

ICAP TrueQuote and the ICE Energy Swaps-to-Futures Transition

To ensure market participants have consistent access to hedging and trading in the energy markets following the implementation of Dodd-Frank, ICE will convert its cleared OTC swap and option energy contracts to economically equivalent future or option contracts on October 15, 2012. The conversion will include:

- All of ICE's cleared OTC energy swaps and options will be transitioned to exchange-listed futures and options.
- All of ICE's global oil products and freight contracts will be listed on ICE Futures Europe.

1. How does this transition impact ICE cleared swap transactions in the ICAP TrueQuote markets?

Impact is minimal. All ICAP Crude, ICAP Middle Distillates, ICAP Fuel Oil and ICAP Wet Freight deals will remain largely unchanged and continue to be executed as OTC swaps with a bilateral settlement alternative. For ICE cleared settlement, however, these swaps will no longer be cleared as OTC swaps but rather automatically submitted as EFSs to the corresponding futures at ICE Futures Europe.

All ICE cleared ICAP products will be linked to a corresponding futures product. When an ICE cleared ICAP trade is done, a Futures EFS trade will be automatically created in the corresponding Futures market using the link described above. The traders will get two confirms on WebICE and two trade capture messages for every deal; one for the ICAP trade and one for the resulting Futures EFS trade. Only the Futures EFS trade will be sent to Clearing. There will be no visible (or technical) link between the ICE cleared ICAP trade and the corresponding Futures EFS trade. They will appear as stand-alone trades in the Deal Book and Deal Reports. The Position Keeper will show both trades.

2. Will my transactions cleared at other clearing houses (ClearPort or NOS) on ICAP TrueQuote be affected?

No. These transactions will not be affected by this transition. ClearPort cleared swaps and NOS cleared swaps will continue to be traded as swaps and cleared as futures.

3. After the ICE transition from swap to futures, can an ICAP Broker still transact swap transactions in the ICAP TrueQuote markets on my behalf?

Yes. The ICAP (TrueQuote) Broker can still submit trades through the ICAP markets as they do today. For ICE cleared settlement, these trades will be automatically submitted as EFSs to the corresponding futures at ICE Futures Europe.

4. What happens if an ICE OTC cleared swap must be changed or busted?

If an ICE cleared ICAP trade needs to be busted, the corresponding Futures EFS trade must also be busted. This will be a manual process in which ICAP will have to work with the ICE helpdesk.

5. Need more information?

For more information on ICE's Swaps to Futures Transition please [click here](#).

CONTACTS

Alexandra Davidson
+44 (0) 20 7050 7610
Alexandra.davidson@icap.com

Jeremy Elliott
+44 (0) 20 7000 5864
Jeremy.Elliott@icap.com