



July 10, 2019

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6 –  
Delivery Procedure Amendments

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Rule 40.6 for self-certification, the amendments to its Delivery Procedures (the “Delivery Procedures”)<sup>1</sup> discussed herein. The amendments are to become effective on the first business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

*Concise Explanation and Analysis*

ICE Clear Europe is amending its Delivery Procedures to add a new Section 11 and a new Part FF to address delivery relating to the ICE Futures Europe New York Harbour Ultra Low Sulphur Diesel Futures Contracts (the “ICE NYH ULSD Futures Contracts”) and the ICE Futures Europe New York Harbour Ultra Low Sulphur Heating Oil Futures Contracts (the “NYH ULSHO Futures Contracts”, and collectively, the “Contracts”). The Contracts will be traded on ICE Futures Europe and cleared by ICE Clear Europe.

Part FF sets out the delivery specifications and procedures for deliveries of fungible 15 ppm ultra low sulphur diesel fuel in respect of the ICE NYH ULSD Futures Contract,

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Delivery Procedures or, if not defined therein, the ICE Clear Europe Clearing Rules.

and fungible 15 ppm ultra low sulphur heating oil in respect of the ICE NYH ULSHO Futures Contract. The amended Delivery Procedures specify the Buyer's delivery options (delivery into Buyer's barge, into Buyer's tanker, by inter-tank transfer (where certain conditions are satisfied) or by in-tank transfer at the relevant terminal (subject to the terms of business of the terminal)). Consistent with the exchange rules for the Contracts, delivery will take place on a business day nominated by the Buyer (pursuant to a specified delivery nomination form), subject to approval or rejection by the Seller, within a five-day delivery range agreed by the Seller and Buyer. Proposed Part FF also establishes certain timing requirements for exchange of futures for physical and swap transactions under exchange rules.

Proposed Part FF provides a detailed delivery timetable, from the last trading day of the Contract through final settlement, including procedures, deadlines and requirements for nominations of delivery range and delivery day, delivery confirmations, invoicing, provision of Buyer's and Seller's security, release of security following completion of delivery and other matters. The procedures also address invoice calculation with respect to the Contract and delivery tolerances. Proposed Part FF also specifies the delivery documentation required of Buyers and Sellers.

New Section 11 of the Delivery Procedures further specifies the alternative delivery procedure for the Contracts if the Buyer and Seller agree to undertake delivery outside the ICE Futures Europe Rules.

#### *Compliance with the Act and CFTC Regulations*

The rule amendments are potentially relevant to the following core principles: (C) Participant and Product Eligibility and (E) Settlement Procedures, and the applicable regulations of the Commission thereunder.

- *Product Eligibility.* The amendments to the Delivery Procedures are intended to facilitate the clearing of new physically settled Contracts, which are being launched for trading by the ICE Futures Europe. The amendments set out the obligations and role of the Clearing House and relevant parties for delivery under the Contracts, supplementing the existing provisions of the Rules. ICE Clear Europe believes that its financial resources, risk management, systems and operational arrangements are sufficient to support clearing of such products (and to address physical delivery under such contracts) and to manage the risks associated with such contracts. As a result, ICE Clear Europe believes that the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As noted above, the amendments set out the delivery procedures with respect to Contracts and clearly set out the role and responsibilities of the Clearing House and Clearing Members in the physical delivery process. The amended Delivery Procedures also set out the procedures for transferring the underlying ultra low sulphur heating oil or ultra low sulphur diesel, as applicable, in settlement of the Contracts. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle E and CFTC Rule 39.14.

As set forth herein, the amendments consist of changes to the Delivery Procedures, a copy of which is attached hereto.


ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission's regulations thereunder.

ICE Clear Europe has received no substantive opposing views in relation to the proposed rule amendments.

ICE Clear Europe has posted a notice of pending certification and a copy of this submission on its website concurrent with the filing of this submission.

If you or your staff should have any questions or comments or require further information regarding this submission, please do not hesitate to contact the undersigned at [Giulia.honorati@theice.com](mailto:Giulia.honorati@theice.com) or +44 20 7429 7127.

