



January 21, 2021

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6 –
Delivery Procedure Amendments

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Rule 40.6 for self-certification, the amendments to its Delivery Procedures (the “Delivery Procedures”)¹ discussed herein. The amendments are to become effective on the first business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

Concise Explanation and Analysis

ICE Clear Europe is amending its Delivery Procedures to add a new Section 11 and a new Part GG to address delivery relating to the ICE Futures Abu Dhabi Murban Crude Oil Futures (the “ICE Murban Crude Oil Futures Contracts” or the “Contracts”). The Contracts will be traded on ICE Futures Abu Dhabi and cleared by ICE Clear Europe.

New Part GG sets out the delivery specifications and procedures for deliveries of Murban crude oil under the ICE Murban Crude Oil Futures Contract. The amended Delivery Procedures specify the delivery mode (with reference to applicable requirements of the relevant delivery terminal in Fujairah, UAE) and the delivery loading volume tolerances. Consistent with the exchange rules for the Contracts, delivery will

¹ Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Delivery Procedures or, if not defined therein, the ICE Clear Europe Clearing Rules.

take place on one or more consecutive Terminal Loading Days within the Delivery Range (which range must fall within the Delivery Period). The new Part GG also addresses requirements as to delivery free of encumbrances, and determination of delivery quantity and price by reference to exchange rules for the Contract. The amendments also establish certain timing requirements for exchange of futures for physical and swap transactions under exchange rules.

New Part GG provides a detailed delivery timetable, from the last trading day of the Contract through final settlement, including procedures, deadlines and requirements for nominations or substitutions of delivery range and delivery day, loading programme, delivery confirmations, delivery margin, invoicing, receipt confirmations, and other matters. The procedures also address invoice calculation with respect to the Contract and delivery loading volume tolerances. New Part GG also specifies the delivery documentation required of Buyers and Sellers.

New Section 11 of the Delivery Procedures provides for an alternative delivery procedure for the Contracts if the Buyer and Seller agree to undertake delivery outside the ICE Futures Abu Dhabi Rules (similar to the alternative delivery procedure for other cleared contracts).

Compliance with the Act and CFTC Regulations

The rule amendments are potentially relevant to the following core principles: (C) Participant and Product Eligibility and (E) Settlement Procedures, and the applicable regulations of the Commission thereunder.

- *Product Eligibility.* The amendments to the Delivery Procedures are intended to facilitate the clearing of new physically settled Contracts, which are being launched for trading by ICE Futures Abu Dhabi. The amendments set out the obligations and role of the Clearing House and relevant parties for delivery under the Contracts, supplementing the existing provisions of the Rules and the relevant exchange rules. ICE Clear Europe believes that its financial resources, risk management, systems and operational arrangements are sufficient to support clearing of such products (and to address physical delivery under such contracts) and to manage the risks associated with such contracts, consistent with other energy contracts cleared by ICE Clear Europe. As a result, ICE Clear Europe believes that the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As noted above, the amendments set out the delivery procedures with respect to Contracts and clearly set out the role and responsibilities of the Clearing House and Clearing Members in the physical delivery process for delivery of Murban crude oil in settlement of the Contracts. Specifically, the amendments specify the mode of delivery as well as provide a detailed timetable for delivery responsibilities and documentation requirements. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle E and CFTC Rule 39.14.

As set forth herein, the amendments consist of changes to the Delivery Procedures, a copy of which is attached hereto.

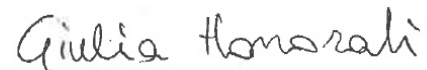
ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission's regulations thereunder.

ICE Clear Europe has received no substantive opposing views in relation to the proposed rule amendments.

ICE Clear Europe has posted a notice of pending certification and a copy of this submission on its website concurrent with the filing of this submission.

If you or your staff should have any questions or comments or require further information regarding this submission, please do not hesitate to contact the undersigned at Giulia.honorati@theice.com or +44 20 7429 7127.

Very truly yours,

A handwritten signature in cursive script that reads "Giulia Honorati".

Giulia Honorati
Manager Regulation & Compliance

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FUTURES NEW YORK HARBOUR ULTRA LOW SULPHUR DIESEL FUTURES (“ICE NYH ULSD FUTURES CONTRACT”), ICE FUTURES EUROPE NEW YORK HARBOUR ULTRA LOW SULPHUR HEATING OIL FUTURES (“ICE NYH ULSHO ~~FUTURES CONTRACT~~FUTURES CONTRACT”)

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10. ALTERNATIVE DELIVERY PROCEDURE: ICE NYH ULSO FUTURES CONTRACTS

- 10.1 In respect of ICE NYH ULSO Futures Contracts (as defined in Section FF of these Delivery Procedures), if the Buyer and the Seller agree to undertake delivery outside the ICE Futures Europe Rules, both parties must advise the Clearing House using the ICE NYH ULSO Futures: Confirmation of Agreed ADP Form.
- 10.2 Where an ADP is agreed, the Clearing House will settle the relevant Contracts at the Exchange Delivery Settlement Price (as defined in the ICE Futures Europe Rules) fulfilling its obligations under the Contract in respect of delivery.
- 10.3 ICE NYH ULSO Futures: Confirmation of Agreed ADP Forms must be received by the Clearing House any time before the finalisation of delivery. Forms received by the Clearing House after 10:00 ET will be deemed to have been received on the next Business Day.
- 10.4
- 10.5 Where an ADP is agreed for ICE NYH Futures, then, as from the time that the Clearing Members' accounts are amended by the Clearing House and the payment of the EDSP has taken place, the affected Clearing Members and the Clearing House shall all automatically and immediately be released and discharged from all their rights, liabilities and obligations in respect of the affected Contract or Contracts and such rights, liabilities and obligations shall be replaced by such amended obligations as are agreed between the parties.

