

## DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES

### PART A: ICE FUTURES ECX CARBON FINANCIAL INSTRUMENTS FUTURES CONTRACT ("ICE ECX CFI EUA FUTURES") AND ICE FUTURES ECX CARBON FINANCIAL INSTRUMENTS CER FUTURES CONTRACT ("ICE ECX CFI CER FUTURES")

This part applies to deliveries of ICE ECX CFI EUA Futures Contracts and ICE ECX CFI CER Futures Contracts traded under the rules of ICE Futures Europe. For the avoidance of doubt, the two Contracts remain separate Contracts and an ICE ECX CFI EUA Futures Contract may not be delivered to fulfil a Clearing Member's obligations to deliver an ICE ECX CFI CER Futures Contract nor *vice versa*.

#### 1. DEFINITIONS

1.1 The following definitions apply to this part of the Delivery Procedures:

- (a) The term "**Acquiring Registry**" means, in relation to a Carbon Emissions Allowance Contract, the Registry at which the Holding Account of the Buyer is maintained as specified in the relevant Carbon Emissions Allowance Transfer Request.
- (b) The term "**Carbon Emissions Allowance**" or "**Allowance**" means a greenhouse gas emissions allowance under the Scheme.
- (c) The term "**Carbon Emission Allowance Contract**" means a Contract for a Carbon Emissions Allowance.
- (d) The term "**Carbon Emissions Allowance Transfer Request**" or "**Allowance Transfer Request**" means a request to effect a transfer of a Carbon Emissions Allowance or Allowances submitted by the Seller to the Initiating Registry in the manner required by the Registry Regulations and otherwise in accordance with the Rules and ICE Futures Europe Rules.
- (e) The term "**CDM Registry**" means the intergovernmental registry established by the CDM Executive Board to hold accounts for CERs.
- (f) The term "**Certified Emission Reduction**" or "**CER**" means a unit issued by the UN Clean Development Mechanism Executive Board pursuant to Article 12 of the Kyoto Protocol and the decision adopted pursuant to the UNFCCC or the Kyoto Protocol and is equal to one metric tonne of carbon dioxide equivalent.
- (g) The term "**CER Contract**" means a Contract in relation to a CER.
- (h) The term "**CER Delivery Amount**" means, for each Margin Account, an amount reflecting the gross number of CERs which are to be delivered by a Seller for any Delivery Period in respect of all CER Contracts to which it is party as Seller.
- (i) The term "**CER Transfer Request**" means a request to effect a transfer of a CER submitted by the Seller to the Initiating Registry in the manner required by the Registry Regulations and otherwise in accordance with the Rules and ICE Futures Europe Rules.
- (j) The term "**Clean Development Mechanism**" or "**CDM**" means the mechanism referred to in Article 12 of the Kyoto Protocol.
- (k) The term "**Clearing House Directions**" means any instructions or requests that the Clearing House may issue to the Buyer or Seller from time to time in respect of the delivery of an Allowance or CER under an Emission Contract.
- (l) The term "**Communication Link**", in relation to Allowances and CERs, has the same meaning as that given to the term in the ICE Futures Europe Rules.

## DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES

- (m) The term "**Delivery Costs**" has the same meaning as that given to the term in the ICE Futures Europe Rules.
- (n) The term "**Emissions Alternative Delivery Procedure**" or "**EADP**" means the circumstances and means by which delivery may be effected in accordance with paragraph 6 of this Part A.
- (o) The term "**EADP Agreement**" means an agreement to adopt an EADP.
- (p) The term "**Eligibility Criteria**" shall have the meaning set out in the ICE Futures Europe Contract Rules.
- (q) The term "**Emission Contracts**" where used in this part shall mean ICE ECX CFI Futures Contracts or ICE ECX CER Futures Contracts, as the case may be, to be delivered pursuant to and in accordance with this Part A.
- (r) The term "**Emissions Directive**" means Directive 2003/87/EC of the European Parliament and the Council of 13 October 2003 establishing a scheme for greenhouse gas emissions allowance trading and amending Council Directive 96/61/EC, as amended from time to time.
- (s) The term "**Holding Account**" means a holding account maintained by a Registry pursuant to the Registry's regulations in order to record the holding and transfer of Allowances or CERs. A Clearing Member must hold one or more Holding Accounts for the holding and transfer of Allowances and one or more separate Holding Accounts for the holding and transfer of CERs.
- (t) The term "**Initiating Registry**" means, in relation to a CER or Allowance, the Registry at which the Holding Account of the Seller is maintained from which the transfer of Allowances or CERs (as applicable) is to be made, as specified in the relevant applicable Transfer Request.
- (u) The term "**Linking Directive**" shall have the same meaning as set out in the ICE Futures Europe Contract Rules.
- (v) The term "**Non-Business Day**" means a Clearing Day that is a public holiday in England.
- (w) The term "**Non-Eligible Registry**" shall have the meaning set out in the ICE Futures Europe Contract Rules.
- (x) The term "**Registry Regulations**" means the EU Commission Regulation (EC) No. 2216/2004 for a standardised and secured systems of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time, including by EU Commission Regulation (EC) No. 916/2007.
- (y) The term "**Registry**" (i) in respect of an Allowance, means any registry established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation and replacement of Allowances under the Scheme, which has been identified as a Registry by ICE Futures Europe from time to time; and (ii) in respect of a CER, means any registry in an EU Member State meeting the Eligibility Criteria and which has implemented the Linking Directive in a manner that authorises private persons to hold CERs and has Person Holding Accounts established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation, and replacement of CERs under the Scheme, and which has been identified as a Registry by ICE Futures Europe from time to time provided however that, where the Clearing House identifies a Non-Eligible Registry which it will use for a contract month, any reference to a Registry shall mean the identified Non-Eligible Registry.

## **DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES**

- (z) The term "**Scheme**" means the scheme for transferring allowances (including CERs) established pursuant to the Emissions Directive, as implemented by relevant national law.
- (aa) The term "**Transfer Request**" means an Allowance Transfer Request or a CER Transfer Request, as the case may be.
- (bb) The term "**UNFCCC Independent Transaction Log**" means the independent transaction log established, operated and maintained by the Secretariat of the United Nations Framework Convention on Climate Change.

### **2. DELIVERY SPECIFICATION**

#### **2.1 Delivery**

Deliveries under Emissions Contracts are effected upon:

- (a) in the case of the Seller taking delivery, the completion of the transfer of the relevant Allowances or the relevant CERs, as the case may be, from the relevant Holding Account of the Seller, to the relevant Holding Account of the Clearing House, and
- (b) in the case of the Buyer taking delivery, the completion of the transfer from the relevant Holding Account of the Clearing House to the relevant Holding Account of the Buyer, maintained in one or more Registries determined by ICE Futures Europe.

This takes place during the Delivery Period in accordance with ICE Futures Europe Rules. Neither delivery by the Buyer nor receipt of the delivery by the Seller requires performance by the other to occur simultaneously. Each of the Buyer and Seller should deal directly with the Clearing House.

#### **2.2 Allowances and CERs**

Allowances or CERs to be delivered shall conform to the specifications described in ICE Futures Europe Rules and the specifications of the Registries to and from which delivery may be made under the relevant Contract.

- (a) Quantity

ICE ECX CFI Futures Contracts are for one or more lots of Allowances to be delivered during the Delivery Period as specified in the ICE Futures Europe Rule. Where a lot refers to 1000 Allowances, each such Allowance is an entitlement to emit one metric tonne of carbon dioxide equivalent gas.

ICE ECX CER Futures Contracts are for one or more lots of CERs to be delivered during the Delivery Period as specified in the ICE Futures Europe Rules, it being understood that one lot refers to 1000 CERs.

- (b) Price

The price at which the Emission Contract is delivered is the EDSP for the relevant contract month of the relevant Contract on the last day of trading.