Very truly yours,



Giulia Honorati  
Manager Regulation & Compliance

## (IV) DELIVERY PROCEDURES

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~~8 April~~ 10 July 2019

## DELIVERY PROCEDURES

- 10.3 Confirmation of Agreed ADPs for the ICE Permian WTI Storage Contracts must be received by the Clearing House by no later than midday CT on the first Business Day following the Last Trading Day, or by such other time as may be specified by the Clearing House from time to time.
- 10.4 Where an ADP is agreed, the Clearing House will settle the relevant Contracts at the Exchange Delivery Settlement Price and return all associated margin to the relevant Clearing Member(s)
- 10.5 Where an ADP is agreed for an ICE Permian WTI Storage Contract, then, as from the time that the Clearing Members' accounts are amended by the Clearing House as described in this paragraph 10, the affected Clearing Members and the Clearing House shall all automatically and immediately be released and discharged from all their rights, liabilities and obligations in respect of the affected Contract or Contracts and such rights, liabilities and obligations shall be replaced by such amended obligations as are agreed between the parties.

### 11. **ALTERNATIVE DELIVERY PROCEDURE: ICE NYH ULSO FUTURES CONTRACTS**

11.1 In respect of ICE NYH ULSO Futures Contracts (as defined in Section FF of these Delivery Procedures), if the Buyer and the Seller agree to undertake delivery outside the ICE Futures Europe Rules, both parties must advise the Clearing House using the ICE NYH ULSO Futures: Confirmation of Agreed ADP Form.

11.2 Where an ADP is agreed, the Clearing House will settle the relevant Contracts at the Exchange Delivery Settlement Price (as defined in the ICE Futures Europe Rules) fulfilling its obligations under the Contract in respect of delivery.

11.3 ICE NYH ULSO Futures: Confirmation of Agreed ADP Forms must be received by the Clearing House any time before the finalisation of delivery. Forms received by the Clearing House after 10:00 ET will be deemed to have been received on the next Business Day.

11.4 Where an ADP is agreed for ICE NYH Futures, then, as from the time that the Clearing Members' accounts are amended by the Clearing House and the payment of the EDSP has taken place, the affected Clearing Members and the Clearing House shall all automatically and immediately be released and discharged from all their rights, liabilities and obligations in respect of the affected Contract or Contracts and such rights, liabilities and obligations shall be replaced by such amended obligations as are agreed between the parties.

### 12. **~~11.~~ EXCLUSION OF ALTERNATIVE DELIVERY PROCEDURES FOR OTHER CONTRACTS**

Clearing Members may not agree alternative delivery procedures for any ICE Futures UK Natural Gas Futures Contract, ICE Futures UK Natural Gas (EUR/MWh) Futures Contract, ICE Futures UK Natural Gas Daily Futures Contract, ICE UK Base Electricity Futures Contract (EFA), ICE UK Peak Electricity Futures Contract (EFA), ICE UK Base Electricity Futures Contract (Gregorian), ICE UK Peak Electricity Futures Contract (Gregorian) or ICE Deliverable US Emissions Contract, Financials & Softs Coffee Contract, Financials & Softs Cocoa Contract, Financials & Softs Wheat Contract, Financials & Softs Gilt Contract, Financials & Softs Japanese Government Bond Contract, Financials & Softs Equity Futures/Options Contract or Financials & Softs Stock Contingent Trade Contract or any other Contract subject to a delivery from time to time for which no specific alternative delivery procedure applies, save where a Governmental Authority of competent jurisdiction orders or requires or Applicable Law so requires or the Clearing House provides its consent in writing.

### 13. **~~12.~~ INTERIM PAYMENTS: GASOIL**

Where a Delivery Panel formed under ICE Futures Europe Rules directs that an interim payment or payments should be made pending a decision as to the price to be set for Invoicing Back, the Clearing House may make an interim payment to the affected Clearing Member of the amount specified in the

direction of the Delivery Panel (or such other amount as the Clearing House, at its discretion, determines). If the Clearing House makes any such interim payment, an equivalent deduction from the Buyer's Security will be effected. Any amount to be paid as a result of the Delivery Panel's decision or direction shall be such amount due less any interim payment made or shall result in an obligation to repay all or part of any interim payment, as applicable, and further deduction to, or replenishment of, the Buyer's Security shall be effected by the Clearing House appropriately.