11. ALTERNATIVE DELIVERY PROCEDURE: ICE MURBAN CRUDE OIL FUTURES

- 11.1 In respect of ICE Murban Crude Oil Futures Contracts (as defined in Section GG of these Delivery Procedures), if the Buyer and the Seller agree to undertake delivery outside the ICE Futures Abu Dhabi Rules, both parties must advise the Clearing House using the ICE Murban Crude Oil Futures: Confirmation of Agreed ADP Form.
- 11.2 Where an ADP is agreed, the Clearing House will settle the relevant Contracts at the Exchange Delivery Settlement Price (as defined in the ICE Futures Abu Dhabi Rules) fulfilling its obligations under the Contract in respect of delivery.
- 11.3 ICE Murban Crude Oil Futures: Confirmation of Agreed ADP Forms must be received by the Clearing House any time before the Buyers and Sellers are invoiced by the Clearing House. Forms received by the Clearing House after 16:00 LPT will be deemed to have been received on the next Clearing Day.
- 11.4 Where an ADP is agreed for ICE Murban Crude Oil Futures, then, as from the time that the Clearing Members' accounts are amended by the Clearing House, the affected Clearing Members and the Clearing House shall all automatically and immediately be released and discharged from all their rights, liabilities and obligations in respect of the affected Contract or Contracts and such rights, liabilities and obligations shall be replaced by such amended obligations as are agreed between the parties.

12. ~~11.~~ EXCLUSION OF ALTERNATIVE DELIVERY PROCEDURES FOR OTHER CONTRACTS

Clearing Members may not agree alternative delivery procedures for any ICE Futures UK Natural Gas Futures Contract, ICE Futures UK Natural Gas (EUR/MWh) Futures Contract, ICE Futures UK Natural Gas Daily Futures Contract, ICE UK Base Electricity Futures Contract (Gregorian), ICE UK Peak Electricity Futures Contract (Gregorian) or ICE Deliverable US Emissions Contract, Financials & Softs Coffee Contract, Financials & Softs Cocoa Contract, Financials & Softs Wheat Contract, Financials & Softs Gilt Contract, Financials & Softs Equity Futures/Options Contract or Financials & Softs Stock Contingent Trade Contract or any other Contract subject to a delivery from time to time for which no specific alternative delivery procedure applies, save where a Governmental Authority of competent

jurisdiction orders or requires or Applicable Law so requires or the Clearing House provides its consent in writing.

13. ~~12.~~ **INTERIM PAYMENTS: GASOIL**

Where a Delivery Panel formed under ICE Futures Europe Rules directs that an interim payment or payments should be made pending a decision as to the price to be set for Invoicing Back, the Clearing House may make an interim payment to the affected Clearing Member of the amount specified in the direction of the Delivery Panel (or such other amount as the Clearing House, at its discretion, determines). If the Clearing House makes any such interim payment, an equivalent deduction from the Buyer's Security will be effected. Any amount to be paid as a result of the Delivery Panel's decision or direction shall be such amount due less any interim payment made or shall result in an obligation to repay all or part of any interim payment, as applicable, and further deduction to, or replenishment of, the Buyer's Security shall be effected by the Clearing House appropriately.

14. ~~13.~~ **ICE BRENT FUTURES: CASH SETTLEMENT**

ICE Brent Futures is a contract deliverable via EFP with an option to cash settle. Where the Notice to Cash Settle ICE Brent Futures or the Standing Notice to Cash Settle ICE Brent Futures is completed and submitted to the Clearing House by the relevant time as applicable to each notice, then the Rules on cash settlement set out in the Rules shall apply.

15. ~~14.~~ **SIMILAR OBLIGATIONS UNDER DIFFERENT CONTRACTS**

Where a Seller or a Buyer has delivery obligations under one or more Contracts that are not of the same Set but which result in a delivery obligation in respect of the same Deliverable at the same time, the Clearing House may notify the Seller (and its Transferor, if applicable) and the Buyer (and its Transferee, if applicable) of their aggregated delivery obligations under the affected Contracts and, upon such notification, the Seller and Buyer shall be required to make and take delivery in respect of such aggregated delivery obligations instead of such other obligations as may otherwise have been required.

16. ~~15.~~ **INTERPRETATION**

Words and phrases defined in the Rules or these Delivery Procedures bear the same meanings when used in any form or other document delivered pursuant to these Delivery Procedures.

The Clearing House may, from time to time, enter into clearing services arrangements with ICE Futures Europe in respect of Financials & Softs Contracts, pursuant to which the functions of the Clearing House (as designated in these Delivery Procedures) may be performed by ICE Futures Europe and *vice versa*. Accordingly, references in these Delivery Procedures to the Clearing House may be interpreted as references to ICE Futures Europe in respect of such Financials & Softs Contracts, and *vice versa*, as circumstances require.

17. ~~16.~~ **REPORTS AND NOTIFICATIONS**

Unless otherwise specified, the Clearing House will make the reports and confirmations it issues as part of the delivery processes available to the Clearing Members electronically, both via email and via MFT (or any successor system).

18. ~~17.~~ **LIABILITY, MARGIN, DEFAULT AND DISCIPLINARY**

18.1 ~~17.1~~ The requirements relating to liability set out in the Rules apply equally in relation to deliveries. Without prejudice to the generality of, and subject to, the provisions of the Rules relating to liability:

- (a) it is the responsibility of Clearing Members to ensure that all forms are in place at the relevant time, and any failure or omission to ensure that they are in place that causes or contributes to the failure of any delivery may itself constitute a failure to deliver by the Clearing Member; and

DELIVERY PROCEDURES

- (b) upon any such failure or omission, the Clearing Member will be liable to the Clearing House for any cost, loss or expense of the Clearing House arising as a result of such failure or omission, which may include any delivery failure costs.

18.2 ~~17.2~~ The Clearing House may at any time make an additional Margin call as a result of any event or circumstance occurring in relation to a delivery.

