

CIRCULAR
14/042

21 May 2014

Category:

Trading

Attachments:

Appendix A:
ICE Gasoil/Low Sulphur Gasoil (code 'G') Expiry Calendar after the Effective Date.

Appendix B:
ICE Low Sulphur Gasoil contract codes and outgoing Gasoil contract codes.

Summary of content:

Additional implementation details relating to the ICE Gasoil transition effective 30 May 2014

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Additional Details: Extension of ICE Gasoil Futures ('G') contract beyond January 2015 and change in its specification to Low Sulphur Gasoil with effect from the February 2015 contract month

Circular 14/030 dated 29 April 2014, announced:

- the extension of the ICE Gasoil Futures (code 'G') contract beyond January 2015;
- the specification change of 'G' to 10ppm low sulphur gasoil, with effect from the February 2015 contract month; and
- the transition of Open Interest in the existing Low Sulphur Gasoil Futures (code 'ULS') February 2015 and later contract months to the new 'G' equivalent contracts,

The purpose of this Circular is to provide Members and customers additional details relating to the changes.

The Exchange will implement these changes with effect from close of business 30 May 2014 ("The Effective Date") with a first trade date of 2 June 2014.

For the purposes of this Circular, "ICE Gasoil Futures" means "ICE Gasoil Futures and Options" and "ICE Low Sulphur Gasoil Futures" means "ICE Low Sulphur Gasoil Futures and Options".

Extension of the ICE Gasoil Futures (code 'G') contract

The existing ICE Gasoil Futures Contract (code 'G') with 1,000ppm (equivalent to 0.1%) sulphur content is currently available for trading up to and including the January 2015 contract month. After the Effective Date, additional contract months, to March 2019, will be made available for trading.

Specification change of 'G' to 10ppm Low Sulphur Gasoil from February 2015 contract month

The additional contract months made available will have a contract specification relating to a 10ppm low sulphur gasoil quality. This is identical to the current contract specification for ICE Low Sulphur Gasoil Futures (code 'ULS'). The low sulphur gasoil contract specification is available at:

<https://www.theice.com/publicdocs/circulars/11091%20attach.pdf>

Upon expiry of the ICE Gasoil Futures January 2015 contract month, on 12 January 2015, the 'G' contract will change name to "Low Sulphur Gasoil Futures", from the current "Gasoil Futures" with the 'G' code being retained after the contract specification and name changes.

There will be no change to the Units of Trading contract multiplier as a result of the change in the underlying contract specification.

Transition of Open Interest in existing Low Sulphur Gasoil Futures (code 'ULS') February 2015 and later contract months

Following the Clearing End of Day (“EOD”) processing on the Effective Date, Open Interest in the existing ICE Low Sulphur Gasoil Futures contract (code 'ULS') in February 2015 and later maturities will be moved by ICE Clear Europe to the new 'G' equivalent contracts. All 'ULS' contract months from February 2015 will be unavailable for trading after the Effective Date, leaving the contract months up to and including January 2015 available only.

Contracts/Periods available for trading

The table below sets out the contract periods before and after the Effective Date for contract 'G' and 'ULS'.

Before Effective Date		After Effective Date	
ICE Gasoil Futures (code 'G')	ICE Low Sulphur Gasoil Futures (code 'ULS')	ICE Gasoil/Low Sulphur Gasoil Futures (code 'G')	ICE Low Sulphur Gasoil Futures (code 'ULS')
Up to and including January 2015 contract month only	Continuous up to and including March 2019 contract month	Continuous up to and including March 2019 contract month*	Up to and including January 2015 contract month only

*Contract months from February 2015 will have a contract specification relating to a 10ppm low sulphur gasoil quality

Open Interest Transition from code 'ULS' to code 'G' contracts after the Effective Date – Clearing Implementation

After the Clearing EOD run on the Effective Date, ICE Clear Europe will transfer all Futures and Options positions in 'ULS' contracts from February 2015 to March 2019 to the equivalent 'G' contract months.