### 14. ~~13.~~ ICE BRENT FUTURES: CASH SETTLEMENT

ICE Brent Futures is a contract deliverable via EFP with an option to cash settle. Where the Notice to Cash Settle ICE Brent Futures or the Standing Notice to Cash Settle ICE Brent Futures is completed and submitted to the Clearing House by the relevant time as applicable to each notice, then the Rules on cash settlement set out in the Rules shall apply.

### 15. ~~14.~~ SIMILAR OBLIGATIONS UNDER DIFFERENT CONTRACTS

Where a Seller or a Buyer has delivery obligations under one or more Contracts that are not of the same Set but which result in a delivery obligation in respect of the same Deliverable at the same time, the Clearing House may notify the Seller (and its Transferor, if applicable) and the Buyer (and its Transferee, if applicable) of their aggregated delivery obligations under the affected Contracts and, upon such notification, the Seller and Buyer shall be required to make and take delivery in respect of such aggregated delivery obligations instead of such other obligations as may otherwise have been required.

### 16. ~~15.~~ INTERPRETATION

Words and phrases defined in the Rules or these Delivery Procedures bear the same meanings when used in any form or other document delivered pursuant to these Delivery Procedures.

The Clearing House may, from time to time, enter into clearing services arrangements with LIFFE or ICE Futures Europe, as applicable, in respect of Financials & Softs Contracts, pursuant to which the functions of the Clearing House (as designated in these Delivery Procedures) may be performed by LIFFE or ICE Futures Europe, as applicable, and *vice versa*. Accordingly, references in these Delivery Procedures to the Clearing House may be interpreted as references to LIFFE or ICE Futures Europe, as applicable, in respect of such Financials & Softs Contracts, and *vice versa*, as circumstances require.

### 17. ~~16.~~ REPORTS AND NOTIFICATIONS

Unless otherwise specified, the Clearing House will make the reports and confirmations it issues as part of the delivery processes available to the Clearing Members electronically, both via email and via the Clearing House Web Reporting Service (described in the Clearing House User Guide).

### 18. ~~17.~~ LIABILITY, MARGIN, DEFAULT AND DISCIPLINARY

18.1 ~~17.1~~ The requirements relating to liability set out in the Rules apply equally in relation to deliveries. Without prejudice to the generality of, and subject to, the provisions of the Rules relating to liability:

- (a) it is the responsibility of Clearing Members to ensure that all forms are in place at the relevant time, and any failure or omission to ensure that they are in place that causes or contributes to the failure of any delivery may itself constitute a failure to deliver by the Clearing Member; and
- (b) upon any such failure or omission, the Clearing Member will be liable to the Clearing House for any cost, loss or expense of the Clearing House arising as a result of such failure or omission, which may include any delivery failure costs.

18.2 ~~17.2~~ The Clearing House may at any time make an additional Margin call as a result of any event or circumstance occurring in relation to a delivery.

18.3 ~~17.3~~ Notwithstanding the availability of any possible alternative or late delivery procedure, failure to comply with any requirement of these Delivery Procedures may constitute an Event of Default.

18.4 ~~17.4~~ Nothing in these Delivery Procedures shall preclude the Clearing House, in its discretion, from bringing disciplinary proceedings or levying a fine against a Clearing Member, including (without limitation) in respect of late or failed delivery.

18.5 ~~17.5~~ Clearing Members are referred to Rule I.21 of the ICE Futures Europe Rules which provisions are, to the extent relevant to the Rules, incorporated herein.

18.6 ~~17.6~~ Nothing in these Delivery Procedures shall exclude any liability for fraud, death, personal injury or any liability which by law may not be excluded.

