

Form 19b-4 Information1. Text of the Proposed Rule Change

(a) ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”) proposes to amend Part GG of its Delivery Procedures to update certain documentation, timing and other requirements relating to delivery under ICE Futures Abu Dhabi Murban Crude Oil Futures Contracts (“Murban Crude Oil Futures Contracts”).¹ The text of the amendments is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The proposed changes were approved by the Executive Risk Committee.

(b) Please refer questions and comments regarding the proposed rule changes to George Milton, Head of Regulation and Compliance, ICE Clear Europe Limited, 5th Floor, Milton Gate, 60 Chiswell Street, London, EC1Y 4SA, United Kingdom, +44 20 7065 7600.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change(a) Purpose

ICE Clear Europe is proposing to amend Part GG of its Delivery Procedures to clarify certain delivery specifications relating to Murban Crude Oil Futures Contracts. The proposed changes include amendments to the delivery timetable in respect of delivery of Murban Crude Oil Futures Contracts to modify certain time periods to be more consistent with underlying cash markets, at

¹ Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Clearing Rules (the “Rules”) or in the Delivery Procedures.

the request of market participants, and to make other drafting clarifications and improvements. Specifically, the amendments would extend the date by which Buyers would be required to send the Clearing House and Seller Delivery Range Nomination Form stating the Buyer's preferred three-delay delivery range from the 5th calendar day of the month preceding the Delivery Period (or the following day if such 5th calendar day is not a Clearing Day) to the 25th calendar day prior to the first calendar day of the delivery month. In practice, the change will extend the deadline up to two days. In light of this extension, ICE Clear Europe does not believe it is necessary to provide a further extension if the relevant day is not a Clearing Day. The amendments would also move the deadline to 14:00 LPT on the relevant day rather than 16:00 LPT. Such amendments are intended to align the deadline with that specified for the cash market in the Abu Dhabi National Oil Company's (ADNOC's) General Terms and Conditions for the Sale of Crude Oil/ Condensate and Liquefied Petroleum Gas (the "ADNOC's GTCs")². Market participants have requested these changes to reduce the operational burden on Buyers of having different deadlines for the Murban Crude Oil Futures Contracts and the cash market. The timing updates would also be reflected in the delivery documentation summary.

The Clearing House also proposes to amend the delivery timetable to change the timing the finalization of the loading programme for the Delivery Period and the delivery range determination to the 15th calendar day prior to the first calendar day of the Delivery Month and the 15th calendar day prior to the first calendar day of the Delivery Month +1 Clearing Day, respectively. Such amendments are also intended to align such timing with the timing specified in ADNOC's GTCs for the cash market. Such updates are also intended to ease the delivery

² ADNOC's General Terms and Conditions for the Sale of Crude Oil/ Condensate and Liquefied Petroleum Gas is available at the following link: https://www.adnoc.ae/-/media/adnoc-v2/files/adnoc_crude-and-lpg_gtc_s_january-2020-edition-final_v1.ashx?la=en&hash=C9551678CC5CBBBAB30DFE83A495800E8AD540A1.

operational burden on Sellers by harmonizing the delivery specifications applicable to Murban Crude Oil Futures Contracts under Part GG of the Delivery Procedure's with the requirements of ADNOC's GTCs in the cash market.

The amendments would also make certain drafting corrections and clarifications. An incorrect reference in the delivery timetable to delivery range nomination under Section 4 of Part GG has been removed and a correct reference to vessel nomination has been added in the appropriate section of the delivery timetable. Additionally, the amendments would add to the portion of the delivery timetable that discusses finalization of the delivery range determination that the Terminal Operator would be able to shorten the delivery range from three consecutive Terminal Loading Days to two consecutive Terminal Loading Days at any time, provided that the Terminal Operator gives notice to the Buyer, Seller and the Clearing House. This change is consistent with the existing contractual specifications of the Murban Crude Oil Futures Contracts.