#### **2.3 Cessation of Trading**

Trading for an Emission Contract contract month will normally cease on the last Monday of that month. Where this falls on a Non-Business Day for the contract, or there is a Non-Business Day for the contract in the four days immediately following the last Monday, the last trading day shall be the penultimate Monday of the delivery month. Where the penultimate Monday of the delivery month falls on a Non-Business Day for the contract, or there is a Non-Business Day for the contract in the four

## DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES

days immediately following the penultimate Monday, the last trading day shall be the antepenultimate Monday of the delivery month. A list of dates, subject to amendment, is available from ICE Futures Europe.

### 2.4 Exchange for Physicals (EFPs) and Exchange for Swaps (EFSs)

In accordance with ICE Futures Europe Rules, EFPs and EFSs may be posted on TRS up to 30 minutes following the cessation of trading.

### 3. LIABILITY

3.1 The provisions of this paragraph **Error! Reference source not found.** are without prejudice to the generality, and subject to, the provisions of the Rules relating to liability and apply in addition to the general requirements of these Delivery Procedures.

3.2 The Clearing House is not responsible for, and/or shall have no liability whatsoever as a result of, the performance or non-performance of any Registry, Initiating Registry or the Secretariat of the United Nations Framework Convention on Climate Change.

3.3 Neither the Buyer nor the Seller shall have any claim against the Clearing House for any loss, cost, damage or expense incurred or suffered as a result of the performance or non-performance of any Registry, Initiating Registry or the Secretariat of the United Nations Framework Convention on Climate Change except as otherwise expressly provided in the ICE Futures Europe Rules or the Rules.

### 4. DELIVERY TIMETABLE FOR EMISSION CONTRACTS: ROUTINE

Unless stated otherwise, the times apply to both ICE ECX CFI Futures Contracts and ICE ECX CER Futures Contracts. Note that some events may occur up to 24 hours earlier, due to the Registry often performing in advance of the 24 hour period allowed under the Registry Regulations.

	TIME	ACTION
	<b>Each day from 15 days prior to expiry to the last day of trading</b>	
<b>Submission of the Carbon Emissions Allowance Position Report and/or the CER Position Report</b>	10:30	Buyer and Seller send a Carbon Emissions Allowance Position Report to ICE Futures Europe and the Clearing House.  Buyer and Seller send a CER Position Report to ICE Futures Europe and the Clearing House.
	<b>Last trading day (LTD)</b>	
<b>Cessation of Trading</b>	At 17:00	Trading ceases.
	By 17.30	EFPs and EFSs may be posted up to 30 minutes following the cessation of trading.
	By 18:00	Clearing Members must ensure that all assignments, settlements and transfers are performed via TRS and CPS.
		Clearing Members with Open Contract Positions at this time are obliged to make or take delivery.
At	HIT report available on CPS.	

**DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES**

	<b>TIME</b>	<b>ACTION</b>
	18:00	
<b>LTD + 1</b>		
<b>Submission of Allowance/ CER Delivery Confirmation Form</b>	By 10:00	Seller and Buyer must submit to the Clearing House the Seller's or Buyer's Allowance Delivery Confirmation Form or CER Delivery Confirmation Form.
<b>Payment by Buyer</b>	By 09:00	Buyer pays full contract value to the Clearing House.
	After 10:30	Invoices are available as a report on TRS.
<b>Deadline for submission of Transfer Requests by Sellers</b>	By 19:00	<p>Seller must ensure that the necessary Transfer Requests (as contained in the Seller's Allowance Delivery Confirmation Form or CER Delivery Confirmation Form as applicable) have been made through the Communication Link to the relevant Registries to allow Allowances or CERs, as applicable, to be transferred from the Holding Account of the Seller to the Holding Account of the Clearing House.</p> <p>Transfer Requests made by the Seller before this time will, pursuant to Registry Regulations, result in Allowances or CERs being received in the appropriate Holding Account of the Clearing House no later than 24 hours after the submission of the Transfer Request by the Seller.</p> <p>On receipt from the Seller of Allowances or CERs, as applicable, into the appropriate Holding Account of the Clearing House, the Clearing House will randomly select the order in which it will make the Transfer Requests (as contained in the Buyer's Allowance Delivery Confirmation Form or CER Delivery Confirmation Form as applicable) and make such Transfer Requests through the Communication Link to the relevant Registries for Allowances or CERs, as applicable, to be transferred from the appropriate Holding Account of the Clearing House to the appropriate Holding Account of the Buyer.</p> <p>This means that Buyers may receive Allowances or CERs, as applicable, in their appropriate Holding Accounts on LTD + 1.</p>
<b>LTD + 2</b>		
<b>Payment for Allowances or CERs received by the Clearing House on LTD + 1</b>	By 09:00	Sellers receive full contract value against Allowances or CERs received by the Clearing House on LTD +1.
	After 10:30	Account Sales will be available as a report on TRS.
<b>Deadline for receipt of Allowances or CERs by the Clearing House</b>	By 19:00	The Clearing House will have received Allowances or CERs into its Holding Account from the Sellers.
<b>Deadline for submission of Transfer Requests by the Clearing House</b>	By 19:30	All Transfer Requests by the Clearing House will have been made through the Communication Link to the relevant Registries for Allowances or CERs to be transferred from the Holding Account of the Clearing House to the Holding

**DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES**

	<b>TIME</b>	<b>ACTION</b>
		Account of the Buyer.
	<b>LTD + 3</b>	
<b>Payment for Allowances or CERs received by the Clearing House on LTD + 2</b>	By 09:00	Seller receives full contract value against Allowances and/or CERs received by the Clearing House on LTD +2.
<b>Deadline for receipt of Allowances or CERs by the Buyer</b>	By 19:30	Buyer will have received Allowances and/or CERs into their Holding Accounts.

**5. DELIVERY TIMETABLE FOR EMISSION CONTRACTS: LATE AND FAILED DELIVERY**

Unless stated otherwise, the times apply to both ICE ECX CFI Futures Contracts and ICE ECX CER Futures Contracts.

<b>TIME</b>	<b>ACTION</b>
<b>LTD + 1</b>	
Between 19:00 and 19:00 on LTD+2	Where a Transfer Request has been submitted by the Seller after 19:00 hours on the first Business Day following the last day of trading, but before 19:00 hours on the second Business Day after the last day of trading, in compliance with a Clearing House Direction or otherwise, the Seller shall advise the Clearing House immediately of such submission. The Clearing House may, in its discretion, declare and notify to the Seller and the Exchange that the Clearing Member is subject to a Late Delivery.
<b>LTD + 2</b>	
At 19:00	Where a Transfer Request has not been submitted by the Seller, or has been submitted but such Transfer Request has not been accepted by the Registry by 19:00 hours on the second Business Day after the last day of trading, the Seller shall advise the Clearing House immediately of such non-submission, or non-acceptance. The Clearing House may, in its discretion, declare that the Clearing House or the Seller, as appropriate, has failed to meet its delivery obligations and that there is a Failed Delivery.
<b>LTD + 3</b>	
At 19:30	Where a Transfer Request has not been submitted by the Clearing House or has been submitted but not accepted or actioned by the Registry by 19:30 hours on the third Business Day after the last day of trading, the Clearing House shall advise the Buyer immediately of such non-submission, non-acceptance or non-action. The Clearing House may, in its discretion, declare that the Clearing House or the Buyer, as appropriate, is subject to a Late Delivery and may: <p align="center">(a) take, or require the Buyer to take, such steps as appropriate to rectify the situation in compliance with any Clearing House Directions which allow for Allowances to be delivered by such time (which shall not be a time after 19:30 hours on the fourth Business Day after the last day of trading in relation to the relevant Transfer). In the event that the Buyer's Holding Account has not been credited by 19:30 hours on the fourth Business Day after the last day of trading in relation to the relevant Transfer, the Clearing House shall declare that there is a Failed Delivery; or</p>

**DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES**

TIME	ACTION
	(b) declare that the Clearing House or the Buyer or Seller, as appropriate, has failed to meet its delivery obligations and that there is a Failed Delivery.
<b>LTD + 4</b>	
At 19:30	Where the Buyer's Holding Account has not been credited by 19:30 hours on the fourth Business Day after the last day of trading, the Clearing House may, in its discretion, declare that the Clearing House or the Buyer, as appropriate, has failed to meet its delivery obligations and that there is a Failed Delivery.