18.7 ~~17.7~~ Each Clearing Member, Buyer, Seller, Transferor and Transferee that makes or takes delivery of any Deliverable pursuant to a Contract shall comply (and shall be deemed to represent and warrant to the Clearing House that it will comply and has complied) with all filing, notification, reporting, registration, certification or authorisation requirements under Applicable Laws or required by any Delivery Facility in connection with such delivery.

19. ~~18.~~ **PAYMENTS**

All payments to and from Clearing Members pursuant to these Delivery Procedures shall take place to and from relevant Nominated Accounts as described in the Finance Procedures. Amounts due in respect of delivery obligations may be set off against or aggregated with other amounts due under the Rules, as described in the Finance Procedures.

20. ~~19.~~ **GUARDIAN**

Guardian is an electronic grading and delivery system which is used in the process of making and taking delivery of cocoa, coffee, wheat and white sugar (and bonds).



## DELIVERY PROCEDURES: ICE NYH ULSD FUTURES CONTRACTS

PART FF: ICE FUTURES NEW YORK HARBOUR ULTRA LOW SULPHUR DIESEL FUTURES (“ICE NYH ULSD FUTURES CONTRACT”), ICE FUTURES EUROPE NEW YORK HARBOUR ULTRA LOW SULPHUR HEATING OIL FUTURES (“ICE NYH ULSHO FUTURES CONTRACT”)

### 1. APPLICABILITY AND DEFINITIONS

1.1 This Part FF applies to all physically deliverable ICE NYH ULSD Futures Contracts and ICE NYH ULSHO Futures Contracts for which physical delivery is specified as applicable in the relevant contract terms and which go to physical delivery on the expiry date. Such ICE Futures Europe contracts are referred to in this part as “ICE NYH ULSD Futures Contracts”.

1.2 For the avoidance of doubt, the two ICE NYH ULSD Futures Contracts remain separate Contracts and the various forms required to support the delivery of each of the Contracts need to clearly reference the Contract to which they refer. There is no fungibility between the two contracts and / or the underlying Product.

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

- (a) “ADP” means an alternative delivery procedure as may be agreed between the Buyer and the Seller, as further detailed in Section 1.11 of the Delivery Procedures;
- (b) “Business Day” means, for the purposes of these Delivery Procedures, a day on which the Clearing House and the Terminals are open for business;
- (c) “Delivery Confirmation Form” means the form specified in Section 5 of these Delivery Procedures;
- (d) “Delivery Nomination Form” means the form specified in Section 5 of these Delivery Procedures;
- (e) “Delivery Range Nomination Form” means the form specified in Section 5 of these Delivery Procedures;
- (f) “ET” means the prevailing time in New York;
- (g) “Inspector” means an inspector selected or nominated in accordance with the ICE NYH ULSD Futures Contracts for the purposes of determining the quality and quantity of the Product;
- (h) “LPT” means the prevailing time in London, United Kingdom;
- (i) “Product” means fungible 15ppm ultra low sulphur diesel fuel in respect of the ICE NYH ULSD Futures Contract, and fungible 15ppm ultra low sulphur heating oil in respect of the ICE NYH ULSHO Futures Contract, meeting the specifications set out in the ICE NYH ULSD Futures Contracts;
- (j) “Revised Delivery Nomination Instructions” means the form specified in Section 5 of these Delivery Procedures; and
- (k) “Terminal” means a storage terminal, facility or installation in New York Harbour area and nominated as a delivery terminus under the ICE NYH ULSD Futures Contracts;

### 2. DELIVERY SPECIFICATION

#### 2.1 Scope

## DELIVERY PROCEDURES: ICE NYH ULSO FUTURES CONTRACTS

ICE NYH ULSO Futures Contracts are for the sale and delivery of the Product meeting the relevant contract specification set out in ICE Futures Europe Rules, by the Seller to the Buyer, via a recognised Terminal in New York Harbour, such facility as specified by the Seller. Delivery shall take place on a Business Day nominated by the Buyer within a five-day window as agreed by the Seller and the Buyer. Such day must fall between the sixth Business Day and the last Business Day of the Contract month inclusive.

