

Circular 24/149

ICE Futures London Cocoa Futures Contract - Rule Changes in Response to the European Parliament Vote to Amend the European Deforestation Legislation

Category

Delivery

Attachment

Section EEEE - Contract Rules: ICE Futures London Cocoa Futures Contract

The purpose of this Circular is to advise Members, Nominated Warehousekeepers and their respective customers of changes to the ICE Futures London Cocoa Futures Contract (the "Contract") related to the recent European Parliamentary vote as regards the deferral of the date of application of the European Union Deforestation Regulation ("EUDR").

Exchange Circular [24/025](#) dated 22 February 2024 announced several amendments to the Contract Rules intended to address the implementation of EUDR, which was originally scheduled to apply from 30 December 2024 ("Application Date").

On 14 November 2024, the European Union Parliament voted in favour of an amendment to EUDR, proposed by the European Commission and approved by the European Council, which introduced a one-year delay to the EUDR Application Date. The European Union Parliament also voted in favour of additional amendments to EUDR. These additional amendments have not been approved by the European Council. All amendments need to be agreed by both the European Union Parliament and the European Council in order to become law. As such, these additional amendments may prevent the one-year delay from being implemented prior to the current Application Date, if at all. Furthermore, even if the European Union Parliament and the European Council do reach agreement on the terms of delay and other amendments to EUDR, it is unclear when that would occur and when such delay and amendments (if any) would become law. Consequently, it is unclear at this time if the delay to the Application Date will be adopted or if EUDR will enter into application on 30 December 2024. It is also unclear when any certainty as regards the foregoing will be forthcoming.

In order to provide market participants with certainty with respect to the product to be delivered against the Contract and to promote the operation of a fair and orderly market in the Contract, the Exchange intends to amend those rules of the Contract which are designed to align the terms of the Contract with EUDR with the effect from the Effective Date (as defined below). These amendments will take effect on the Effective Date irrespective of whether or not the proposed delay to the implementation of EUDR is passed into law by 30 December 2024. The intended amendments are set out below and in the Attachment.

The amendments comprise:

- Amend the definition of "Transition Stock" by setting back the final date by 12 months to 30 December 2025;
- Amend the date by which newly graded goods in the EU and UK must provide Validated Due Diligence Information ("Validated DDI") from 30 December 2024 to 30 December 2025;
- Amend the application date for discounts associated with the delivery of Transition Stock without Validated DDI to commence in 2026 delivery months; and
- Amend the last delivery month for London Cocoa Transition Stock without Validated DDI from the December 2025 Contract to the December 2026 Contract.

Participants are advised to review the changes set out in the Attachment in full.

The Exchange notes that the Application Date and substantive requirements of EUDR remain uncertain and that further amendments to the Contract may be adopted. Any further amendments to the Contract Rules or implementation plan for

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these amendments that are needed to support implementation of EUDR will be announced via Circular at the appropriate time.

The changes to the Exchange Regulations will come into force on and with effect 18 November 2024 (the "Effective Date").

The updated Contract Rules will be available [here](#) in the Regulation section of the ICE Futures Europe website on the Effective Date. Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

For more information, please contact:

Richard Hankinson | +44 (0) 20 7012 8783 | richard.hankinson@ice.com | comops-ifeu@ice.com

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