Brent Crude American-style Options

Contract Specifications

Description	The ICE Brent Crude American-style Option Contract is based on the underlying ICE Brent Crude Futures Contract (B) and if exercised will result in a corresponding futures position. The contract is for American-style exercise, allowing the buyer to exercise an option any time up to, and including the expiry day.
Hedge Instrument	The delta hedge for the American-Style Option is the Brent Crude Future (B)
Contract Symbol	B
Contract Size	1,000 barrels
Unit of Trading	Any multiple of 1,000 barrels
Currency	US Dollars and cents
Settlement Price	One cent ($0.01) per barrel
Trading Price	One cent ($0.01) per barrel
Minimum Price Fluctuation	One cent ($0.01) per barrel

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Last Trading Day	Trading shall cease at the end of the designated settlement period of the ICE Futures Brent Crude Futures Contract three Business Days before the scheduled cessation of trading for the relevant contract month of the ICE Futures Brent Crude Futures Contract. If the day on which trading in the relevant option is due to cease would be either: (i) the Business Day preceding Christmas Day, (ii) the Business Day preceding New Year's Day, or (iii) the US Thanksgiving Day, then trading shall cease on the next preceding Business Day.
Option Premium / Daily Margin	Due to futures style margining option premiums are not paid/received at the time of the transaction. Rather margins are paid /received every day according to the changing value of the option. The total value to be paid/received is only known when the position is closed (by an opposing sale/purchase, exercise or expiry). The buyer never pays more margin than the cost of the premium. All open contracts are marked-to-market daily.
Exercise Procedure	ICE Brent Options can be exercised into ICE Brent Futures contracts. ICE Futures Europe options contracts are of American-style exercise, allowing the buyer to exercise call and/or put options up to 17:00 (London time) hours on any Business Day (except on expiry day) during the life of the contracts, by giving an exercise notice to ICE Clear Europe in respect of such options. On expiry day, the buyer has up to one hour after the end of the designated settlement period of the ICE Brent Futures contract 19:30 (London time) to exercise the option. At that time ICE Clear Europe will automatically exercise all options that are in-the-money on behalf of the Member unless instructed otherwise by the Member.
Strike Price Increments	At launch multiples of $0.01 per barrel ranging from a strike of $1 to a strike of $240. Additional strike prices are added according to futures price movements. The at-the-money strike price is the closest interval nearest to the previous business day's settlement price of the underlying contract.
Position Reporting	All positions are converted to futures equivalents by way of deltas and are aggregated with the futures position for daily position monitoring by the Exchange. The Exchange's daily position management regime requires that all positions in any contract month must be reported to the Exchange on a daily basis. The Exchange has powers to prevent the development of excessive positions or unwarranted speculation or any other undesirable situation and may take any steps necessary to resolve such situations including the ability to mandate members to limit the size of such positions or to reduce positions where appropriate.

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Expiry Limits	The Exchange may impose limits on positions in this contract at its discretion in accordance with Exchange Rule P3. Current expiry limit: 7,000 contracts in the last five business days, up to and including the expiry day in the spot month, inclusive of futures-equivalent position in Brent Options. Exemptions from expiry limits may be granted at the Exchange's discretion to participants who provide and document a commercial rationale for their requirement
Contract Security	ICE Clear Europe acts as the central counterparty for trades conducted on ICE Futures Europe and ICE OTC. This enables it to guarantee the financial performance of every contract registered with it by its members (the clearing members of the Exchange) up to and including delivery, exercise and/or settlement. ICE Clear Europe is able to provide margin offsets between the options and the underlying futures contract as well against options positions executed in other option styles.
Contract Series	Up to 96 consecutive months
Business Days	ICE Business Days