### 2.2 Delivery Modes

The Buyer may choose from the following delivery options:

- (a) into Buyer's barge;
- (b) into Buyer's tanker;
- (c) by inter-tank transfer where there is a suitable connecting pipeline and the operator of the pipeline agrees, at Buyer's own expense (either between tanks in the Terminal nominated by the Seller or between a tank in that Terminal and a tank in a Terminal nominated by the Buyer);
- (d) by in-tank transfer without movement of the Product from the original in-tank location of the Product where the terms of business of the Terminal allow it, at Buyer's own expense.

To participate in a delivery, a minimum 25 lots threshold applies. For any deliveries below the 25 minimum lots requirement, the parties may undertake an ADP.

### 2.3 Quality

The Product delivered under the ICE NYH ULSO Futures Contracts shall be delivered in bulk and be free from all liens, encumbrances, unpaid taxes, fees, other charges and any other form of claim and shall conform to the specifications, as appropriate, described in ICE Futures Europe Rules.

### 2.4 Price

The price at which each ICE NYH ULSO Futures Contract is delivered is the Exchange Delivery Settlement Price (as defined in the ICE Futures Europe Rules) published on the Last Trading Day for the contract month.

### 2.5 Determination of Quantity and Quality

The quality and quantity of delivered Product is determined by an Inspector selected in accordance with the ICE NYH ULSO Futures Contracts to perform such determination.

### 2.6 Cessation of trading

Contracts of a particular set cease trading on the Last Trading Day, in accordance with the ICE NYH ULSO Futures Contracts.

### 2.7 Exchange for Physicals (EFPs)

In accordance with the ICE Futures Europe Rules, EFPs may be reported at any time after the close of trading up until 10:00 ET / 15:00 LPT on the next Business Day following the Last Trading Day.

## 3. ICE NYH ULSO FUTURES DELIVERY TIMETABLE

-  
Last Trading Day

**DELIVERY PROCEDURES: ICE NYH ULSO FUTURES CONTRACTS**

<u>Cessation of Trading</u>	<u>At 14:30 ET</u>	<u>Trading in ICE NYH ULSO Futures Contracts ceases.</u>
<b><u>Last Trading Day +1 Business Day</u></b>		
<u>EFPs</u>	<u>By 10:00 ET (15:00 LPT)</u>	<u>EFPs may be posted up until 10:00 ET (15:00 LPT) on the first Business Day after the Last Trading Day.</u>
<u>Expiry</u>	<u>By 11:00 ET</u> =	<u>All position maintenance must be performed by Clearing Members.</u>  <u>Sellers and Buyers must each submit to the Clearing House a Delivery Confirmation Form in relation to Contracts remaining open at 14:30 ET on Last Trading Day.</u>
	<u>At 11:00 ET</u>	<u>Sellers/Buyers are obliged to make/take delivery of all Contracts remaining open in the expiring contract month.</u>  <u>The MPFE report is available via ECS and MFT advising each Clearing Member of its delivery positions and obligations.</u>
	<u>After 11:00 ET</u>	<u>The Clearing House allocates lots to Sellers/Buyers by location at its sole discretion based on the Delivery Confirmation forms received, endeavouring to minimise the number of Clearing Members and locations involved, taking into account Buyers' and Seller's preferences for a Terminal and / or modes of delivery.</u>  <u>The Clearing House will notify each Seller of the Buyer(s) with whom it has been matched or allocated for each delivery location and instructing Sellers to deliver directly to Buyer(s) in accordance with the ICE Futures Europe Rules.</u>  <u>The Clearing House will send a notice to each Buyer identifying the Seller(s) and the delivery location(s).</u>
<b><u>Last Trading Day +2 Business Days</u></b>		
<u>Margin</u>	<u>By 09:00 LPT</u>	<u>Buyer's delivery Margin and Seller's delivery Margin shall be debited from Clearing Members that are Buyers and Clearing Members that are Sellers, respectively, for their deliverable positions.</u>  <u>Delivery Margin will be calculated by the Clearing House as undelivered volume (lots x 42,000) x an appropriate scanning range as determined by the Clearing House.</u>  <u>The Clearing House will collect Contingent Variation Margin from the Buyer's and the Seller's Clearing Member accounts for their respective deliverable positions.</u>
<b><u>Last Trading Day +2 to 4 Business Days</u></b>		
<u>Agreement of Delivery Detail</u>	<u>By 16:30 ET</u>	<u>Prior to providing the Delivery Range Nomination the Buyer shall verify and confirm in writing to the Seller, copying in the Clearing House, that the method of delivery conforms to the normal capabilities of the Seller's delivery facility with respect to all of the details to be provided in the Delivery Range Nomination Form.</u>
<u>Delivery Range Nomination</u>	<u>By 16:30 ET</u>	<u>Only after the agreed Delivery Range Nomination Form has been received in writing by the Seller and the Clearing House, the Buyer</u>