18.3 ~~17.3~~ Notwithstanding the availability of any possible alternative or late delivery procedure, failure to comply with any requirement of these Delivery Procedures may constitute an Event of Default.

18.4 ~~17.4~~ Nothing in these Delivery Procedures shall preclude the Clearing House, in its discretion, from bringing disciplinary proceedings or levying a fine against a Clearing Member, including (without limitation) in respect of late or failed delivery.

18.5 ~~17.5~~ Clearing Members are referred to the relevant Contract Terms (including, where relevant, the terms and conditions set out in the relevant Market Rules) as regards the rules that apply following a Clearing Member's non-performance of obligations under a Contract, including in particular (for ICE Futures Europe Contracts only) Rules. I.17 – I.19 of the ICE Futures Europe Rules, which provisions are, to the extent relevant to the Rules, incorporated herein.

18.6 ~~17.6~~ Nothing in these Delivery Procedures shall exclude any liability for fraud, death, personal injury or any liability which by Applicable Law may not be excluded.

18.7 ~~17.7~~ Each Clearing Member, Buyer, Seller, Transferor and Transferee that makes or takes delivery of any Deliverable pursuant to a Contract shall comply (and shall be deemed to represent and warrant to the Clearing House that it will comply and has complied) with all filing, notification, reporting, registration, certification or authorisation requirements under Applicable Laws or required by any Delivery Facility in connection with such delivery.

19. ~~18.~~ PAYMENTS

All payments to and from Clearing Members pursuant to these Delivery Procedures shall take place to and from relevant Nominated Accounts as described in the Finance Procedures. Amounts due in respect of delivery obligations may be set off against or aggregated with other amounts due under the Rules, as described in the Finance Procedures.

20. ~~19.~~ GUARDIAN

Guardian is an electronic grading and delivery system which is used in the process of making and taking delivery of certain Deliverables as specified in these Delivery Procedures (including cocoa, coffee, wheat, white sugar and bonds).

DELIVERY PROCEDURES: ICE MURBAN CRUDE OIL FUTURES CONTRACTS

PART GG: ICE FUTURES ABU DHABI MURBAN CRUDE OIL FUTURES ("ICE MURBAN CRUDE OIL FUTURES CONTRACT")

1. APPLICABILITY AND DEFINITIONS

1.1 This Part GG applies to all ICE Futures Abu Dhabi Murban Crude Oil Futures Contracts which go to physical delivery on the expiry date. Such contracts are referred to in this Part as "ICE Murban Crude Oil Futures Contract" or the "Contract".

1.2 The following definitions apply to this part of the Delivery Procedures:

- (a) "ADNOC" means the Abu Dhabi National Oil Company, a company organised and existing under the laws of Abu Dhabi, UAE and whose principal postal address is P.O. Box 898, Abu Dhabi, UAE;
- (b) "ADNOC General Terms and Conditions" or "ADNOC GTCs" shall have the meaning given to such term in the Contract;
- (c) "ADP" means an alternative delivery procedure as may be agreed between the Buyer and the Seller, as further detailed in Section 11 of the Delivery Procedures;
- (d) "Clearing Day" means, for the purposes of these Delivery Procedures, a day on which the Clearing House is open for business, or such other day as may be determined by the Clearing House;
- (e) "Delivery Confirmation Form" means the form specified in Section 5 of these Delivery Procedures;
- (f) "Delivery Day" means a day, specified by the Buyer in accordance with ICE Murban Crude Oil Futures Contract, within the Delivery Range (unless otherwise agreed by the Terminal Operator and Buyer in accordance with the procedure specified below) during which loading of Murban Crude Oil under the Contract is expected to commence;
- (g) "Delivery Period" means the timeframe within which delivery is to be scheduled to take place, commencing on the first Terminal Loading Day of the delivery month and ending no later than the third Terminal Loading Day prior to the end of the said delivery month;
- (h) "Delivery Range" means the three (3) consecutive day period (falling within the Delivery Period) proposed by the Buyer and confirmed by the Terminal Operator to the Seller, starting at 08:00 UPT on the first Terminal Loading Day and ending at 07:59 UPT on the fourth Terminal Loading Day, during which loading of the Murban Crude Oil into the Buyer's Vessel at the Terminal is scheduled to commence. Notwithstanding, the Terminal Operator may shorten the Delivery Range from three consecutive Terminal Loading Days to two consecutive Terminal Loading Days, in which case any such shortened Delivery Range will be notified by the Terminal Operator to the parties and the Clearing House;
- (i) "Delivery Range Nomination Form" means the form specified in Section 5 of these Delivery Procedures;
- (j) "Document Receipt Day" means the day on which documents are received by the Clearing House, being on or before the tenth (10th) Clearing Day after completion of loading;
- (k) "ECS" means ICE Clear Europe's Extensible Clearing System;
- (l) "ICE Murban Crude Oil Futures Contract Rules" means the Contract Terms and Contract Procedures as set out in the Rules of ICE Futures Abu Dhabi;