Minor updates would be made to Section 4 of Part GG. The title preceding the table in such section would be changed from "ICE Murban Crude Oil Delivery Vessel Nomination Table" to "ICE Murban Crude Oil Vessel Nomination Table", for consistency with other documentation. Information regarding Clearing Days would also be removed from the section as unnecessary since such deadlines are calculated using calendar days and not Clearing Days.

Other typographical and similar corrections would be made throughout Part GG.

(b) Statutory Basis

ICE Clear Europe believes that the proposed amendments to Part GG of the Delivery Procedures are consistent with the requirements of Section 17A of the Act³ and the regulations thereunder applicable to it. In particular, Section 17A(b)(3)(F) of the Act⁴ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible, and the protection of investors and the public interest. As discussed above, the proposed changes to Part GG of the Delivery Procedures are designed to more closely align the timing for certain delivery-related documentation and processes relating to Murban Crude Oil Futures Contracts with the underlying cash market terms and conditions. Other updates would be made to improve clarity and readability. The amendments do not otherwise change the terms and conditions of Murban Crude Oil Futures Contracts, and the contracts will continue to be cleared by ICE Clear Europe in the same manner as they are currently. In ICE Clear Europe's view, the amendments are thus consistent with the prompt and accurate clearance and settlement of cleared contracts and the protection of investors and the public interest. (ICE Clear Europe would not expect the amendments to affect the safeguarding of securities and funds in ICE Clear Europe's custody or control or for which it is responsible). Accordingly, the amendments satisfy the requirements of Section 17A(b)(3)(F).⁵

³ 15 U.S.C. 78q-1.

⁴ 15 U.S.C. 78q-1(b)(3)(F).

⁵ 15 U.S.C. 78q-1(b)(3)(F).

In addition, Rule 17Ad-22(e)(10)⁶ requires that each covered clearing agency “establish and maintain transparent written standards that state its obligations with respect to the delivery of physical instruments, and establish and maintain operational practices that identify, monitor and manage the risks associated with such physical deliveries.” As discussed above, the amendments would clarify certain delivery specifications for Murban Crude Oil Futures Contracts relating to the determination of delivery ranges and certain other documentation and timing matters, consistent with the ADNOC’s GTCs. The amendments would not otherwise change the manner in which the contracts are cleared or in which delivery is made, as supported by ICE Clear Europe’s existing financial resources, risk management, systems and operational arrangements. The amendments thus appropriately clarify the role and responsibilities of the Clearing House and Clearing Members with respect to physical delivery. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Rule 17Ad-22(e)(10).⁷

4. Self-Regulatory Organization’s Statement on Burden on Competition

ICE Clear Europe does not believe the proposed amendments would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purposes of the Act. The amendments are being adopted to update and clarify the delivery specifications in Part GG of the Delivery Procedures in connection with Murban Crude Oil Futures Contracts, and will not otherwise affect the contract. ICE Clear Europe does not expect that the proposed changes will adversely affect access to clearing or the ability of Clearing Members, their customers or other market participants to continue to clear contracts. ICE Clear Europe also does not believe the amendments would materially affect the cost of clearing or otherwise

⁶ 17 C.F.R. 240.17Ad-22(e)(10).

⁷ 17 C.F.R. 240.17Ad-22(e)(10).

impact competition among Clearing Members or other market participants or limit market participants' choices for selecting clearing services. Accordingly, ICE Clear Europe does not believe the amendments would impose any burden on competition not necessary or appropriate in furtherance of the purpose of the Act.

5. Self-Regulatory Organization's statement on Comments on the Proposed Rule Change Received from Members, participants, or Others

Written comments relating to the proposed amendments have not been solicited or received by ICE Clear Europe. ICE Clear Europe will notify the Commission of any written comments received with respect to the proposed rule change.