**DELIVERY PROCEDURES: ICE NYH ULSO FUTURES CONTRACTS**

		<p><u>must provide the Seller with a Delivery Range Nomination Form.</u></p> <p><u>If the Delivery Range Nomination Form is received on the 4th business day of the delivery month then the earliest possible five day range nomination will begin on the 7th business day of the delivery month.</u></p>
<b><u>Last Trading Day +3 Business Days onwards</u></b>		
<u>Delivery Nomination</u>	<u>By 10:30 ET</u>	<p><u>Buyer provides a Delivery Nomination Form to the Seller, with a copy to the Clearing House. The Delivery Nomination Form must be provided not less than two full calendar days prior to the delivery date. In the event of the Delivery Nomination Form being received by the Seller after 10.30 ET, it shall be deemed to have been received on the following calendar day.</u></p> <p><u>The ICE NYH ULSO Futures Delivery Day Nomination Table in paragraph 3 of this Part FF sets out the appropriate day to submit a nomination for a specific delivery day.</u></p>
	<u>By 16:30 ET</u>	<p><u>On the day of the receipt of the Delivery Nomination Form, the Seller shall confirm its acceptance or rejection of the Buyer's nomination to the Buyer and the Clearing House.</u></p> <p><u>Any rejection notice must be accompanied by specific reasons justifying this together with any relevant evidence. The Seller may not reject a nomination for frivolous or vexatious reasons, which shall include rejection of details which do not result in rejection of the nomination by the Seller's Terminal and obvious clerical errors</u></p> <p><u>If the Seller fails to provide supporting evidence or proof of rejection, Seller is deemed to have accepted the Buyer's nomination.</u></p>
<u>Revised Delivery Nomination</u>	<u>By 10:30 ET on third Business Day following day of receiving rejection</u>	<p><u>If the Seller rejects the nomination, Buyer must provide Revised Delivery Nomination Instructions to the Seller, with a copy to the Clearing House, which must be provided at least two business days prior to the last calendar day of the delivery month.</u></p> <p><u>If received by Selling Clearing Member after 10:30 ET then the Revised Delivery Nomination is deemed to have been received the following Business Day.</u></p>
	<u>By 16:30 ET on the day of receiving Revised Delivery Nomination Instructions</u>	<p><u>Seller must confirm or reject the Buyer's Revised Delivery Nomination Instructions. Any rejection notice provided to the Buyer, with a copy to the Clearing house, must be accompanied by specific reasons justifying this together with any relevant evidence.</u></p>
<b><u>1 Business Day prior to first day of Delivery Range</u></b>		
<u>Margin</u>	<u>By 09:00 LPT</u>	<p><u>Delivery Margin increases to full contract value for the Buyer; the Clearing House will debit the Buyer's account accordingly. Contingent variation Margin requirements end for the Buyer.</u></p>
<b><u>Delivery Date</u></b>		
<u>Delivery Date</u>	<p><u>The barge shall be loaded on a first come first served basis, and any costs incurred (including demurrage) shall be calculated in accordance with industry market practice.</u></p>	

**DELIVERY PROCEDURES: ICE NYH ULSO FUTURES CONTRACTS**

In the event that the barge is presented ready to load and the Seller has made the Product ready for delivery, both within the agreed delivery range, but loading has not been completed by the last day of the delivery range there shall be an extension of 24 hours provided the Seller can show, supported by evidence from the Terminal through which delivery is to be made, that it has made the Product ready for delivery but loading has been prevented by operational factors.

