

## LONDON NOTICE NO. 3745

Issue Date: 24 September 2013

Effective Date: 24 September 2013

**COCOA FUTURES CONTRACT  
(EXCHANGE CONTRACT NO. 401)**

**ROBUSTA COFFEE FUTURES CONTRACT  
(EXCHANGE CONTRACT NO. 409)**

**INTRODUCTION OF MINIMUM MOVEMENT OUT RATES FOR COCOA FUTURES CONTRACTS, MOVEMENT OUT OF GOODS DURING A DELIVERY MONTH AND UPDATES TO NYSE LIFFE GUARDIAN**

### Executive Summary

This Notice informs Members: (a) about the introduction of minimum Movement Out rates in respect of Cocoa, the details of which are recorded on NYSE Liffe Guardian and which has been awarded a Valid Grading Result; (b) that, with effect from the November 2013 delivery month onwards for Robusta Coffee and the December 2013 delivery month onwards for Cocoa, Movement Out will be permitted during a delivery month but such Goods will not be tenderable in that same delivery month; and (c) that updates must now be made to NYSE Liffe Guardian within one business day of a physical process having been completed. All consequential changes to the Grading and Warehousekeeping Procedures in respect of Cocoa and Robusta Coffee Futures Contracts ("the GWPs") are provided in the Attachment to this Notice.

### 1. Introduction

- 1.1 Following the introduction of minimum Movement Out rates for Robusta Coffee, the Exchange has determined to introduce minimum Movement Out rates in respect of Cocoa, the details of which are recorded on NYSE Liffe Guardian and which has been awarded a Valid Grading Result ("NYSE Liffe certified Cocoa"). The minimum Movement Out Rates for Cocoa will be effective from the **December 2013 delivery month onwards**.
- 1.2 This Notice details the minimum Movement Out rates for Cocoa and sets out, in the Attachment, the associated amendments to the GWPs.
- 1.3 This Notice also advises Members that Movement Out of Robusta Coffee and Cocoa will be permitted during a delivery month but such Robusta Coffee or Cocoa will not be tenderable in the same delivery month.
- 1.4 Further, this Notice advises Members that, in order to improve the efficiency of administrative updates and the accuracy of the Exchange's published Stock Figures, the Exchange has determined to require that a Warehousekeeper updates NYSE Liffe Guardian within one business day of a physical process in respect of Robusta Coffee or Cocoa having been completed.

The **Euronext Derivatives Markets** comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

1.5 The amendments to the GWPs associated with the Movement out of Goods during a delivery month and updating NYSE Liffe Guardian are set out in the Attachment to this Notice.

## **2. Introduction of Minimum Movement Out Rates for Cocoa**

2.1 The Exchange has determined the following minimum Movement Out rates for NYSE Liffe certified Cocoa:

- for Warehousekeepers holding up to 30,000 metric tonnes of NYSE Liffe certified Cocoa, a Movement Out rate of 250 metric tonnes per working day in respect of the applicable Port or Delivery Area; and
- for Warehousekeepers holding 30,001 metric tonnes and above of NYSE Liffe certified Cocoa, a Movement Out rate of 500 metric tonnes per working day in respect of the applicable Port or Delivery Area.

2.2 These rates will be subject to regular review and any amendments will be published by Notice.

2.3 The detailed procedures in respect of Movement Out are set out in the amendments to the GWPs which form the Attachment to this Notice. Warehousekeepers and Members should, in particular, note the following:

- (a) the procedures in respect of Movement Out apply to both NYSE Liffe certified Robusta Coffee and Cocoa which is moved from within a Warehouse onto transport, such Robusta Coffee or Cocoa either to be taken up from NYSE Liffe Guardian or to be moved between Warehousekeepers in the same Delivery Area;
- (b) requests for Movement Out shall be made to the Warehousekeeper in writing;
- (c) in the event that the Warehousekeeper is in receipt of requests to Move Out NYSE Liffe certified Robusta Coffee or Cocoa to be taken up from NYSE Liffe Guardian and NYSE Liffe certified Robusta Coffee or Cocoa which is to be moved between Warehousekeepers in the same Delivery Area he shall ensure that the Movement Out of NYSE Liffe certified Robusta Coffee or Cocoa which is to be taken up from NYSE Liffe Guardian is prioritised and undertaken first;
- (d) in the event that the Warehousekeeper is in receipt of more than one request to Move Out NYSE Liffe certified Robusta Coffee or Cocoa for the same purpose, he should treat those requests in a fair and reasonable manner;
- (e) where the Warrants in respect of NYSE Liffe certified Robusta Coffee or Cocoa scheduled to be Moved Out of a Warehouse have not been presented to the Warehousekeeper or his London Agent a minimum of 48 hours prior to the scheduled commencement of the Movement Out, the Warehousekeeper may cancel the Movement Out;
- (f) NYSE Liffe certified Robusta Coffee or Cocoa which is to be moved between the Warehouses of the same Warehousekeeper or across Delivery Areas will not be subject to the minimum movement out rate;

- (g) in the event that a Warehousekeeper is in receipt of requests to Move Out both Robusta Coffee and Cocoa at the same time, he must move both the Robusta Coffee and Cocoa in line with the minimum Movement Out rates;
- (h) if a Dual Capacity Warehousekeeper is requested to do so, he must move Robusta Coffee, bagged Cocoa and bulk Cocoa in line with the minimum Movement Out rates at the same time; and
- (i) For the avoidance of doubt, the minimum Movement Out rate may be achieved by a Warehousekeeper as an average over the period during which the Goods are to be moved.

