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# **ICE Futures ECX EUAA Futures Contract**

## **Contract Specification**

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## ICE Futures ECX EUAA Futures Contract

<b>Description</b>	<p>The ICE Futures ECX EUAA Futures Contract (<b>EUAA Futures Contract</b>) is a deliverable contract where each Clearing Member with a position open at cessation of trading for a contract month is obliged to make or take delivery of aviation emissions allowances to or from a Registry in accordance with the ICE Futures Europe Regulations (<b>Regulations</b>) as appropriate.</p> <p>The underlying product is the European Union aviation allowance or EUAA, which is an allowance issued pursuant to Chapter II of Directive 2003/87/EC of the European Parliament and the Council of 13 October 2003 establishing a scheme for greenhouse gas emissions allowance trading and amending Council Directive 96/61/EC, as amended (the "Directive"). Unless the context clearly requires otherwise, capitalised terms which are not otherwise defined below have the meanings given to them in the Regulations .</p>
<b>Trading Period/Strip</b>	<p>December contract months and quarterly contracts are listed from 2012 up to 2020. In addition, the nearest two monthly contracts will also be listed so that there are always three prompt contracts available to trade, including the quarterly.</p>
<b>Expiration Date</b>	<p>Last Monday of the Contract month. However, if the last Monday is a Non-Business Day or there is a Non-Business Day in the 4 days following the last Monday, the last day of trading will be the penultimate Monday of the delivery month. Where the penultimate Monday of the delivery month falls on a Non-Business Day, or there is a Non-Business Day in the 4 days immediately following the penultimate Monday, the last day of trading shall be the antepenultimate Monday of the delivery month. The Exchange shall from time to time confirm, in respect of each contract month, the date upon which trading is expected to cease.</p>
<b>Contract Security</b>	<p>ICE Clear Europe acts as central counterparty to all trades including for the purposes of delivery and settlement.</p>
<b>Trading Hours</b>	<p>07:00 - 17:00, Local London Time (LLT), Monday - Friday. 08:00 - 18:00, Central European Time (CET), Monday - Friday.</p>
<b>Trading Model</b>	<p>Continuous trading throughout trading hours</p>
<b>Trading Methods</b>	<p>Electronic futures, Exchange for Physical (EFP), Exchange for Swap (EFS) and Block Trades are available for this contract.</p>
<b>Units of Trading and Allowance Type</b>	<p>One lot of one thousand (1,000) EUAAs only to the extent such EUAAs are valid, as of the time of their delivery to the Clearing House, for the purposes of meeting the requirements of the Directive. Neither the Clearing House nor the Exchange makes any representation or warranty whatsoever as to whether any EUAAs delivered pursuant to an EUAA Contract are or are not valid in this regard.</p>
<b>Minimum Trade Size</b>	<p>1 lot = 1,000 EUAAs as described above.</p>
<b>Minimum Block Size</b>	<p>50 lots = 50,000 EUAAs as described above.</p>
<b>Quotation</b>	<p>Euro (€) and Euro cent (c) per metric tonne.</p>
<b>Minimum Price Flux</b>	<p>€0.01 per tonne.</p>
<b>Tick Value</b>	<p>€10 per lot.</p>
<b>Maximum Price Flux</b>	<p>There are no limits.</p>
<b>Settlement Price</b>	<p>Trade weighted average during the daily closing period, 16:50:00 - 16:59:59 LLT, with quoted settlement prices if low liquidity. In general terms, the Exchange Delivery Settlement Price (EDSP) is the settlement price which is established by ICE Futures Europe at the end of the closing period on the last day of trading for the relevant delivery month. See also Rule RRR.1</p>

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<b>Position Limits</b>	Positions are reported to the Exchange on a daily basis. The Exchange has powers to prevent the development of excessive positions or unwarranted speculation or any other undesirable situation and may take steps to resolve such situations including the ability to mandate members to limit the size of such positions or to reduce positions where appropriate.
<b>Initial Margin</b>	Calculated on all open contracts, margin is calculated and called in accordance with the Clearing House Rules.
<b>Daily Margin</b>	<p>All open contracts are 'marked-to-market' daily, with variation margin being called for as appropriate.</p> <p>The contracts are physically deliverable by the transfer of EUAAs from the Holding Account of the Selling Clearing Member at a Registry to the Holding Account of ICE Clear Europe at a Registry and from the Holding Account of ICE Clear Europe at that Registry to the Holding Account of the Buying Clearing Member at a Registry.</p>
<b>Delivery Methods</b>	<p>Delivery is between Clearing Members and ICE Clear Europe during a Delivery Period. The Delivery Period is the period beginning at 19:00 hours on the Business Day following the last trading day and ending at 19:30 hours on the third Business Day following that last trading day in accordance with the ICE Clear Europe Clearing Rules and Procedures as appropriate.</p> <p>Provision is made for delayed and failed delivery in the Regulations. Members' attention is drawn to the additional delivery terms outlined in Circular 11/038, it being understood that for the purpose of these additional terms, EUAs will be deemed to include EUAs and EUAAs: <a href="https://www.theice.com/publicdocs/circulars/11038.pdf">https://www.theice.com/publicdocs/circulars/11038.pdf</a>.</p>
<b>Trading System</b>	Trading will occur on the ICE Futures electronic trading platform known as the ICE Platform accessible via Web ICE or through a conformed Independent Software Vendor or member developed trading interface.
<b>VAT &amp; Taxes</b>	UK's HM Revenue and Customs have confirmed that the trading of the EUAA Futures Contract on the Exchange by Exchange Members has been granted interim approval to be zero-rated for VAT purposes under the terms of the Value Added Tax (Terminal Markets) Order 1999.