Such evidence shall be copied to the Clearing House.

In the event that delay exceeds 24 hours, the party responsible for the delay may be in default, if so declared by the Clearing House.

The above delivery provisions shall apply, mutatis mutandis, to deliveries by tanker, inter-tank transfers and in-tank transfers without movement of the Product.

**Final Settlement Per Nomination**

<u>Receipt of documents by the Clearing House</u>	<u>By 11:00 ET</u>	<p><u>Seller shall lodge the following delivery documents with the Clearing House:</u></p> <ul style="list-style-type: none"> <li><u>(i) the Inspector's certificates of quality and quantity (or a copy thereof), if not previously submitted;</u></li> <li><u>(ii) in the case of delivery into barge, the barge delivery notes or negotiable set of bills of lading (or a copy thereof);</u></li> <li><u>(iii) in the case of delivery by inter-tank transfer, a document satisfactorily evidencing the movement of Product into the Buyer's tank, issued by the operator of the Buyer's tank and naming the supplier or the supplying Terminal (where different from the receiving Terminal) and the receiver;</u></li> <li><u>(iv) in the case of delivery in-tank without movement of Product, a document satisfactorily evidencing the transfer title, issued by the Terminal and naming at least the receiver.</u></li> </ul> <p><u>Seller shall use reasonable endeavours to provide any additional customary documentation reasonably requested by the Buyer and / or the Clearing House.</u></p> <p><u>In the event of non-availability of any of the documents listed above, Seller may substitute a letter of indemnity in favour of the Buyer in a form and from a bank approved from time to time by the Clearing House pending the availability of such document.</u></p> <p><u>Any documents received by the Clearing House after 11:00 ET will be deemed to be received on the following Business Day.</u></p>
	<u>Document Receipt Day</u>	
	<u>By 16:00 ET</u>	<u>The Clearing House advises the Seller of the account sale amount. The Clearing House advises the Buyer of document availability and the invoice amount and that payment will take place the next Business Day.</u>

**Document receipt day +1 Business Day (if received before 11:00 ET)**

<u>Payment</u>	<u>By 09:00 LPT</u>	<p><u>The Buyer pays the invoice amount to the Clearing House. Buyer's security is released as part of the payment transaction.</u></p> <p><u>The account sale amount is credited to the Seller.</u></p> <p><u>Any additional payments resulting from volume tolerance differences or</u></p>
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		<u>demurrage are to be settled bilaterally and outside the Clearing House.</u>
	<u>After 09:00 LPT</u>	<u>Buyer collects invoice and related delivery documents from the Clearing House. Buyer signs a receipt to confirm acceptance of the invoice and related delivery documents. See paragraph 5 of this Part [FF] for invoice details.</u>
<b><u>Document receipt day +2 Business Days</u></b>		
<u>Release of Seller's Margin</u>		<u>Seller's Delivery Margin and Contingent Variation Margin are released.</u>

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<b><u>ADP</u></b>		
<u>ADP</u>	<u>By 10:00 ET</u>	<p><u>In the event that the Seller and Buyer agree delivery of Product of a specification other than that provided for or in a manner or at a place or on terms other than those specified in the ICE Futures Europe Rules, they shall each immediately give notice of that fact to the Clearing House by submitting the ICE NYH ULSO Futures: Confirmation of Agreed ADP Form. Such forms must be submitted by 10:00 ET.</u></p> <p><u>On receipt of both forms, the Clearing House will remove the lots from delivery and return any associated Margins held.</u></p> <p><u>Any agreed ICE NYH ULSO Futures: Confirmation of Agreed ADP Form received after 10:00 ET will be deemed to be received the next business day, and lots will be removed by the Clearing House on that day.</u></p> <p><u>All ADPs will be processed by the Clearing House at the relevant Exchange Delivery Settlement Price. Any additional amounts payable between the parties shall be settled directly between the Seller and Buyer without involvement of the Clearing House.</u></p> <p><u>Buyer's security, Delivery Margin and/or Contingent Variation Margin will be returned overnight for value on the following Business Day.</u></p>

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**4. ICE NYH ULSO FUTURES DELIVERY DAY NOMINATION TABLE**

The table below indicates the deadlines for the receipt of an ICE NYH ULSO Futures: Delivery Day Nomination-Vessel or ICE NYH ULSO Futures: Delivery Day Nomination-In Tank / Inter-Tank by the Clearing House.