### **3. Movement Out of Goods during a delivery month**

3.1 The Exchange has determined that, from the November 2013 delivery month onwards for Robusta Coffee and the December 2013 delivery month onwards for Cocoa, Movement Out should be allowed during a delivery month, although Goods moved in a delivery month will not be tenderable in that same delivery month.

3.2 The necessary amendment to the GWPs is included in the Attachment to this Notice.

### **4. Updates to NYSE Liffe Guardian**

4.1 The Exchange has determined that, with immediate effect, Warehousekeepers should update NYSE Liffe Guardian within one business day of a physical process in respect of Robusta Coffee or Cocoa (e.g. reweighing, sampling, Movement Out) having been completed.

4.2 The necessary amendment to the GWPs is included in the Attachment to this Notice.

### **5. Amendments to the GWPs**

5.1 An updated version of the GWPs, including all of the necessary amendments to the GWPs will be made available on the NYSE Liffe website ([www.nyx.com/GWPs](http://www.nyx.com/GWPs)) in due course.

For further information in relation to this Notice, Members should contact:

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**Amendments to the Grading and Warehousekeeping Procedures in respect of  
Cocoa and Robusta Coffee Futures Contracts  
Additions shown underlined/deletions ~~struckthrough~~**

**Section D**

**Warehousekeeping Procedures in Respect of Warehousekeepers and Warehouses  
Nominated by LIFFE for the storage of Cocoa and Robusta Coffee**

**D 1. General**

**D 1.3 NYSE Liffe Guardian**

D 1.3.4 A Warehousekeeper shall ensure that all details of Warrants recorded on NYSE Liffe Guardian relating to Goods are correct and, ~~when necessary,~~ updated promptly within one business day of any relevant physical process having been completed. Such ~~updates~~ physical process may include, without limitation, ~~revised weights and date of weighing~~ reweighing, sampling ~~details~~ including industry samples, ~~revisions in respect of re-piling or conversion of a Delivery Unit and deletion of the record of the Warrant from the system~~ following removal of Goods from the Warehouse. For the avoidance of doubt, where all or part of the Goods comprising a Lot or Delivery Unit are removed from the Warehouse the record of the relevant Warrant must be removed from NYSE Liffe Guardian.

**D 1.19 Movement of Goods and change in control of a Warehouse or Warehousekeeper –  
General Requirements and Procedures**

D 1.19.2 ~~Except in extreme circumstances no approval will be given by the Exchange for the movement of Goods during any period in which the Goods could be the subject of a delivery, from the Notice Day of that period until the relevant Settlement Day.~~ Goods that have been moved during a Delivery Month shall not be tendered in that same Delivery Month.

**D 1.27 Movement Out of Goods from a Nominated Warehousekeeper**

D 1.27.1 In respect of a lot or Delivery Unit which has been awarded a Valid Grading Result and which is to be Moved Out of a Nominated Warehouse for reasons other than those detailed in Procedures D 1.21, D 1.22 and D 1.24, the Member or, if he is not the Owner of the Goods, the Owner on whose behalf the Member is making the request for Movement Out

of the Goods, shall inform the Warehousekeeper in writing that the Goods are to be Moved Out of the Nominated Warehouse.

D 1.27.2 On receipt of an application under Procedure D 1.27.1† the Warehousekeeper will, subject to Procedures D 1.23 and D 1.25 where applicable, schedule and agree with the Owner date(s) for the Movement Out of the Goods.

D 1.27.3 The Owner must present the Warehousekeeper or his London Agent with the relevant Warrants a minimum of 48 hours prior to the scheduled commencement of the Movement Out.

D 1.27.4 When carrying out a request for the Movement Out of Goods under Procedure D 1.27.1†, the Nominated Warehousekeeper shall comply with the minimum Movement Out rates and the procedures relating thereto, as published by the Exchange by Notice from time to time.

D 1.27.5 Where a Warehousekeeper is in receipt at the same time of requests to both:

(a) Move Out Goods to be taken up from NYSE Liffe Guardian under Procedure D 1.27.1†; and

(b) Move Out Goods under Procedures D 1.23 and D 1.25,

the Warehousekeeper shall ensure that the Movement Out of Goods which is to be Moved Out under Procedure D 1.27.1† and taken up from NYSE Liffe Guardian is prioritised and undertaken first in accordance with the Movement Out rate as published by the Exchange from time to time.