DELIVERY PROCEDURES: ICE MURBAN CRUDE OIL FUTURES CONTRACTS

- (m) “Last Trading Day” means the day on which trading shall cease in respect of a particular Contract, being the last Trading Day of the second month preceding the Delivery Period for such expiring Contract. If the day on which trading is due to cease is the Trading Day preceding New Year’s Day, then trading shall cease on the next preceding Trading Day;
- (n) “Letter of Indemnity” means a letter of indemnity issued by the Seller in favour of the Buyer in the form set out in the Appendix to the ICE Murban Crude Oil Futures Contract Rules (or such other form as ICE Futures Abu Dhabi may from time to time permit), countersigned by the Seller’s bank if so requested by the Buyer, provided that where the Seller is the Clearing House, the letter of indemnity shall be issued by the Seller whose tender has been allocated by the Clearing House to the Buyer for the purposes of delivery, and where the Seller is not the Clearing House, the letter of indemnity shall be issued in favour of the Buyer to whom the Clearing House has allocated such Seller’s tender for the purposes of delivery;
- (o) “London Prevailing Time” or “LPT” means the prevailing time in London, United Kingdom;
- (p) “MFT” means ICE Clear Europe’s Managed File Transfer Service for reporting and data file downloads;
- (q) “MPFE” means Futures Expiry Report;
- (r) “Murban” means Murban Crude Oil as defined and meeting the specifications set out in the ICE Murban Crude Oil Futures Contract Rules in the ICE Futures Abu Dhabi Rules;
- (s) “Singapore Prevailing Time” or “SPT” means the prevailing time in Singapore;
- (t) “Terminal” means any delivery facility managed by the Terminal Operator at which Murban is delivered, located in Fujairah, UAE;
- (u) “Terminal Loading Day” means, for the purposes of any Delivery Range, a period of time of twenty-four (24) consecutive hours beginning at 08:00 UPT on any day of a nominated Delivery Range, and, for all other references, shall mean a calendar day in UAE;
- (v) “Terminal Operator” means Abu Dhabi Company for Onshore Petroleum Operations Ltd, or whichever company performs and/or regulates the operations and procedures for the shipment and export of Murban, including any loading programme, that is to be shipped and delivered under this Contract at the Terminal;
- (w) “Trading Day” means a day on which the Market is open to trade as determined by ICE Futures Abu Dhabi from time to time;
- (x) “UAE Prevailing Time” or “UPT” means the prevailing time in the United Arab Emirates;
- (y) “Vessel” means any ship or vessel designed, constructed, equipped and maintained to safely load and carry crude oil; and
- (z) “Vessel Nomination Form” means the form specified in Section 5 of these Delivery Procedures.

1.3 In sections where more than one time zone is referenced, (e.g. both London Prevailing Time and Singapore Prevailing Time, or UAE Prevailing Time), this is for convenience only. In the event of a conflict between such times specified, the first time zone specified shall take precedence.

2. DELIVERY SPECIFICATION

2.1 Scope

DELIVERY PROCEDURES: ICE MURBAN CRUDE OIL FUTURES CONTRACTS

The ICE Murban Crude Oil Futures Contract shall be for the sale and delivery of Murban meeting the relevant contract specification set out in ICE Futures Abu Dhabi Rules and in accordance with, or as otherwise allowed under, the Contract Terms and Contract Procedures in those rules, by the Seller to the Buyer, at the Terminal. Delivery shall be scheduled to take place on one or more consecutive Terminal Loading Days within the Delivery Range. Such Delivery Range must fall within the Delivery Period.

2.2 Delivery Mode

2.2.1 Delivery shall be made by the Seller on a free-on-board ("FOB") Fujairah basis at the Terminal onto the Buyer's Vessel, as a full or part cargo, during the Delivery Period, within a delivery loading volume tolerance of plus or minus zero point two percent (0.2%).

2.2.2 There is no specified minimum quantity of Murban Crude Oil to be delivered for the purposes of the ICE Murban Crude Oil Futures Contract. However, parties should be aware that in relation to each Vessel the Terminal Operator imposes a minimum loading requirement (which may be amended from time to time) of two hundred thousand (200,000) Barrels (i.e. 200 lots) for deliveries at the Terminal of Murban Crude Oil resulting from the ICE Murban Crude Oil Futures Contract ("**Terminal Minimum Loading Requirement**").

For the purposes of complying with the Terminal Minimum Loading Requirement, a Buyer may co-load on the Vessel:

- (a) one or more Exchange traded lots of Murban Crude Oil delivered in accordance with one or more ICE Murban Crude Oil Futures Contract(s); with
- (b) one or more parcel(s) of Murban Crude Oil in one or more over the counter / non-Exchange transaction(s) ("**OTC**") for FOB loading at Fujairah;

provided that

(i) loading of all co-loaded lots and parcels on the Vessel is completed within the same delivery month as the month in which the Delivery Range of the relevant Murban Contract(s) falls; and

(ii) as between Seller and Buyer, the Murban Crude Oil to be delivered to the Buyer in accordance with Murban Contract(s) shall be deemed delivered in full before the commencement of loading of any OTC Murban Crude Oil referred to in (b).

In the event the total number of lots of Murban Crude Oil going to physical delivery under an ICE Murban Crude Oil Futures Contract in a particular delivery month does not meet the Terminal Minimum Loading Requirement, each Buyer taking delivery will be required to confirm in writing to the Clearing House by 13.30 LPT on the first Clearing Day following the Last Trading Day that it can meet such Terminal Minimum Loading Requirement by co-loading Exchange traded lots and OTC parcels of Murban Crude Oil for FOB loading at Fujairah.

2.2.3 If the Terminal Minimum Loading Requirement cannot be met as set out above and in the ICE Murban Crude Oil Futures Contract, the parties may use the ADP mechanism to settle the Contract. The Clearing House reserves the right to treat such failure to meet the Terminal Minimum Loading Requirement as an Event of Default on the part of the party concerned in accordance with Part 9 of the Clearing House Rules.

2.2.4 As between Sellers under different Murban Contract(s), Murban Crude Oil shall be deemed delivered pro rata in respect of each lot until all lots have been deemed delivered, unless otherwise agreed between the Sellers and the Buyer.

2.3 Quantity and Quality

DELIVERY PROCEDURES: ICE MURBAN CRUDE OIL FUTURES CONTRACTS

The quality and quantity of delivered Murban shall be determined in accordance with the ICE Murban Crude Oil Futures Contract.

2.4 Delivery Basis and Property

Murban under the ICE Murban Crude Oil Futures Contract shall be delivered free from any liens and claims, charges and encumbrances of whatsoever kind (including but not limited to unpaid taxes, fees or other charges), and shall conform to the specifications and other requirements set out in the ICE Futures Abu Dhabi Rules.