In the event of a Late Delivery or Failed Delivery by the Seller/Buyer (including the Clearing House), the Seller or Buyer (whichever is responsible) shall indemnify the Buyer or Seller (whichever is not responsible) in respect of all and any Delivery Costs attributable to that Late Delivery or Failed Delivery.

**6. EMISSIONS ALTERNATIVE DELIVERY PROCEDURE ("EADP")**

- 6.1 In the event of a Failed Delivery the relevant Clearing Member may seek agreement of the Clearing House to make or take delivery beyond the point of failure (see prescribed "Emissions: Late & Failed Deliveries Timetable" in ICE User Guide and above) in a manner and on terms other than those required pursuant to the ICE Futures Europe Rules. The purpose of the EADP is to afford flexibility to Clearing Members in circumstances where it is envisaged that delivery will be possible but not within the prescribed timetable. Failure to deliver in accordance with ICE Futures Europe Rules and this Part A may nonetheless attract disciplinary action or a fine by ICE Futures Europe and/or the Clearing House notwithstanding any subsequent delivery in accordance with an EADP Agreement.
- 6.2 Each Clearing Member that enters into an EADP Agreement shall, pursuant to these Procedures, and without need for any further action on the part of the relevant Clearing Member or the Clearing House, be deemed to have agreed to indemnify the Clearing House in respect of all and any of the Clearing House's costs, losses, charges and expenses incurred by the Clearing House in connection with the EADP, including, without limitation, any costs, losses, charges and expenses incurred as a result of a failure on the part of the Clearing Member to meet its obligations under an EADP Agreement and the Clearing House's staff, operational and legal costs associated with the EADP.
- 6.3 In the event that a Clearing Member and the Clearing House enter into an EADP Agreement, the existing Contract will be liquidated on the basis of the Market Delivery Settlement Price. Delivery under an EADP Agreement will be subject to the requirements (including the indemnity) set out in this paragraph 6, the same Contract Terms as the Contract(s) replaced as a result of the EADP Agreement (subject to such new terms as are agreed in relation to any matter, which may (without limitation) include new terms in respect of price, delivery times or Commodity), any directions the Clearing House may in its discretion issue and the terms of the EADP Agreement. A new Contract or Contracts shall arise pursuant to Part 4 of the Rules as a result of EADP being agreed.
- 6.4 Where EADP is agreed, as from the time that the Clearing Members' accounts are amended, as described in the EADP in the books and records of the Clearing House, the affected Clearing Members and the Clearing House shall all automatically and immediately be released from all their rights, liabilities and obligations in respect of the Contract or Contracts that gave rise to the EADP and such rights, liabilities and obligations shall be substituted for such amended obligations as are detailed in the EADP Agreement.
- 6.5 In the event that the Clearing Member and Clearing House are unable to enter into an EADP Agreement or effect delivery under EADP by the close of business on the Business Day following the day of the Failed Delivery, the Clearing House will refer the matter to ICE Futures Europe and Invoice

## DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES

Back affected Contracts and may itself begin disciplinary proceedings, levy a fine, call additional Margin or declare an Event of Default.

### 7. INVOICE CALCULATION

The Invoice and Account Sale Report will give details of all deliveries and amounts due to Sellers and payable by the Buyers in respect of deliveries of Allowances or CERs, as applicable.