6. Extension of Time Period for Commission Action

ICE Clear Europe does not consent to the extension of the time period listed in Section 19(b)(2) of the Securities Exchange Act of 1934⁸ for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) ICE Clear Europe is filing the proposed rule change for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(4)(ii).¹⁰

(b) ICE Clear Europe believes that immediate effectiveness is warranted with respect to the proposed rule change because the proposed amendments effect a change in an existing service of a registered clearing agency that primarily affects the operations of the clearing agency with respect to products that are not securities, including futures that are not security futures, swaps that are not security-based swaps or mixed swaps, and forwards that are not security forwards, and does not significantly affect any securities clearing operations of the clearing agency or any

⁸ 15 U.S.C. 78s(b)(2).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(4)(ii).

rights or obligations of the clearing agency with respect to securities clearing or persons using such securities clearing service, within the meaning of Rule 19b-4(f)(4)(ii). The amendments to Part GG of the Delivery Procedures relate solely to Murban Crude Oil Futures Contracts, which are not securities. The proposed changes would not affect the Clearing House's credit default swap ("CDS") clearing operations or CDS Clearing Members acting in their capacity as such. In addition, the proposed amendments would not affect ICE Clear Europe's financial resources or risk management applicable to the CDS clearing business. Accordingly, ICE Clear Europe does not believe that the proposed amendments would have a significant effect on its securities clearing activity as a registered securities clearing agency or the rights or obligations of clearing members with respect thereto.

(c) Not applicable.

(d) Not applicable

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1. Not applicable

Exhibit 1A. Notice of proposed rule change for publication in the Federal Register

Exhibit 2. Not applicable

Exhibit 3. Not applicable

Exhibit 4. Not applicable

Exhibit 5. Text of amendments to Part GG of the Delivery Procedures.

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Exhibit 1A**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-_____; File No. SR-ICEEU-2022-022]

SELF-REGULATORY ORGANIZATIONS

Self-Regulatory Organizations; ICE Clear Europe Limited; Proposed Rule Change, Security-Based Swap Submission or Advance Notice Relating to Amendments to Part GG of the ICE Clear Europe Delivery Procedures.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [], 2022, ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule changes described in Items I, II and III below, which Items have been prepared by ICE Clear Europe. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change, Security-Based Swap Submission, or Advance Notice

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”) proposes to amend Part GG of its Delivery Procedures to update certain documentation, timing and other requirements relating to delivery under ICE Futures Abu Dhabi Murban Crude Oil Futures Contracts (“Murban Crude Oil Futures Contracts”).

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission or Advance Notice

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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In its filing with the Commission, ICE Clear Europe included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. ICE Clear Europe has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change, Security-Based Swap Submission or Advance Notice

(a) Purpose

ICE Clear Europe is proposing to amend Part GG of its Delivery Procedures to clarify certain delivery specifications relating to Murban Crude Oil Futures Contracts. The proposed changes include amendments to the delivery timetable in respect of delivery of Murban Crude Oil Futures Contracts to modify certain time periods to be more consistent with underlying cash markets, at the request of market participants, and to make other drafting clarifications and improvements. Specifically, the amendments would extend the date by which Buyers would be required to send the Clearing House and Seller Delivery Range Nomination Form stating the Buyer's preferred three-delay delivery range from the 5th calendar day of the month preceding the Delivery Period (or the following day if such 5th calendar day is not a Clearing Day) to the 25th calendar day prior to the first calendar day of the delivery month. In practice, the change will extend the deadline up to two days. In light of this extension, ICE Clear Europe does not believe it is necessary to provide a further extension if the relevant day is not a Clearing Day. The amendments would also move the deadline to 14:00 LPT on the relevant day rather than 16:00 LPT. Such amendments are intended to align the deadline with that specified for the cash market in the Abu Dhabi National Oil Company's (ADNOC's) General Terms and Conditions for the Sale of Crude

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Oil/ Condensate and Liquefied Petroleum Gas (the “ADNOC’s GTCs”)³. Market participants have requested these changes to reduce the operational burden on Buyers of having different deadlines for the Murban Crude Oil Futures Contracts and the cash market. The timing updates would also be reflected in the delivery documentation summary.