Property in Murban delivered pursuant to the ICE Murban Crude Oil Futures Contract will pass from the Seller to the Buyer at the point specified in the ICE Murban Crude Oil Futures Contract Rules.

2.5 Price

The price at which the ICE Murban Crude Oil Futures Contract is delivered is the Exchange Delivery Settlement Price (as defined in the ICE Murban Crude Oil Futures Contract Rules) published on the Last Trading Day for the contract month.

2.6 Cessation of trading

Contracts shall cease trading on the Last Trading Day, in accordance with the ICE Murban Crude Oil Futures Contract.

2.7 Exchange for Physical (EFP)

In accordance with the ICE Murban Crude Oil Futures Contract, EFPs executed on the Last Trading Day for the expiring Contract month may be reported at any time after the cessation of trading up until 19:30 SPT on the Last Trading Day.

3. ICE MURBAN FUTURES DELIVERY TIMETABLE

<u>Last Trading Day</u>		
<u>Cessation of Trading</u>	<u>16:30 SPT</u>	<u>Trading in ICE Murban Crude Oil Futures Contracts ceases.</u>
<u>EFPs</u>	<u>By 19:30 SPT</u>	<u>EFPs may be posted by 19:30 SPT on the Last Trading Day.</u>
<u>Expiry</u>	<u>By 13:30 LPT</u>	<u>All position maintenance must be performed by Clearing Members.</u>
		<u>Sellers and Buyers must each submit to the Clearing House a Delivery Confirmation Form in relation to Contracts remaining open at 13:30 LPT on Last Trading Day.</u>
	<u>By 13:30 LPT</u>	<u>Sellers and Buyers are obliged to make or take delivery respectively of all Contracts remaining open in the expiring contract month.</u>
	<u>After 13:30 LPT</u>	<u>The MPFE report is available via ECS and MFT advising each Clearing Member of its delivery positions and obligations.</u>
	<u>After 13:30 LPT</u>	<u>The Clearing House allocates tenders to Sellers / Buyers at its sole discretion based on the Delivery Confirmation Forms received, endeavouring to minimise the number of Clearing Members and tenders involved.</u>

DELIVERY PROCEDURES: ICE MURBAN CRUDE OIL FUTURES CONTRACTS

	<u>After 13:30 LPT</u>	<p><u>The Clearing House will notify each Seller of the Buyer(s) with whom it has been matched or allocated for each delivery and instruct Sellers to deliver directly to Buyer(s) in accordance with the ICE Futures Abu Dhabi Rules.</u></p> <p><u>The Clearing House will send a notice to each Buyer identifying the Seller(s) and receipt quantity involved per allocated tender.</u></p>
<u>Last Trading Day + 1 Clearing Day</u>		
<u>Margin</u>	<u>By 09:00 LPT</u>	<p><u>Buyer's delivery Margin and Seller's delivery Margin shall be debited from Clearing Members that are Buyers and Clearing Members that are Sellers, respectively, for their deliverable positions.</u></p> <p><u>Delivery Margin will be calculated by the Clearing House as undelivered volume (lots x 1,000 barrels) x an appropriate scanning range as determined by the Clearing House.</u></p> <p><u>The Clearing House will apply contingent (Variation) Margin to the Buyer's and the Seller's Clearing Member accounts for their respective deliverable positions.</u></p>
<u>By the 5th Calendar Day of Month Preceding Delivery Period, or the following Clearing Day if the 5th Calendar Day is not a Clearing Day</u>		
<u>Preferred Delivery Range(s) Submission</u>	<u>By 16:00 LPT</u>	<p><u>The Buyer sends an ICE Murban Crude Oil Futures: Delivery Range Nomination Form to the Clearing House and the Seller stating the Buyer's preferred three-day Delivery Range(s).</u></p> <p><u>The ICE Murban Crude Oil Futures Delivery Range Nomination Table in Section 4 of this Part GG sets out the appropriate Clearing Day to submit a nomination for a specific Delivery Range.</u></p>
<u>By the 15th Calendar Day of Month Preceding Delivery Period</u>		
<u>Loading Programme</u>		<p><u>The Terminal Operator will establish the loading programme for the Delivery Period.</u></p> <p><u>The Clearing House will receive the loading programme from the Terminal Operator.</u></p> <p><u>For the avoidance of any doubt, the Clearing House has no input or influence in respect of the loading programme determined by the Terminal Operator.</u></p>
<u>By the 15th Calendar Day + 1 Clearing Day of Month Preceding Delivery Period</u>		
<u>Delivery Range Determination</u>	<u>By 18:00 LPT</u>	<p><u>The Clearing House advises all agreed Delivery Ranges to the Buyers and the Sellers based on the loading programme established by the Terminal Operator.</u></p> <p><u>Once the Buyers and the Sellers are informed of the loading programme, the Delivery Range becomes final. Notwithstanding the foregoing, the Terminal Operator may agree with the Buyer to the early loading of Murban Crude Oil into the Buyer's Vessel provided that any such early loading shall not take place earlier than 48 hours prior to the first day of the agreed Delivery Range.</u></p>