The value of confirmed deliveries of Allowances and CERs will be calculated as follows:

$$\begin{array}{l} \text{Allowances or} \\ \text{CERs} \end{array} \quad \times \quad \begin{array}{l} \text{Market Delivery Settlement Price on last day of trading for the} \\ \text{relevant Contract month (EDSP) of the relevant Contract} \end{array}$$

### 8. DELIVERY DOCUMENTATION SUMMARY

Carbon Emissions Allowance Position Report	Buyers and Sellers must send this report to ICE Futures Europe and the Clearing House by 10:30 hours each day from 15 days prior to expiry until the last trading day. The report includes the position of each Customer with an Open Contract Position in the relevant Contract Set, Proprietary Open Contract Positions and whether the Clearing Member has a Holding Account for each Margin account at a Registry, the appropriate Holding Account numbers and the Authorised Persons for Holding Account(s).
CER Position Report	Buyers and Sellers must send this report to ICE Futures Europe and the Clearing House by 10:30 hours each day from 15 days prior to expiry until the last trading day. The report includes the position of each Customer with an Open Contract Position in the relevant Contract Set, Proprietary Open Contract Positions and whether the Clearing Member has a Holding Account for each Margin account at a Registry, the appropriate Holding Account numbers and the Authorised Persons for Holding Account(s).
Seller's Allowance Delivery Confirmation Form	Sellers must submit this form to the Clearing House by 10:00 hours on the day following the last day of trading. It includes the following details: the number of lots that are to be specified in each transfer request for a Margin account; details of each Holding Account and Initiating Registry from which each transfer request will be made; name and contact details of the Authorised Representative in respect of each Holding Account specific to each transfer request; confirmation that the Clearing Member will continue to have the relevant Holding Accounts during the Delivery Period at each of the Initiating Registries and is not for any reason prevented from having transfer requests accepted and not subsequently rejected or not actioned; and such other details as are required by ICE Futures Europe, the Clearing House and the Registry from time to time in accordance with their rules and procedures.
Seller's CER Delivery Confirmation Form	Sellers must submit this form to the Clearing House by 10:00 hours on the day following the last day of trading. It includes the following details: the number of lots that are to be specified in each transfer request for a margin account; details of each Holding Account and Initiating Registry from which each transfer request will be made; name and contact details of the Authorised Representative in respect

**DELIVERY PROCEDURES: ICE ECX CFI FUTURES & ICE ECX CER FUTURES**

	<p>of each Holding Account specific to each transfer request; confirmation that the Clearing Member will continue to have the relevant Holding Accounts during the Delivery Period at each of the Initiating Registries and is not for any reason prevented from having transfer requests accepted and not subsequently rejected or not actioned; and such other details as are required by ICE Futures Europe, the Clearing House and the Registry from time to time in accordance with their rules and procedures.</p>
<p>Buyer's Allowance Delivery Confirmation Form</p>	<p>Buyers must submit this form to the Clearing House by 10:00 hours on the day following the last day of trading. It includes the following details: the number of lots that are to be specified in each transfer request for a margin account; details of each Holding Account and Acquiring Registry to which each transfer request will be made by the Clearing House; name and contact details of the Authorised Representative in respect of each Holding Account specific to each transfer request; confirmation that the Clearing Member will continue to have the relevant Holding Accounts during the Delivery Period at each of the Acquiring Registries and is not for any reason prevented from having the Holding Accounts updated as a result of transfer requests; and such other details as are required by ICE Futures Europe, the Clearing House and the Registry from time to time in accordance with their rules and procedures.</p>
<p>Buyer's CER Delivery Confirmation Form</p>	<p>Buyers must submit this form to the Clearing House by 10:00 hours on the day following the last day of trading. It includes the following details: the number of lots that are to be specified in each transfer request for a margin account; details of each Holding Account and Acquiring Registry to which each transfer request will be made by the Clearing House; name and contact details of the Authorised Representative in respect of each Holding Account specific to each transfer request; confirmation that the Clearing Member will continue to have the relevant Holding Accounts during the Delivery Period at each of the Acquiring Registries and is not for any reason prevented from having the Holding Accounts updated as a result of transfer requests; and such other details as are required by ICE Futures Europe, the Clearing House and the Registry from time to time in accordance with their rules and procedures.</p>