The reference data for the 'G' contract months for February 2015 and beyond will be available in the GSCD file after the EOD on 30 May 2014.

The match-off file produced for close of business 30 May 2014 (the Effective Date) will contain positions in 'ULS' for contract months from February 2015 to March 2019. The match-off file at close of business 2 June 2014 will contain the updated 'G' positions in the affected months.

Clearing Members will be provided with a data file, at 03:00 London time on 31 May 2014, containing all the ULS positions that were transferred to the equivalent 'G' contract months. The file will be named: XXX_ULS_CONVERSION_RECONCILIATION_LIVE.csv

Open Interest Transition Testing

ICE Clear Europe conducted a Member test using the EOD positions from 16 May 2014, for the purposes of testing the transfer of 'ULS' positions to the corresponding 'G' contracts.

The test data files will be made available by 09:00 (London time) on 22 May 2014 in the notices folder via the production instance of MFT. The test file name will be:

XXX_ULS_CONVERSION_RECONCILIATION_TEST.csv

Questions on any aspect of the Open Interest Transition should be directed to ICE Clear Europe at iceuops@theice.com

Logical Commodity Code Changes to Gasoil Contracts

The logical commodity codes for the following products will be changed from GAS to ULS on Friday 30 May 2014, before the EOD process.

Contract Name	Physical Contract Code	Current Logical Commodity Code	New Logical Commodity Code
Gasoil Future	G	GAS	ULS
Option on Gasoil Future	G	GAS	ULS
Gasoil 1st Line Future	GSP	GAS	ULS
Gasoil Average Price Option	GSP	GAS	ULS
Gasoil Bullet Future	GOB	GAS	ULS
EU-Style Gasoil Future	GUL	GAS	ULS
EU-Style Gasoil Option	GUL	GAS	ULS

All other contracts that reference ICE Gasoil and/or ICE Low Sulphur Gasoil will not be subject to any Logical Commodity Code changes.

Margin Rates

Margin Rates on all Gasoil and Low Sulphur Gasoil Future, Option and Related Derivative Instrument contracts will be unaffected by the changes.

Margin rates for ICE Clear Europe Exchange-listed futures and options, and for related derivative contracts are available via the following link:

<https://www.theice.com/ClearEuropeSpanParameterFiles.shtml>

Contract Rules and Administrative Procedures

The Contract Rules and Administrative Procedures governing the trading and delivery of the ICE Gasoil and ICE Low Sulphur Gasoil Contracts are available via the following link:

<https://www.theice.com/FuturesEuropeRegulations.shtml>

The changes set out above will not impact existing trading hours and expiry dates. Expiry Dates can be found in Appendix A.

Sections J, J1, K and K1 of the ICE Futures Europe Rulebook will be updated at the end of January 2015, once the Delivery Period for the expired January 2015 contract month (the final contract month where oil meeting the 1,000ppm gasoil quality specification can be physically delivered) ends.

Physical Delivery on Expiry

Delivery procedures and deliverable grades for the ‘G’ and ‘ULS’ contracts remain unchanged after the Effective Date. However, after the expiry of the January 2015 ‘G’ contract and the completion of physical deliveries tendered thereunder, only oil of merchantable quality conforming to the ICE Low Sulphur Gasoil Futures specification will be allowed to be physically delivered for future contract months.

The quality specification and other contract rules can be found within the following section of the ICE Futures Europe Rulebook:

<https://www.theice.com/publicdocs/contractregs/SECTION%20J1.pdf>

Questions on physical delivery against the ICE Gasoil or ICE Low Sulphur Gasoil contracts should be addressed to compliance-europe@theice.com.

Transaction Charges

The transaction fees (including Block Trades, EFPs and EFSs) charged by the Exchange and ICE Clear Europe will remain unaffected.