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<u>No later than the 5th Calendar Day prior to the first day of the Delivery Range</u>		
<u>Vessel Nomination, Re-nomination, and / Substitution</u>	<u>By 14:00 LPT</u>	<p><u>The Buyer submits to the Seller (with a copy to the Clearing House) the ICE Murban Crude Oil Futures: Vessel Nomination Form. The Seller shall liaise with the Terminal Operator in respect of the vessel nomination, vessel nomination which in turn may be confirmed or rejected by the Terminal Operator.</u></p> <p><u>The Vessel Nomination Form includes details of the Delivery Day and the Vessel onto which Murban Crude Oil subject to delivery is to be loaded.</u></p> <p><u>The Delivery Day nominated must be within the agreed Delivery Range (unless otherwise agreed by the Terminal Operator and the Buyer in the manner specified above). If this nomination is received by the Clearing House after 14.00 LPT hours, it is deemed to have been given on the following calendar day.</u></p> <p><u>Re-nomination or substitution of Vessel is permitted provided the Buyer submits a new form to the Seller (with a copy to the Clearing House) no later than 5 calendar days prior to first day of the Delivery Range. A shorter period may be permitted provided all the parties agree namely the Terminal Operator, the Clearing House, the Buyer and the Seller.</u></p> <p><u>The Seller must notify the Buyer, and the Clearing House of any rejection of a nomination of a Vessel. Such notice must contain the reasons for rejection. A nomination may not be rejected for frivolous or vexatious reasons, or obvious clerical errors.</u></p>
<u>3rd Clearing Day prior to first day of Delivery Range</u>		
<u>Margin</u>	<u>By 09:00 LPT</u>	<p><u>Delivery Margin increases to full contract value plus 0.2 % for the Buyer or by such an amount as may be specified by the Clearing House from time to time; the Clearing House will debit the Buyer's account accordingly. Contingent variation margin requirements end for the Buyer.</u></p> <p><u>The delivery and contingent (Variation) Margin obligation remains for the Seller.</u></p>
<u>Delivery Day</u>		
<u>Delivery Day</u>		<p><u>Delivery is scheduled to be made at the Terminal, in accordance with the Contract Rules, Applicable Laws and the scheduling instructions given by the Terminal Operator.</u></p> <p><u>Loading shall be scheduled to commence on the nominated Delivery Day and take place in accordance with the Terminal Operator's terms and any other applicable procedures. The Buyer's Vessel must arrive and present its notice of readiness to load within the Delivery Range.</u></p>
<u>On or before 10th Clearing Day after Completion of Loading ("Document Receipt Day")</u>		

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<p><u>Receipt of documents by the Clearing House</u></p>	<p><u>By 12:00 LPT</u></p>	<p><u>Seller (either directly or through the Terminal Operator) shall lodge the following original documents with the Clearing House, with a copy to the Buyer:</u></p> <p><u>(i) the certificates of quality and quantity; and</u> <u>(ii) a full set of original, negotiable, to order bills of lading.</u></p> <p><u>Seller shall use reasonable endeavours to provide any additional customary documentation reasonably requested by the Buyer and / or the Clearing House.</u></p> <p><u>Any documents received by the Buyer and the Clearing House after 12:00 LPT will be deemed to be received on the following Clearing Day.</u></p> <p><u>If either of the original documents specified in (i) or (ii) are not available by the time specified above for delivery of such documents to the Clearing House, the Buyer may agree to make payment to the Clearing House against a Letter of Indemnity, in which case, the Seller shall provide to the Clearing House a Letter of Indemnity in favour of the Buyer in lieu of the unavailable document(s). The Buyer may request that any such Letter of Indemnity be countersigned by the Seller's bank.</u></p>
<p align="center"><u>Document Receipt Day + 3 Clearing Days (if received before 12:00 LPT)</u></p>		
<p><u>Confirmation of receipt by Buyer</u></p>	<p><u>By 09:00 LPT</u></p>	<p><u>Buyer shall provide a Document Receipt Confirmation Form to the Clearing House and the Seller confirming its receipt of a full set of documents, or its acceptance of a Letter of Indemnity in respect of any unavailable document(s). A Buyer may not reject the documents or the Letter of Indemnity (in the event that the Buyer has agreed to make payment against a Letter of Indemnity) provided by the Seller due to frivolous or vexatious reasons.</u></p> <p><u>Non-receipt of the Document Receipt Confirmation Form by the times specified herein shall be construed as deemed acceptance of the documents and/or a Letter of Indemnity, where applicable, by the Buyer.</u></p> <p><u>Upon receipt of the Buyer's Document Receipt Confirmation Form or at the expiry of the timeline specified herein, whichever is earlier, the Clearing House shall release the Seller's delivery Margin and contingent (Variation) Margin.</u></p> <p><u>Buyer's delivery Margin requirement remains.</u></p>
<p align="center"><u>3 Clearing Days prior to the 30th Calendar Day following Bill of Lading Date</u></p>		
<p><u>Final Invoice Payment</u></p>	<p><u>By 09:00 LPT</u></p>	<p><u>Subject to the receipt of a complete set of documents (Letter of Indemnity where applicable), Buyer pays the invoice amount to the Clearing House (cash requirement). Buyer shall not be entitled to require the presentation of any documents in return for payment other than the certificates of quality and quantity, a full set of original, negotiable, to order bills of lading as specified above or, in the event that the Buyer has agreed to make payment against a Letter of Indemnity, a Letter of Indemnity as specified above.</u></p> <p><u>Buyer's delivery Margin obligation for invoiced lots is removed (0.2% is retained until final invoice is generated).</u></p>

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<u>30 Calendar Days following the Bill of Lading Date</u>		
	<u>By 09:00 LPT</u>	<u>Provided the Clearing House is in receipt of satisfactory documents from the Seller, the Clearing House will generate the Seller's invoice credit (cash credit).</u>

4. ICE MURBAN CRUDE OIL FUTURES DELIVERY VESSEL NOMINATION TABLE

The table below indicates the deadlines for the receipt of an ICE Murban Crude Oil Futures: Vessel Nomination Form.

D ≡ first day of Delivery Range
N ≡ Day by which nomination must be received (by 14:00 LPT)

For example: in the first line below, the first day of the Delivery Range is Monday and the deadline for receipt of the nomination is 14:00 LPT on the previous Tuesday.

(Added)	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
N						D						
	N						D					
		N						D				
			N						D			
			N							D		
			N								D	
					N							D

If the Monday is a non-Clearing Day, the deadline for receipt of nomination for the following Sunday is the previous Friday instead of the Monday.

These days may vary over UK and UAE holiday days.