The Clearing House also proposes to amend the delivery timetable to change the timing the finalization of the loading programme for the Delivery Period and the delivery range determination to the 15th calendar day prior to the first calendar day of the Delivery Month and the 15th calendar day prior to the first calendar day of the Delivery Month +1 Clearing Day, respectively. Such amendments are also intended to align such timing with the timing specified in ADNOC’s GTCs for the cash market. Such updates are also intended to ease the delivery operational burden on Sellers by harmonizing the delivery specifications applicable to Murban Crude Oil Futures Contracts under Part GG of the Delivery Procedure’s with the requirements of ADNOC’s GTCs in the cash market.

The amendments would also make certain drafting corrections and clarifications. An incorrect reference in the delivery timetable to delivery range nomination under Section 4 of Part GG has been removed and a correct reference to vessel nomination has been added in the appropriate section of the delivery timetable. Additionally, the amendments would add to the portion of the delivery timetable that discusses finalization of the delivery range determination that the Terminal Operator would be able to shorten the delivery range from three consecutive Terminal Loading Days to two consecutive Terminal Loading Days at any time, provided that the Terminal Operator gives notice to the Buyer, Seller and the Clearing House. This change is

³ ADNOC’s General Terms and Conditions for the Sale of Crude Oil/ Condensate and Liquefied Petroleum Gas is available at the following link: https://www.adnoc.ae/-/media/adnoc-v2/files/adnoc_crude-and-lpg_gtc_s_january-2020-edition-final_v1.ashx?la=en&hash=C9551678CC5CBBBAB30DFE83A495800E8AD540A1.

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consistent with the existing contractual specifications of the Murban Crude Oil Futures Contracts.

Minor updates would be made to Section 4 of Part GG. The title preceding the table in such section would be changed from “ICE Murban Crude Oil Delivery Vessel Nomination Table” to “ICE Murban Crude Oil Vessel Nomination Table”, for consistency with other documentation. Information regarding Clearing Days would also be removed from the section as unnecessary since such deadlines are calculated using calendar days and not Clearing Days.

Other typographical and similar corrections would be made throughout Part GG.

(b) Statutory Basis

ICE Clear Europe believes that the proposed amendments to Part GG of the Delivery Procedures are consistent with the requirements of Section 17A of the Act⁴ and the regulations thereunder applicable to it. In particular, Section 17A(b)(3)(F) of the Act⁵ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible, and the protection of investors and the public interest. As discussed above, the proposed changes to Part GG of the Delivery Procedures are designed to more closely align the timing for certain delivery-related documentation and processes relating to Murban Crude Oil Futures Contracts with the underlying cash market terms and conditions. Other updates would be made to improve clarity and readability. The amendments do not otherwise change the terms and conditions of Murban

⁴ 15 U.S.C. 78q-1.

⁵ 15 U.S.C. 78q-1(b)(3)(F).

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Crude Oil Futures Contracts, and the contracts will continue to be cleared by ICE Clear Europe in the same manner as they are currently. In ICE Clear Europe's view, the amendments are thus consistent with the prompt and accurate clearance and settlement of cleared contracts and the protection of investors and the public interest. (ICE Clear Europe would not expect the amendments to affect the safeguarding of securities and funds in ICE Clear Europe's custody or control or for which it is responsible). Accordingly, the amendments satisfy the requirements of Section 17A(b)(3)(F).⁶

In addition, Rule 17Ad-22(e)(10)⁷ requires that each covered clearing agency "establish and maintain transparent written standards that state its obligations with respect to the delivery of physical instruments, and establish and maintain operational practices that identify, monitor and manage the risks associated with such physical deliveries." As discussed above, the amendments would clarify certain delivery specifications for Murban Crude Oil Futures Contracts relating to the determination of delivery ranges and certain other documentation and timing matters, consistent with the ADNOC's GTCs. The amendments would not otherwise change the manner in which the contracts are cleared or in which delivery is made, as supported by ICE Clear Europe's existing financial resources, risk management, systems and operational arrangements. The amendments thus appropriately clarify the role and responsibilities of the Clearing House and Clearing Members with respect to physical delivery. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Rule 17Ad-22(e)(10).⁸

(B) Clearing Agency's Statement on Burden on Competition

⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ 17 C.F.R. 240.17Ad-22(e)(10).

