

# CIRCULAR

02 MARCH 2017

**CIRCULAR 17/021**

## **ICE FUTURES EUROPE: PROPOSED CHANGES TO THE EXCHANGE RULES**

### **CATEGORY**

Regulations

### **ATTACHMENTS**

**Attachment 1:** Contract Rules Section A

**Attachment 2:** Contract Rules Section B

**Attachment 3:** Contract Rules Section G

**Attachment 4:** Contract Rules Section I

**Attachment 5:** Contract Rules Section JJJJ

**Attachment 6:** Contract Rules Section XXXXXX

**Attachment 7:** Grading and Warehousekeeping Procedures

Further to Circular [16/118](#) dated Monday 15 August 2016, the purpose of this Circular is to advise Members of the outcome of the initial consultation and to re-consult on the proposed amendments to Sections: A (General), B (Membership), G (Trading), I (Contract Rules: General Provisions), JJJJ (White Sugar Futures Contract), XXXXXX (Containerised White Sugar Futures Contract) and the Grading and Warehousekeeping Procedures of the ICE Futures Europe rules (together, the "Exchange Rules"), made for the enhancement of current sanctions protections which may impact or affect Members' transactions effected on ICE Futures Europe (the "Exchange").

Circular [16/118](#) provided Members an extended 30 day period to provide comments on a previous version of rules changes relating to sanctions.

The proposed amendments are set out in the attached marked up versions of the Exchange Rules.

### **ICE FUTURES EUROPE RULE CHANGES**

The scope of the amendments now proposed to the Exchange Rules is summarised below:

1. Members will provide various representations, including that neither they, nor, to their knowledge, their affiliates, directors, officers, employees etc. are sanctioned, nor are they carrying out any sanctioned business related to derivatives or spot trading, unless subject to an applicable exception;
2. Members will be obliged to notify the Exchange in the event they, or, to their knowledge, their affiliates, customers, directors, officers, employees etc. become a target of sanctions, unless subject to an applicable exception;

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3. Where Members or their transferors or transferees effect deliveries, Members shall represent that the vessel or the direct/indirect beneficial ownership of the vessel are not the target of sanctions and that the destination of the delivery is not a sanctioned jurisdiction, unless subject to an applicable exception;
4. Members are required to have and maintain adequate policies and procedures in respect of sanctions, and to conduct sanctions due diligence on transactions/deliveries, where applicable;
5. Members must not use, deliver, or nominate for delivery anything prohibited by sanctions, unless subject to an applicable exception;
6. If a contract subject to delivery obligations has specified or recorded a country of origin which is a sanctioned jurisdiction, such contract will not meet the specifications for valid delivery if the country of origin was sanctioned at the time the origin was first specified or recorded and no Warehousekeeper may issue a warrant if the country of origin is sanctioned at the time of issuance of the warrant or receipt by the Warehousekeeper of the goods, unless subject to an applicable exception;
7. The Exchange/Clearing House may reject a transaction or delivery, direct that a substitute means of delivery be used or nominated, and/or suspend the Member's membership with the Exchange/Clearing House if the Exchange/Clearing House has reasonable grounds to believe that the transaction or delivery would be, or would be a significant risk of constituting, a potential breach of Sanctions; and
8. Generally, the sanctions related rules do not apply where the right, obligation, undertaking or representation would be in conflict with any applicable laws which purport to nullify or restrict the effect of foreign Sanctions or prevent boycotts. Where such laws purport to negate any of the requirements placed upon Members, Members are required to provide the Exchange with at least 30 days prior notice before relying upon this exemption.

**I therefore give formal notice, on behalf of the Board, in accordance with the Code of Practice that it proposes the change to the Exchange Rules as set out in the Attachments. The Code of Practice provides that any written request for the Board to consider whether the Code of Practice has been adhered to must be received by the Secretary within fourteen days of the date of this Circular. On this occasion and solely for the purposes of this Circular, the Exchange has extended the consultation period to 21 days. Members are invited to comment by Thursday 23 March 2017 on the proposed amendments to the Exchange Rules within the specified consultation period, by contacting the Exchange on the details provided below.**

**The Company Secretary  
ICE Futures Europe  
Milton Gate 5th Floor  
60 Chiswell Street  
London EC1Y 4SA**

**The effective date of these proposed Rules will be published by Circular.**

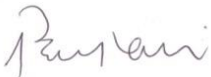
Should you have any questions in relation to this Circular or require any further information, please contact Dee Blake, Head of Regulation by phone on +44 (0)20 7065 7752 or by email [dee.blake@theice.com](mailto:dee.blake@theice.com) or Patrick Davis, Head of Legal by phone on +44 (0)20 7065 7738 or by email [patrick.davis@theice.com](mailto:patrick.davis@theice.com).

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Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:



Patrick Davis  
Company Secretary

### FOR MORE INFORMATION, PLEASE CONTACT:

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