks away from the market. This can be configured to apply only to orders submitted into the market (e.g., to only limit aggressive orders).
7	Additional margin requirements (+/-) %	Additional margin (+/-) %	Used in increase or decrease the current product margin requirements for placing an outright order. This can be positive (to require more than the standard margin) or negative (to require less than the standard margin)
8	Trading allowed	Allow Trading	Whether or not trading is allowed for the spreads and strategies in which all legs consist of this product's contracts. Trading spreads/strategies that have legs in different products or product types requires an Inter-Product Spread or Inter-product Strategy limit to be created.
9	Maximum order size	Maximum order qty	The maximum number of orders allowed for a single spread/strategy order.
10	Price reasonability	Prevent orders that are more than X ticks away from the market	Whether or not a spread order can be placed more than the specified number of ticks away from the market. This can be restricted to apply only to orders submitted into the market (e.g., to only limit aggressive orders).
11	Additional margin requirements (+/-) %	Additional margin (+/-) %	Used in increase or decrease the current product margin requirements for placing a spread or strategy order. This can be positive (to require more than the standard margin) or negative (to require less than the standard margin)

## Frequently Asked Questions:

### **In 7.4.x I had a limit that applied to all spread products (the Product was \* and the Product Type was Spread), why do I have a Future and an Inter-product Spread limit after upgrading?**

In 7.4, your Spread product limit applied to both inter-product spreads and intra-product spreads. In 7.17 inter-product spreads are configured separately from intra-product spreads. This results in a new Inter-product Spread limit appearing in 7.17. Also, in 7.17 you configure futures and intra-product spreads together, and therefore there is no longer a record for a product limit of type Spread, only Future.

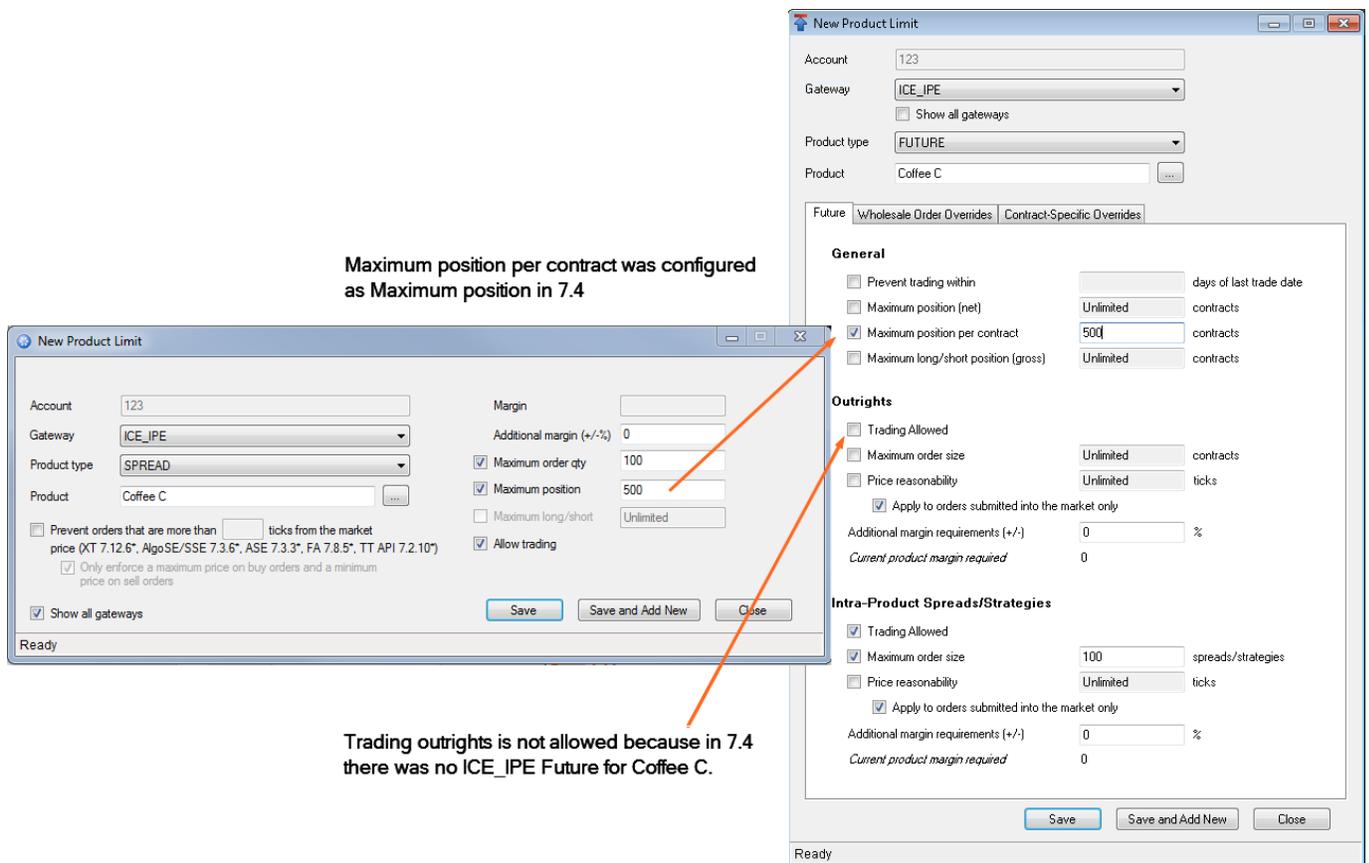
### **I didn't have Energy limits in 7.4, why do I have them after upgrading to 7.17.10?**