⁸ 17 C.F.R. 240.17Ad-22(e)(10).

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ICE Clear Europe does not believe the proposed amendments would have any impact, or impose any burden, on competition not necessary or appropriate in furtherance of the purposes of the Act. The amendments are being adopted to update and clarify the delivery specifications in Part GG of the Delivery Procedures in connection with Murban Crude Oil Futures Contracts, and will not otherwise affect the contract. ICE Clear Europe does not expect that the proposed changes will adversely affect access to clearing or the ability of Clearing Members, their customers or other market participants to continue to clear contracts. ICE Clear Europe also does not believe the amendments would materially affect the cost of clearing or otherwise impact competition among Clearing Members or other market participants or limit market participants' choices for selecting clearing services. Accordingly, ICE Clear Europe does not believe the amendments would impose any burden on competition not necessary or appropriate in furtherance of the purpose of the Act.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments relating to the proposed amendment has not been solicited or received by ICE Clear Europe. ICE Clear Europe will notify the Commission of any comments received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change, Security-Based Swap Submission and Advance Notice and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and paragraph (f) of Rule 19b-4¹⁰ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f).

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it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, security-based swap submission or advance notice is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ICEEU-2022-022 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-ICEEU-2022-022. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change, security-based swap submission or advance notice that are filed with the Commission, and all written communications relating to the proposed rule change, security-based swap submission or advance notice between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552,

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will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549, on official business days between the hours of 10:00 a.m. and 3:00 pm. Copies of such filings will also be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe's website at <https://www.theice.com/notices/Notices.shtml?regulatoryFilings>.

All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ICEEU-2022-022 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Secretary

¹¹ 17 CFR 200.30-3(a)(12).

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;
- (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

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 (a).

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

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-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

Last Trading Day		
Cessation of Trading	16:30 SPT	Trading in ICE Murban Crude Oil Futures Contracts ceases.
EFPs	By 19:30 SPT	EFPs may be posted by 19:30 SPT on the Last Trading Day.
Expiry	By 13:30 LPT	All position maintenance must be performed by Clearing Members.

		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.
	By 13:30 LPT	Sellers and Buyers are obliged to make or take delivery respectively of all Contracts remaining open in the expiring contract month.
	After 13:30 LPT	The MPFE report is available via ECS and MFT advising each Clearing Member of its delivery positions and obligations.
	After 13:30 LPT	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.
	After 13:30 LPT	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. The Clearing House will send a notice to each Buyer identifying the Seller(s) and receipt quantity involved per allocated tender.
Last Trading Day + 1 Clearing Day		
Margin	By 09:00 LPT	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. 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. The Clearing House will apply contingent (Variation) Margin to the Buyer's and the Seller's Clearing Member accounts for their respective deliverable positions.
By the 25th Calendar Day prior to <u>first Calendar Day of delivery month Preceding Delivery Period, or</u> the following Clearing Day if the 5th Calendar Day is not a Clearing Day		
Preferred Delivery Range(s) Submission	By 16:00 LPT	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). 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.
By the 15th Calendar Day <u>prior to first Calendar Day of delivery Month Preceding Delivery Period</u>		
Loading Programme		<p>The Terminal Operator will establish the loading programme for the Delivery Period.</p> <p>The Clearing House will receive the loading programme from the Terminal Operator.</p> <p>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.</p>
By the 15th Calendar Day <u>prior to first Calendar Day of delivery month + 1 Clearing Day of Month Preceding Delivery Period</u>		
Delivery Range Determination	By 18:00 LPT	<p>The Clearing House advises all agreed Delivery Ranges to the Buyers and the Sellers based on the loading programme established by the Terminal Operator.</p> <p>Once the Buyers and the Sellers are informed of the loading programme, the Delivery Range becomes final, save that:</p> <p>(i) a Buyer may request a change to the agreed Delivery Range in accordance with the procedure set out in this paragraph. Any such request must be submitted in such form and such manner as the Clearing House may prescribe from time to time, and will be assessed by the Clearing House and Terminal Operator, who each may approve or reject the request at their discretion. The requested changes will only become effective if approval is received from each of the Clearing House and Terminal Operator by the earlier of: (a) five Clearing Days prior to the first day of the original published Delivery Range; and (b) five Clearing Days prior to the first day of the Delivery Range requested by the Buyer; and</p> <p>(ii) 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 (a) earlier than 48 hours prior to the first day of the agreed Delivery Range; or (b) earlier than the first Terminal Loading Day of the delivery month; and</p> <p>(+)(iii) <u>the Terminal Operator may shorten the Delivery Range from three consecutive Terminal Loading Days to two consecutive Terminal Loading Days at any time, provided that the Terminal</u></p>