5. DELIVERY DOCUMENTATION SUMMARY

<u>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full</u>		
<u>Name of Delivery Document</u>	<u>Explanation</u>	<u>Timing</u>
<u>ICE Murban Crude Oil Futures: Delivery Confirmation Form</u>	<u>This form must be completed in full for all Contracts subject to delivery.</u> <u>Delivery Confirmation Form must include:</u> <ul style="list-style-type: none"> <u>(i) name(s) of underlying client(s) or whether Seller/Buyer is acting for its own account;</u> <u>(ii) the tender(s) against which it is given;</u> <u>(iii) the volume going to delivery;</u> <u>(iv) any other relevant information.</u> 	<u>By 13:30 LPT on the Last Trading Day</u>

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<u>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full</u>		
<u>Name of Delivery Document</u>	<u>Explanation</u>	<u>Timing</u>
<u>ICE Murban Crude Oil Futures: Delivery Range Nomination Form</u>	<p><u>This notice is submitted by the Buyer to the Seller, with a copy to the Clearing House, confirming:</u></p> <ul style="list-style-type: none"> <u>(i) Buyer's name (and Clearing Member if different from the Buyer);</u> <u>(ii) the tender(s) against which it is given;</u> <u>(iii) the Buyer's preferred consecutive three-day delivery range(s);</u> <u>(iv) the volume;</u> <u>(v) any relevant co-loading information;</u> <u>(vi) customary documentation reasonably requested by Buyer to be provided by Seller in addition to documents otherwise required under the Contract Procedures (including under L.6(c)) and the (Clearing House) Rules;</u> <u>(vii) any additional information that may be required by the Clearing House.</u> <p><u>The Seller shall arrange for the Terminal Operator to also receive a copy of the Delivery Range Nomination Form.</u></p>	<u>By 16:00 LPT on 5th Calendar Day of Month Preceding Delivery Period</u>
<u>ICE Murban Crude Oil Futures: Vessel Nomination Form</u>	<p><u>This notice is submitted by the Buyer to the Seller, with a copy to the Clearing House, confirming:</u></p> <ul style="list-style-type: none"> <u>(i) the name of the Seller;</u> <u>(ii) tender number;</u> <u>(iii) name and IMO registration number of proposed Vessel, Vessel's Q88 and the approximate size of the Vessel;</u> <u>(iv) the Delivery Range;</u> <u>(v) the nominated Delivery Day (estimated time of arrival) and approximate time for initiating delivery;</u> <u>(vi) the volume;</u> <u>(vii) any additional information that may be required by the Clearing House.</u> <p><u>The Seller must acknowledge and return to the Buyer, with a copy to the Clearing House and the Terminal Operator, confirming the Seller's acceptance or rejection of the nomination.</u></p>	<u>No later than the 5th Calendar Day prior to the first day of the Delivery Range by 14:00 LPT</u>

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<u><i>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full</i></u>		
<u>Name of Delivery Document</u>	<u>Explanation</u>	<u>Timing</u>
<u>ICE Murban Crude Oil Futures: Document Receipt Confirmation Form</u>	<u>The form submitted by the Buyer to the Clearing House confirming the Buyer's receipt and acceptance of the full set of documents, or its acceptance of a Letter of Indemnity from the Seller in relation to any unavailable document(s).</u>	<u>Document Receipt Day + 3 Clearing Days (if received before 12:00 LPT)</u>
<u>ICE Murban Crude Oil Futures: Confirmation of Agreed ADP Form</u>	<u>This form is submitted by both Buyers and Sellers to the Clearing House confirming their agreement to the ADP and the number of lots.</u>	<u>Any time before the Buyers and Sellers are invoiced by the Clearing House</u>

The Clearing House reserves the right to request any documentation, whether in non-original electronic format or, where necessary, in original, at its sole discretion.

6. INVOICE

In all the examples set out in this section, the EDSP is \$60 per barrel.

Invoice Calculation

ICE Murban Crude Oil Futures are traded and delivered in volume, 1,000 barrels per lot.

The amount due to the Seller and payable by the Buyer in respect of deliveries of Murban Crude Oil is calculated as follows:

Contract Volume x Exchange Delivery Settlement Price ("EDSP") x Contract Size (Barrels)

$$10 \text{ lots} \times 60.00 \times 1,000 = \text{USD } 600,000.00$$

Delivery Loading Volume Tolerance

A delivery loading volume tolerance of plus or minus 0.2% of the contract volume in barrels permitted. Notwithstanding, the delivery loading tolerance permitted under the Contract, the Clearing House will invoice the parties on a full lot basis.

One invoice is produced per nominated Vessel. A final invoice, per tender, is produced to reflect the adjustment for actual delivered volume. The final invoice is produced once all individual Vessel invoices have been generated.

Based on a 1000 lot delivery:

Maximum tolerance = 1,000 x 1,000 barrels plus 0.2% = 1,002,000 barrels

Minimum tolerance = 1,000 x 1,000 barrels minus 0.2% = 998,000 barrels

Adjustments for Actual Delivered Volumes

(a) Delivery must be for whole lots. If the total amount of Murban Crude Oil delivered falls below the number of lots tendered (taking into account the delivery tolerance), the delivery will be deemed to be for the nearest full lot below number of lots actually delivered. Clearing Members may agree to an ADP for the under-delivered number of lots.

(b) If the total amount of Murban Crude Oil subject to a delivery obligation falls below the number of lots tendered and there has been no notice of agreed ADP submitted by the parties to the Clearing House, the Clearing

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House may treat such shortfall in delivery as an Event of Default on the part of the party concerned in accordance with Part 9 of the Clearing House Rules.

(c) If the actual amount delivered is above the tendered lots (taking into account the delivery tolerance) the surplus will be ignored by the Clearing House for invoice purposes. Any payment for the excess must be settled between the Buyer and Seller without the involvement of the Clearing House.