ICE Gasoil and ICE Low Sulphur Gasoil contracts	Fee (\$) per lot		
	Exchange	Clearing	Total
Cash Settlement	-	0.09	0.09
EFP/EFS/Block	0.12	1.20	1.32
Futures Contracts	0.25	0.57	0.82
Futures Style Option Contracts	0.25	0.57	0.82
Futures Style Option Exercise	-	0.30	0.30
Deliveries	-	8.00*	8.00

* \$2.50 if ADP 2 days prior to first day of delivery range

Related Derivative Instruments

There are a number of derivative instruments that will be impacted by the changes to code 'G' and 'ULS'. Instruments that price against code 'G' (for example, the Gasoil 1st Line Future, code GSP) will no longer be available for trading beyond the December 2014 contract month.

Existing contracts that price against code 'ULS' will be reconfigured to settle versus code 'G' ICE Low Sulphur Gasoil equivalent contracts for February 2015 maturities onwards. Until then, they will continue to settle against code 'ULS' ICE Low Sulphur Gasoil contract versions. This will provide a continuous series of low sulphur settlements across both futures codes.

Appendix B of Circular 14/030 shows the exact impact on the related derivative instruments:

<https://www.theice.com/publicdocs/circulars/14030.pdf>

Appendix B of this Circular lists side by side the equivalent outgoing Gasoil and remaining Low Sulphur Gasoil contracts and their contract codes.

There will be no 'Balmo' (Balance of the months) contracts that price against code 'G' for the calendar month of January 2015 due to the final expiry of the Gasoil Futures (code 'G') on 12 January 2015. There will be a full set of 'Balmo' products that will price against the Low Sulphur Gasoil Futures which will use code 'ULS' up to and including 9 January 2015 and code 'G' thereon to the end of January.

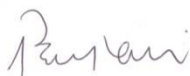
Screen Access/Risk Limits

Participants permissioned for the ICE Gasoil and ICE Low Sulphur Gasoil contracts on WebICE will not see a visible change to existing portfolios after the Effective Date, relative to prior to that point. ICE Gasoil Futures and Options will remain available for trading up to and including the January 2015 contract month while ICE Low Sulphur Gasoil Futures and Options will have contract months up to and including March 2019 within a single WebICE market type ('IPE Gasoil').

Participants accessing ICE Gasoil and ICE Low Sulphur Gasoil markets via a third-party vendor should contact the vendor directly to confirm how the display configurations may be affected by the extension of code 'G' contract months and associated name change to 'Low Sulphur Gasoil'.

Comments or questions on any aspect of this Circular should be addressed to ICE staff named either in the margin of this Circular or within specific sections.

Signed:



Patrick Davis
Company Secretary

Appendix A: ICE Gasoil/Low Sulphur Gasoil (code 'G') Expiry Calendar after the Effective Date.