		<u>Operator gives notice to the Buyer, Seller and the Clearing House.</u>
No later than the 5th Calendar Day prior to the first day of the Delivery Range		
Vessel Nomination, Re-nomination, and / Substitution	By 14:00 LPT	<p>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.</p> <p>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.</p> <p><u>The ICE Murban Crude Oil Futures Vessel Nomination Table in Section 4 of this Part GG sets out the appropriate Clearing Day to submit a vessel nomination for a specific Delivery Range.</u></p> <p>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.</p> <p>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.</p> <p>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.</p>
3rd Clearing Day prior to first day of Delivery Range		
Margin	By 09:00 LPT	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.

		The delivery and contingent (Variation) Margin obligation remains for the Seller.
Delivery Day		
Delivery Day		<p>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.</p> <p>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.</p>
On or before 10th Clearing Day after Completion of Loading ("Document Receipt Day")		
Receipt of documents by the Clearing House	By 12:00 LPT	<p>Seller (either directly or through the Terminal Operator) shall lodge the following original documents with the Clearing House, with a copy to the Buyer:</p> <ul style="list-style-type: none"> (i) the certificates of quality and quantity; and (ii) a full set of original, negotiable, to order bills of lading. <p>Seller shall use reasonable endeavours to provide any additional customary documentation reasonably requested by the Buyer and / or the Clearing House.</p> <p>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.</p> <p>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 Seller shall provide to the Clearing House a Letter of Indemnity in favour of the Buyer in lieu of the unavailable document(s) and the Buyer shall be required to make payment against that Letter of Indemnity.</p> <p>The Buyer may request that any such Letter of Indemnity be countersigned by the Seller's bank. Any such request must be submitted to the Seller and the Clearing House by 18.00 LPT on the fourth Clearing Day following the Last Trading Day, specifying the reasons for such request, and may not be based on frivolous or vexatious reasons. If no notification is received by this deadline, the Buyer will be deemed to have agreed to make payment to the Clearing House against a Letter of Indemnity provided by the Seller regardless of whether it has been countersigned by a bank.</p>

		In the event that the Buyer has submitted a valid request as specified above, the Seller will be required to have the Letter of Indemnity countersigned by a bank with a credit rating equal or greater than the minimum credit rating score for bank Letter of Indemnity providers for ICE Murban Crude Oil Futures Contracts as advised by ICE Futures Abu Dhabi from time to time, unless the Buyer agrees to an alternative bank. Any such agreement between the Seller and Buyer to have an alternative bank countersign a Letter of Indemnity must be notified to the Clearing House by 18.00 LPT on the seventh Clearing Day following the Last Trading Day.
Document Receipt Day + 3 Clearing Days (if received before 12:00 LPT)		
Confirmation of receipt by Buyer	By 09:00 LPT	<p>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.</p> <p>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.</p> <p>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.</p> <p>Buyer's delivery Margin requirement remains.</p>
3 Clearing Days prior to the 30th Calendar Day following Bill of Lading Date		
Final Invoice Payment	By 09:00 LPT	<p>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.</p> <p>Buyer's delivery Margin obligation for invoiced lots is removed (0.2% is retained until final invoice is generated).</p>

30 Calendar Days following the Bill of Lading Date		
	By 09:00 LPT	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).

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 Wednesday.