D 1.27.6 Where the Warehousekeeper is in receipt of more than one request to move out either:

(a) Goods to be taken up from NYSE Liffe Guardian under Procedure D 1.27.1†; or

(b) Goods under Procedures D 1.23 and D 1.25,

the Warehousekeeper shall treat each request equitably and schedule the Movement Out for such requests in a fair and reasonable manner.

D 1.27.7 Where the Warrants in respect of the Goods scheduled to be Moved Out of a Warehouse have not been presented to the Warehousekeeper or his London Agent a minimum of 48 hours prior to the scheduled commencement of the Movement Out, the Warehousekeeper may cancel the Movement Out.

D 1.27.8 Once all or part of the Goods have been Moved Out from the Nominated Warehouse the Warehousekeeper must, with the exception of Goods moved under Procedures D 1.23 and D 1.25, remove the relevant record from NYSE Liffe Guardian in accordance with Procedure D 1.3.4.

D 1.27.9 For the avoidance of doubt the minimum Movement Out rate may be achieved by a Warehousekeeper as an average over the period during which the Goods are to be moved.

D 1.27.10 Where the Warehousekeeper is in receipt of requests from one or more Members to Move Out both Robusta Coffee and Cocoa at the same time, the Warehousekeeper must meet the minimum Movement Out rates for both Robusta Coffee and Cocoa.

D 1.27.11 It should be noted that where a Dual Capacity Warehousekeeper is in receipt of requests from one or more Members to Move Out Cocoa stored in both bags and bulk at the same time the Dual Capacity Warehousekeeper must meet the minimum Movement Out rates for both the bagged and bulk Cocoa. Further, should a Dual Capacity Warehousekeeper receive requests from one or more Members to move out Robusta Coffee and Cocoa stored in bags and bulk at the same time the Dual Capacity Warehousekeeper must meet the minimum Movement Out rates in respect of the Robust Coffee and the bagged and bulk Cocoa.

### **D 3 Robusta Coffee**

#### **~~D 3.8 Movement Out of Robusta Coffee from a Nominated Warehousekeeper~~**

~~D 3.8.1~~ In respect of a lot which has been awarded a Valid Grading Result and which is to be Moved Out of a Nominated Warehouse for reasons other than those detailed in Procedures D 1.21, D 1.22 and D 1.24, the Member or, if he is not the Owner of the Robusta Coffee, the Owner on whose behalf the Member is making the request for Movement Out of the Robusta Coffee, shall inform the Warehousekeeper in writing that the Robusta Coffee is to be Moved Out of the Nominated Warehouse.

~~D 3.8.2~~ On receipt of an application under Procedure D 3.8.1 the Warehousekeeper will, subject to Procedures D 1.23 and D 1.25 where applicable, schedule and agree with the Owner date(s) for the Movement Out of the Robusta Coffee.

~~D 3.8.3~~ The Owner must present the Warehousekeeper or his London Agent with the relevant Warrants a minimum of 48 hours prior to the scheduled commencement of the Movement Out.

~~D 3.8.4~~ When carrying out a request for the Movement Out of Robusta Coffee under Procedure D 3.8.1, the Nominated Warehousekeeper shall comply with the minimum Movement Out rates and the procedures relating thereto, as published by the Exchange by Notice from time to time.

~~D 3.8.5~~ Where a Warehousekeeper is in receipt of requests to both:

(a) ~~Move Out Robusta Coffee to be taken up from NYSE Liffe Guardian under Procedure D 3.8.1; and~~

(b) ~~Move Out Robusta Coffee under Procedures D 1.23 and D 1.25,~~

~~the Warehousekeeper shall ensure that the Movement Out of Robusta Coffee which is to be Moved Out under Procedure D 3.8.1 and taken up from NYSE Liffe Guardian is prioritised and undertaken first in accordance with the Movement Out rate as published by the Exchange from time to time.~~

~~D 3.8.6 — Where the Warehousekeeper is in receipt of more than one request to move out either:~~

~~(a) — Robusta Coffee to be taken up from NYSE Liffe Guardian under Procedure D 3.8.1;~~

~~or~~

~~(b) — Robusta Coffee under Procedures D 1.23 and D 1.25,~~

~~the Warehousekeeper shall treat each request equitably and schedule the Movement Out for such requests in a fair and reasonable manner.~~

~~D 3.8.7 — Where the Warrants in respect of the Robusta Coffee scheduled to be Moved Out of a Warehouse have not been presented to the Warehousekeeper or his London Agent a minimum of 48 hours prior to the scheduled commencement of the Movement Out, the Warehousekeeper may cancel the Movement Out.~~

~~D 3.8.8 — Once all or part of the Robusta Coffee has been Moved Out from the Nominated Warehouse the Warehousekeeper must, with the exception of Robusta Coffee moved under Procedures D 1.23 and D 1.25, remove the relevant record from NYSE Liffe Guardian in accordance with Procedure D 1.3.4.~~

~~† cross reference corrected on 10 October 2013~~