Contract Month	Futures	Options	Underlying Quality Specification
Jun-14	12 June 2014	05 June 2014	0.1% Gasoil
Jul-14	10 July 2014	03 July 2014	0.1% Gasoil
Aug-14	12 August 2014	05 August 2014	0.1% Gasoil
Sep-14	11 September 2014	04 September 2014	0.1% Gasoil
Oct-14	10 October 2014	03 October 2014	0.1% Gasoil
Nov-14	12 November 2014	05 November 2014	0.1% Gasoil
Dec-14	11 December 2014	04 December 2014	0.1% Gasoil
Jan-15	12 January 2015	05 January 2015	0.1% Gasoil
Feb-15	12 February 2015	05 February 2015	10ppm Low Sulphur Gasoil
Mar-15	12 March 2015	05 March 2015	10ppm Low Sulphur Gasoil
Apr-15	10 April 2015	01 April 2015	10ppm Low Sulphur Gasoil
May-15	12 May 2015	05 May 2015	10ppm Low Sulphur Gasoil
Jun-15	11 June 2015	04 June 2015	10ppm Low Sulphur Gasoil
Jul-15	10 July 2015	03 July 2015	10ppm Low Sulphur Gasoil
Aug-15	12 August 2015	05 August 2015	10ppm Low Sulphur Gasoil
Sep-15	10 September 2015	03 September 2015	10ppm Low Sulphur Gasoil
Oct-15	12 October 2015	05 October 2015	10ppm Low Sulphur Gasoil
Nov-15	12 November 2015	05 November 2015	10ppm Low Sulphur Gasoil
Dec-15	10 December 2015	03 December 2015	10ppm Low Sulphur Gasoil
Jan-16	12 January 2016	05 January 2016	10ppm Low Sulphur Gasoil
Feb-16	11 February 2016	04 February 2016	10ppm Low Sulphur Gasoil
Mar-16	10 March 2016	03 March 2016	10ppm Low Sulphur Gasoil
Apr-16	12 April 2016	05 April 2016	10ppm Low Sulphur Gasoil
May-16	12 May 2016	05 May 2016	10ppm Low Sulphur Gasoil
Jun-16	10 June 2016	03 June 2016	10ppm Low Sulphur Gasoil
Jul-16	12 July 2016	05 July 2016	10ppm Low Sulphur Gasoil

Aug-16	11 August 2016	04 August 2016	10ppm Low Sulphur Gasoil
Sep-16	12 September 2016	05 September 2016	10ppm Low Sulphur Gasoil
Oct-16	12 October 2016	05 October 2016	10ppm Low Sulphur Gasoil
Nov-16	10 November 2016	03 November 2016	10ppm Low Sulphur Gasoil
Dec-16	12 December 2016	05 December 2016	10ppm Low Sulphur Gasoil
Jan-17	12 January 2017	05 January 2017	10ppm Low Sulphur Gasoil
Feb-17	10 February 2017	03 February 2017	10ppm Low Sulphur Gasoil
Mar-17	10 March 2017	03 March 2017	10ppm Low Sulphur Gasoil
Apr-17	12 April 2017	05 April 2017	10ppm Low Sulphur Gasoil
May-17	11 May 2017	04 May 2017	10ppm Low Sulphur Gasoil
Jun-17	12 June 2017	05 June 2017	10ppm Low Sulphur Gasoil
Jul-17	12 July 2017	05 July 2017	10ppm Low Sulphur Gasoil
Aug-17	10 August 2017	03 August 2017	10ppm Low Sulphur Gasoil
Sep-17	12 September 2017	05 September 2017	10ppm Low Sulphur Gasoil
Oct-17	12 October 2017	05 October 2017	10ppm Low Sulphur Gasoil
Nov-17	10 November 2017	03 November 2017	10ppm Low Sulphur Gasoil
Dec-17	12 December 2017	05 December 2017	10ppm Low Sulphur Gasoil
Jan-18	11 January 2018	04 January 2018	10ppm Low Sulphur Gasoil
Feb-18	12 February 2018	05 February 2018	10ppm Low Sulphur Gasoil
Mar-18	12 March 2018	05 March 2018	10ppm Low Sulphur Gasoil
Apr-18	12 April 2018	05 April 2018	10ppm Low Sulphur Gasoil
May-18	10 May 2018	02 May 2018	10ppm Low Sulphur Gasoil
Jun-18	12 June 2018	05 June 2018	10ppm Low Sulphur Gasoil
Jul-18	12 July 2018	05 July 2018	10ppm Low Sulphur Gasoil
Aug-18	10 August 2018	03 August 2018	10ppm Low Sulphur Gasoil
Sep-18	12 September 2018	05 September 2018	10ppm Low Sulphur Gasoil
Oct-18	11 October 2018	04 October 2018	10ppm Low Sulphur Gasoil