In 7.4, if an account had a limit that applied to all spread products or all strategy products (the Product was \*), then that account could also be used to trade Energy spreads or strategies (if the market supported it). In 7.17 you can set different limits for Energy spreads and Future spreads, so the migration creates both types.

### **What happens if I had a Spread limit configured in 7.4 without a corresponding Future?**

If an account was configured to trade a particular spread, then the limit is now migrated to a Future, but the outright settings (which did not exist) are disabled.

For example: If an account was configured with only a limit for ICE\_IPE Coffee C spreads, the limit would be as follows in 7.4 and 7.17:



**In 7.4, I had a limit that applied to all future products (the Product was \* and the Product Type was Future), and a limit for a Spread that applied only to the CME ES product, why do I have a Future \* and a CME Future ES limit after upgrading?**

In 7.4 if you had the following product limits, the account could be used to trade outright for all products on the CME Gateway, and spreads only for the ES product.

- CME Future \*
- CME Spread ES

After upgrading to 7.17, the account will have the following product limits:

- CME Future \* (with outright settings from the 7.4 CME Future \* and spread/strategy settings disabled).
- CME Future ES (with outright settings from the 7.4 CME Future \* and spread/strategy settings from CME Spread ES).

This is to ensure that the account can still be used to trade all Futures products on the CME Gateway and only ES spreads.

## How are limits for spreads or strategies with legs in different products migrated?

1. The inter-product spread or strategy (for example Spread GLBGE) is migrated to a product type of Inter-product Spread or Inter-product Strategy, respectively. **Trading allowed** and **Maximum order size** settings are migrated from the spread or strategy. Other settings like **Max position**, if configured, do not apply as the settings for the individual legs are enforced instead.
2. If product limits for the legs existed (for example, GLB, GE, or all products (\*)), those product limits are also migrated. If they did not exist, you may want to consider adding position limits by creating product limits for each leg and setting the **General** limits.

## How do I create limits for spreads or strategies with legs in different products after the upgrade?

1. Create a product limit for the Inter-product Spread (for example GLBGE). You can allow or prevent trading, set the maximum order size, and set price reasonability, as needed.
2. To apply position limits, create product limits for each leg (for example, GLB Future and GE Future) and set the **General** limits.

## How do I set limits for strategies with legs in different product types after the upgrade?

1. Create a product limit for the Inter-product Strategy (for example OZI). You can allow or prevent trading, set the maximum order size, and set price reasonability, as needed.
2. To apply position limits, create product limits for each leg (for example, ZI Future and OZI Option) and set the **General** limits.

## How are limits for strategies with legs in different product types migrated?

When a strategy has limits in different product types (e.g., an Option and a Future), the limits for the legs are migrated, but the administrator must manually configure an Inter-product Strategy limit before the strategy is tradeable. The administrator should also verify that the legs are migrated as intended.

For example SFE strategy OZI has an Option OZI leg and a Future ZI leg. In 7.4, you would have created product limits for the OZI Strategy, the OZI Option, and the OZI Future.

- TT User setup 7.17 combines the OZI Strategy and OZI Option to create an OZI option record. These settings should be verified.
- TT User Setup 7.17 leaves the Future ZI limit alone. And, unless there was a Spread ZI configured as well, spread trading becomes disabled. This prevents the account from being used to trade ZI spreads if it was not previously permitted to do so.
- To make the OZI strategy tradable, the TT User Setup Administrator must create an Inter-product Strategy record for OZI to explicitly allow the account to be used to trade a strategy that includes legs with product types of both Future and Option.