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**

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

<i>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full</i>		
Name of Delivery Document	Explanation	Timing
ICE Murban Crude Oil Futures: Delivery Range Nomination Form	<p>This notice is submitted by the Buyer to the Seller, with a copy to the Clearing House, confirming:</p> <ul style="list-style-type: none"> (i) Buyer's name (and Clearing Member if different from the Buyer); (ii) the tender(s) against which it is given; (iii) the Buyer's preferred consecutive three-day delivery range(s); (iv) the volume; (v) Buyer's unique reference; (vi) any relevant co-loading information; (vii) 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; (viii) any additional information that may be required by the Clearing House. <p>The Seller shall arrange for the Terminal Operator to also receive a copy of the Delivery Range Nomination Form.</p>	By 14:00 LPT on <u>the 25th Calendar Day prior to first Calendar Day of delivery month</u> 5 th -Calendar Day of Month <u>Preceding Delivery Period</u>
ICE Murban Crude Oil Futures: Vessel Nomination Form	<p>This notice is submitted by the Buyer to the Seller, with a copy to the Clearing House, confirming:</p> <ul style="list-style-type: none"> (i) the name of the Seller; (ii) tender number; (iii) name and IMO registration number of proposed Vessel, Vessel's Q88 and the approximate size of the Vessel; (iv) the Delivery Range; 	No later than the 5 th Calendar Day prior to the first day of the Delivery Range by 14:00 LPT

<i>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full</i>		
Name of Delivery Document	Explanation	Timing
	(v) the nominated Delivery Day (estimated time of arrival) and approximate time for initiating delivery; (vi) the volume; (vii) documentary instructions (e.g. bill of lading mark-up); (viii) any additional information that may be required by the Clearing House. 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.	
ICE Murban Crude Oil Futures: Document Receipt Confirmation Form	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).	Document Receipt Day + 3 Clearing Days (if received before 12:00 LPT)
ICE Murban Crude Oil Futures: Confirmation of Agreed ADP Form	This form is submitted by both Buyers and Sellers to the Clearing House confirming their agreement to the ADP and the number of lots.	Any time before the Buyers and Sellers are invoiced by the Clearing House

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 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 x 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 x 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.

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

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

Invoices reflecting individual Loadings	
1st Vessel loads	500,900 barrels

2nd Vessel loads		300,900 barrels
3rd Vessel loads		200,900 barrels
Total loaded		1,002,700 barrels
1st Vessel invoice	500 lots @ 60.00	\$30,000,000.00
2nd Vessel invoice	300 lots @ 60.00	\$18,000,000.00
3rd Vessel invoice	200 lots @ 60.00	\$12,000,000.00
Total invoiced via the Vessel Loading Invoices	1,000 lots	\$60,000,000.00
Final Invoice		
Based on total loaded quantity delivered, the number of barrels delivered (within tolerance) is 1,002,000		
Total invoiced already in barrels =		1,000,000
Total delivered in barrels		1,002,700
Total excess in barrels		2,700
Total chargeable excess		2,000
Excess is equivalent to 2,000 barrels @ EDSP of 60.00		\$120,000.00
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		
Final invoice amount		\$120,000.00

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

Invoices reflecting individual Loadings		
1st Vessel loads		500,500 barrels
2nd Vessel loads		300,300 barrels
3rd Vessel loads		197,100 barrels
Total loaded		997,900 barrels
1st Vessel invoice	500 lots @ 60.00	\$30,000,000.00
2nd Vessel invoice	300 lots @ 60.00	\$18,000,000.00
3rd Vessel invoice	197 lots @ 60.00	\$11,820,000.00
Total invoiced via the Vessel Loading Invoices	997 lots	\$59,820,000.00
Final Invoice		
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.		
Total invoiced already in barrels =		997,000
Total delivered in barrels		997,900
Total excess in barrels		900
Total chargeable excess		900
Excess is equivalent to 900 barrels @ EDSP of 60.00		\$54,000.00
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.		\$54,000.00
Final invoice amount		\$54,000.00