Nov-18	12 November 2018	05 November 2018	10ppm Low Sulphur Gasoil
Dec-18	12 December 2018	05 December 2018	10ppm Low Sulphur Gasoil
Jan-19	10 January 2019	03 January 2019	10ppm Low Sulphur Gasoil
Feb-19	12 February 2019	05 February 2019	10ppm Low Sulphur Gasoil
Mar-19	12 March 2019	05 March 2019	10ppm Low Sulphur Gasoil

Appendix B: ICE Low Sulphur Gasoil contract codes and outgoing Gasoil contract codes

Low Sulphur Gasoil Related Derivatives		Outgoing Gasoil Related Derivatives	
Name	Code	Code	Contract Name
Diesel 10ppm (UK) CIF NWE Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Future	ULU	DCU	Diesel 10ppm (UK) CIF NWE Cargoes (Platts) vs Gasoil 1st Line Future
Diesel 10ppm (UK) CIF NWE Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	ULZ	DCV	Diesel 10ppm (UK) CIF NWE Cargoes (Platts) vs Gasoil 1st Line Balmo Future
Diesel 10ppm CIF NWE (Le Havre) Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Future	ULG	DCG	Diesel 10ppm CIF NWE (Le Havre) Cargoes (Platts) vs Gasoil 1st Line Future
Diesel 10ppm CIF NWE (Le Havre) Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	UMB	DCH	Diesel 10ppm CIF NWE (Le Havre) Cargoes (Platts) vs Gasoil 1st Line Balmo Future
Diesel 10ppm FOB Rotterdam Barges (Platts) vs Low Sulphur Gasoil 1st Line Future	ULE	DFG	Diesel 10ppm FOB Rotterdam Barges (Platts) vs Gasoil 1st Line Future
Diesel 10ppm FOB Rotterdam Barges (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	UMA	DFH	Diesel 10ppm FOB Rotterdam Barges (Platts) vs Gasoil 1st Line Balmo Future
Gasoil 0.1% CIF Med Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Future	ULQ	GMG	Gasoil 0.1% CIF Med Cargoes (Platts) vs Gasoil 1st Line Future
Gasoil 0.1% CIF Med Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	ULW	GMH	Gasoil 0.1% CIF Med Cargoes (Platts) vs Gasoil 1st Line Balmo Future
Gasoil 0.1% CIF NWE Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Future	ULT	CFG	Gasoil 0.1% CIF NWE Cargoes (Platts) vs Gasoil 1st Line Future
Gasoil 0.1% CIF NWE Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	ULX	CFH	Gasoil 0.1% CIF NWE Cargoes (Platts) vs Gasoil 1st Line Balmo Future
Gasoil 0.1% FOB Rotterdam Barges (Platts) vs Low Sulphur Gasoil 1st Line Future	ULR	RFG	Gasoil 0.1% FOB Rotterdam Barges (Platts) vs Gasoil 1st Line Future

