

## NOTICE

June 5, 2018

### ICE CLEAR CANADA TRANSITION UPDATE

At a board meeting held on June 5, 2018, the board of ICE Clear Canada (ICCA) approved new rules (“Transition Rules”) to deal with the transition of all open positions and Delivery Certificates from ICCA, held in the accounts of Clearing Participants, to ICE Clear US (ICUS) into the accounts of ICUS Clearing Members.

The Transition Rules, which are subject to the receipt of regulatory non-disapproval, are attached to this Notice and should be carefully reviewed by all Clearing Participants. An outline of certain important parts of the Transition Rules follows:

1. The Transition Weekend is scheduled for Friday July 27 through Monday July 30, 2018.
2. Trading in all contracts (Contracts) listed on IFCA will cease at close of trading on Friday July 27, 2018.
3. Trading in the Contracts will commence at ICE Futures US on Trade Date Monday July 30, 2018 (which starts at 8:00 pm (ET) on Sunday July 29, 2018.)
4. Every ICCA Clearing Participant must sign one or more Double Novation Agreements, in the form provided by ICCA. There must be at least one Double Novation Agreement in place to cover all Clearing Participants' positions in its House account and all Customer positions that are not otherwise subject to a different Double Novation Agreement. ICCA is preparing the Double Novation Agreements and will circulate to the ICCA Clearing Participants shortly.
5. At least seven (7) Business Days prior to July 27, 2018 all Clearing Participants must ensure that they have all required consents and approvals from their customers to deal with any open positions as at EOD Friday July 27, 2018.
6. At least five (5) Business Days prior to July 27, 2018 all Clearing Participants must ensure that they have properly signed and returned all required Double Novation Agreements.
7. Clearing Participants will need to have staff available over the weekend of July 28 and 29, 2018 to ensure that the Transition is effectuated smoothly. Further details will be provided closer to the Transition Weekend.

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Key Information Documents for certain products covered by the EU Packaged Retail and Insurance-based Investment Products Regulation can be accessed on the relevant exchange website under the heading “Key information Documents (KIDS),” commencing January 1, 2018.



Questions on this Notice or the attached Transition Rules can be directed to either;

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## ICE Clear Canada Transition Rules

### Rule A-12 Transition Rules

As used in this Rule A-12, the following terms shall have the indicated meanings:

**“Customer Notification Deadline”** means the date that is seven (7) Business Days before the Friday of the Transition Weekend.

**“Transitioning Contracts”** means all futures and options on futures contracts listed for trading on the Exchange and listed for clearing by the Corporation.

**“Transition Time”** means 9:30 am (CT) (10:30 am ET) on the Monday of the Transition Weekend (or if such day is not a Business Day, the next following Business Day).

**“Transition Weekend”** means the weekend of July 28 and 29, 2018, including Friday July 27, 2018 and Monday July 30, 2018, or such later weekend to which the novation may be deferred by the Corporation and ICE Clear US, Inc. (ICE Clear US). The Corporation will notify Clearing Participants of any such deferral.

#### Section A-12.01 Novation of Positions

- a. The Corporation will not accept for clearing any Exchange Transaction in Transitioning Contracts after the close of business on the Friday of the Transition Weekend.
- b. On or prior to the date that is five (5) Business Days before the Friday of the Transition Weekend, each Clearing Participant shall execute and deliver to the Corporation, one or more Double Novation Agreements, in the form prescribed by the Corporation, providing for the novation of all Delivery Certificates, and all Open Positions in its House and Customer accounts at the Transition Time, from the Corporation to ICE Clear US and to an ICE Clear US clearing member. At least one of the Double Novation Agreements must include and cover all of the ICCA Clearing Participant’s Open Positions and Delivery Certificates in its House account and Customer account(s) that are not otherwise dealt with under another Double Novation Agreement. The failure of an ICCA Clearing Participant to adhere to the requirements of this subsection b., will result in the ICCA Clearing Participant being deemed a Non-Conforming Clearing Participant and the Corporation may, in its sole discretion, take such step or steps as are permitted under the Rules, including, but not limited to, the Corporation entering into an agreement with another Clearing Participant to have the Open Positions of the Non-Conforming Clearing Participant liquidated and the Delivery Certificates held in the name of the Non-Conforming Clearing Participant transferred to an ICCA Clearing Participant which will properly deal with and novate the said Delivery Certificates. Losses from any steps taken by the Corporation in regard to this subsection b, shall be for the applicable account of the Non-Conforming Clearing Participant.

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- c. Each Clearing Participant shall certify to the Corporation, as of the Customer Notification Deadline, whether it has obtained all necessary consents or approvals, if any, to the novation of all Open Positions in Transitioning Contracts and Delivery Certificates for any Customer Account as described in subsection b. above. With respect to any such Open Positions and Delivery Certificates for a Customer Account for which the Clearing Participant does not provide such certification, and notwithstanding any rights included in subsection b above, the Corporation may close any or all such Open Positions and take such steps as it deems necessary with respect to Delivery Certificates, at such prices and in such manner as it deems reasonable, and any gains or losses from such actions shall be for the applicable account of such Clearing Participant
- d. All position reporting, reconciliation, and adjustments for Exchange Transactions in Transitioning Contracts with a trade date of the Friday of the Transition Weekend that are Open Positions at the close of business on such date must be completed no later than 6:00 pm CT. The Open Positions in Transitioning Contracts reported and calculated at this time, for each Clearing Participant, will be the positions transitioned to ICE Clear US during the Transition Weekend.
- e. Give-ups and allocations of Exchange Transactions in Transitioning Contracts with a trade date of the Friday of the Transition Weekend or earlier must be concluded by 4:30 pm CT on the Friday of the Transition Weekend. After this time, no Exchange Transactions in Transitioning Contracts will be available for give-up. Any subsequent transfers must be conducted at ICE Futures U.S., Inc. and/or ICE Clear US, in accordance with and to the extent permitted under the respective rules thereof.

## 12.02 Guaranty Fund

On or before end of the first Trading Day immediately following the Transition Weekend, provided that no Clearing Participant has been deemed to be in a default under the Rules, ICCA will return all Guaranty Fund deposits made by Clearing Participants, and Section A-609 shall not be applicable.

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