Examples of Invoice Calculations

Basics:

1 lot = 1,000 barrels

EDSP is quoted per barrel, so price of a lot is $EDSP \times 1,000$ barrels

One invoice is produced per vessel. A final invoice is produced to reflect the adjustment for actual delivered volume.

All invoice examples below show a tender for 1,000 lots in 3 nominated vessel loadings of 500, 300 and 200 lots respectively.

Tolerance permitted on 1,000 lots = $1,000,000$ barrels \times 0.2% = $2,000$ barrels

Upper Tolerance = $1,002,000$ barrels

Lower Tolerance = $998,000$ barrels

Final Invoice is generated when the last vessel in the tender is invoiced.

(a) Invoice Calculation - Where Delivered Volume is within the Tolerance for the anticipated number of lots.

<u>Invoices reflecting individual Loadings</u>		
1 st Vessel loads		<u>500,500 barrels</u>
2 nd Vessel loads		<u>300,300 barrels</u>
3 rd Vessel loads		<u>200,200 barrels</u>
<u>Total loaded</u>		<u>1,001,000 barrels</u>
1 st Vessel invoice	<u>500 lots @ 60.00</u>	<u>\$30,000,000.00</u>
2 nd Vessel invoice	<u>300 lots @ 60.00</u>	<u>\$18,000,000.00</u>
3 rd Vessel invoice	<u>200 lots @ 60.00</u>	<u>\$12,000,000.00</u>
Total invoiced via the Vessel Loading Invoices	<u>1,000 lots</u>	<u>\$60,000,000.00</u>
<u>Final Invoice</u>		
<u>Based on total loaded quantity delivered, the number of barrels delivered (within tolerance) is 1,001,000</u>		
Total invoiced already in barrels =		<u>1,000,000</u>
Total delivered in barrels		<u>1,001,000</u>
Total excess in barrels		<u>1,000</u>
Total chargeable excess		<u>1,000</u>
Excess is equivalent to 1,000 barrels @ EDSP of 60.00		<u>\$60,000.00</u>
<u>1,001,000 barrels is within the permitted tolerance of +/- 2,000 barrels allowable on 1,000 lots, so the invoice amount for this excess is 1,000 barrels * 60.00</u>		
<u>Final invoice amount</u>		<u>\$60,000.00</u>

(b) Invoice Calculation – Where Delivered Volume is outside the Tolerance - Over-Delivered.

Invoices reflecting individual Loadings

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<u>1st Vessel loads</u>		<u>500,900 barrels</u>
<u>2nd Vessel loads</u>		<u>300,900 barrels</u>
<u>3rd Vessel loads</u>		<u>200,900 barrels</u>
<u>Total loaded</u>		<u>1,002,700 barrels</u>
<u>1st Vessel invoice</u>	<u>500 lots @ 60.00</u>	<u>\$30,000,000.00</u>
<u>2nd Vessel invoice</u>	<u>300 lots @ 60.00</u>	<u>\$18,000,000.00</u>
<u>3rd Vessel invoice</u>	<u>200 lots @ 60.00</u>	<u>\$12,000,000.00</u>
<u>Total invoiced via the Vessel Loading Invoices</u>	<u>1,000 lots</u>	<u>\$60,000,000.00</u>
<u>Final Invoice</u>		
<u>Based on total loaded quantity delivered, the number of barrels delivered (within tolerance) is 1,002,000</u>		
<u>Total invoiced already in barrels =</u>		<u>1,000,000</u>
<u>Total delivered in barrels</u>		<u>1,002,700</u>
<u>Total excess in barrels</u>		<u>2,700</u>
<u>Total chargeable excess</u>		<u>2,000</u>
<u>Excess is equivalent to 2,000 barrels @ EDSP of 60.00</u>		<u>\$120,000.00</u>
<u>1,002,700 barrels is not within the permitted tolerance of +/- 2,000 barrels allowable on 1,000 lots, so the invoice amount for this excess is 2,000 barrels * 60.00</u>		
<u>Final invoice amount</u>		<u>\$120,000.00</u>

(c) Invoice Calculation – Where Delivered Volume is outside the Tolerance - Under-Delivered and thus resulting in an ADP.

<u>Invoices reflecting individual Loadings</u>		
<u>1st Vessel loads</u>		<u>500,500 barrels</u>
<u>2nd Vessel loads</u>		<u>300,300 barrels</u>
<u>3rd Vessel loads</u>		<u>197,100 barrels</u>
<u>Total loaded</u>		<u>997,900 barrels</u>
<u>1st Vessel invoice</u>	<u>500 lots @ 60.00</u>	<u>\$30,000,000.00</u>
<u>2nd Vessel invoice</u>	<u>300 lots @ 60.00</u>	<u>\$18,000,000.00</u>
<u>3rd Vessel invoice</u>	<u>197 lots @ 60.00</u>	<u>\$11,820,000.00</u>
<u>Total invoiced via the Vessel Loading Invoices</u>	<u>997 lots</u>	<u>\$59,820,000.00</u>
<u>Final Invoice</u>		
<u>This example is treated, for the purposes of the final invoice, as an over-delivered 997 lot tender. However due to the total delivered lots falling outside the lower tolerance of 998 the balance of 1 lot is settled between the Buyer and Seller under ADP.</u>		
<u>Total invoiced already in barrels =</u>		<u>997,000</u>
<u>Total delivered in barrels</u>		<u>997,900</u>
<u>Total excess in barrels</u>		<u>900</u>
<u>Total chargeable excess</u>		<u>900</u>
<u>Excess is equivalent to 900 barrels @ EDSP of 60.00</u>		<u>\$54,000.00</u>
<u>997,900 barrels is outside the permitted tolerance of +/- 2,000 barrels allowable on 1,000 lots, so the invoice amount for this excess is 900 barrels * 60.00.</u>		
<u>Final invoice amount</u>		<u>\$54,000.00</u>