Gasoil 0.1% FOB Rotterdam Barges (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	ULY	RFH	Gasoil 0.1% FOB Rotterdam Barges (Platts) vs Gasoil 1st Line Balmo Future
Low Sulphur Gasoil 1st Line Future	ULA	GSP	Gasoil 1st Line Future
Low Sulphur Gasoil 1st Line Balmo Future	ULV	GSQ	Gasoil 1st Line Balmo Future
Low Sulphur Gasoil Bullet Future	UUB	GOB	Gasoil Bullet Future
Average Price Option on Low Sulphur Gasoil 1st Line Future	ULA	GSP	Average Price Option on Gasoil 1st Line Future
Option on EU-Style Low Sulphur Gasoil Future	UUL	GUL	Option on EU-Style Gasoil Future
Calendar Spread Option on Low Sulphur Gasoil 1-Month Calendar Spread Bullet Future	UUM	GOA	Calendar Spread Option on Gasoil 1-Month Calendar Spread Bullet Future
Low Sulphur Gasoil 1st Line vs Brent NX 1st Line Future (in Bbls)	NXL	NXG	Gasoil 1st Line vs Brent NX 1st Line Future (in Bbls)
Low Sulphur Gasoil 1st Line vs Brent NX 1st Line Future (in MTs)	NXU	NXM	Gasoil 1st Line vs Brent NX 1st Line Future (in MTs)
Low Sulphur Gasoil 1st Line vs Brent 1st Line Future (in Bbls)	ULD	GDC	Gasoil 1st Line vs Brent 1st Line Future (in Bbls)
Low Sulphur Gasoil 1st Line vs Brent 1st Line Future (in MTs)	ULC	GOC	Gasoil 1st Line vs Brent 1st Line Future (in MTs)
Gasoil 50ppm FOB Rotterdam Barges (Platts) vs Low Sulphur Gasoil 1st Line Future	ULH	GSD	Gasoil 50ppm FOB Rotterdam Barges (Platts) vs Gasoil 1st Line Future
Gulf Coast ULSD (Platts) vs Low Sulphur Gasoil 1st Line Future	GUX	GUY	Gulf Coast ULSD (Platts) vs Gasoil 1st Line Future
Heating Oil 1st Line vs Low Sulphur Gasoil 1st Line Future (in Bbls)	ULM	HOG	Heating Oil 1st Line vs Gasoil 1st Line Future (in Bbls)
Heating Oil 1st Line vs Low Sulphur Gasoil 1st Line Future (in MTs)	ULL	HOT	Heating Oil 1st Line vs Gasoil 1st Line Future (in MTs)
Singapore Gasoil (Platts) vs Low Sulphur Gasoil 1st Line Future (in Bbls)	SWW	SWV	Singapore Gasoil (Platts) vs Gasoil 1st Line Future (in Bbls)
ULSD 10ppm CIF Med Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Future	ULI	DMG	ULSD 10ppm CIF Med Cargoes (Platts) vs Gasoil 1st Line Future
ULSD 10ppm CIF Med Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	UMC	DMH	ULSD 10ppm CIF Med Cargoes (Platts) vs Gasoil 1st Line Balmo Future

ULSD 10ppm CIF NWE Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Future	ULF	NFG	ULSD 10ppm CIF NWE Cargoes (Platts) vs Gasoil 1st Line Future
ULSD 10ppm CIF NWE Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	UMD	NFH	ULSD 10ppm CIF NWE Cargoes (Platts) vs Gasoil 1st Line Balmo Future
Jet CIF NWE Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Future	ULJ	JET	Jet CIF NWE Cargoes (Platts) vs Gasoil 1st Line Future
Jet CIF NWE Cargoes (Platts) vs Low Sulphur Gasoil 1st Line Balmo Future	UME	JES	Jet CIF NWE Cargoes (Platts) vs Gasoil 1st Line Balmo Future
Jet FOB Rotterdam Barges (Platts) vs Low Sulphur Gasoil 1st Line Future	ULK	JRG	Jet FOB Rotterdam Barges (Platts) vs Gasoil 1st Line Future
Argus Biodiesel RME FOB ARA Range (RED Compliant) vs Low Sulphur Gasoil 1st Line Future	BRI	BRS	Argus Biodiesel RME FOB Rotterdam (RED Compliant) vs Gasoil 1st Line Future
Argus Biodiesel FAME FOB ARA Range (RED Compliant) vs Low Sulphur Gasoil 1st Line Future	BFZ	BFS	Argus FAME Zero Biodiesel FOB Rotterdam (RED Compliant) vs Gasoil 1st Line Future
		SOL	Soybean Oil Penultimate Day 1st Line vs Gasoil 1st Line Future
		DFJ	Diesel 10ppm FOB Rotterdam Barges (Platts) vs Gasoil 1st Line Mini Future
		ULB	Low Sulphur Gasoil 1st Line vs Gasoil 1st Line Future