D        ≡        Nominated Delivery Day  
R        ≡        Day by which nomination must be received (by 10:30 ET)

For example: in the first line below, the nominated Delivery Day is Thursday and the deadline for receipt of the nomination is 10:30 ET on the previous Monday.

<u>Mon</u>	<u>Tues</u>	<u>Wed</u>	<u>Thurs</u>	<u>Fri</u>	<u>Sat</u>	<u>Sun</u>	<u>Mon</u>	<u>Tues</u>	<u>Wed</u>
<u>R</u>			<u>D</u>						
	<u>R</u>			<u>D</u>					
		<u>R</u>			<u>D</u>				
			<u>R</u>			<u>D</u>			
				<u>R</u>			<u>D</u>		
				<u>R</u>				<u>D</u>	
				<u>R</u>					<u>D</u>

If the Monday is a non-Business Day, the deadline for receipt of nomination for the following Thursday is the previous Friday instead of the Monday.

These days may vary over UK and US holiday days.

**5. DELIVERY DOCUMENTATION SUMMARY**

<i><u>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full</u></i>		
<u>Name of Delivery Document</u>	<u>Explanation</u>	<u>Timing</u>
<u>ICE NYH ULSO Futures: Buyer's Delivery Confirmation Form</u>	<p><u>This form must be completed in full for all Contracts subject to delivery.</u></p> <p><u>Buyer's Delivery Confirmation Form must include:</u></p> <ul style="list-style-type: none"> <li><u>(i) name(s) of underlying client(s);</u></li> <li><u>(ii) the Contract (or Contracts) against which it is given;</u></li> <li><u>(iii) names of the three inspectors proposed by the Buyer, specifying the Buyer's order of preference;</u></li> <li><u>(iv) in relation to all or some of the deliveries, the name and location of one or more preferred Terminals in which the Buyer would like to take delivery; and</u></li> <li><u>(v) any other relevant information.</u></li> </ul> <p><u>The Buyer's preferences for the Terminal and mode of delivery listed in the Delivery Confirmation Form will be an indication of preference only and not be binding on the Clearing House.</u></p>	<u>By 11:00 ET on the Last Trading Day +1 Business Day</u>
<u>ICE NYH ULSO Futures: Seller's Delivery Confirmation Form</u>	<p><u>This form must be completed in full for all Contracts subject to delivery.</u></p> <p><u>Seller's Delivery Confirmation Form must include:</u></p> <ul style="list-style-type: none"> <li><u>(i) name(s) of underlying client(s) or whether the</u></li> </ul>	<u>By 11:00 ET on the Last Trading Day +1 Business Day</u>

**DELIVERY PROCEDURES: ICE NYH ULSO FUTURES CONTRACTS**

<b><u>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full</u></b>		
<b><u>Name of Delivery Document</u></b>	<b><u>Explanation</u></b>	<b><u>Timing</u></b>
	<p><u>Seller is acting for its own account;</u></p> <p><u>(ii) the Contract (or Contracts) against which it is made;</u></p> <p><u>(iii) the total number of lots making up each delivery;</u></p> <p><u>(iv) in respect of each delivery, the name and location of the Terminal within the delivery area in which the Seller will make delivery; and</u></p> <p><u>(v) any other relevant information.</u></p>	
<b><u>ICE NYH ULSO Futures: Agreement of Delivery Detail</u></b>	<u>This notice is submitted by the Buyer to the Seller, with a copy to the Clearing House, confirming method of delivery conforms to normal capabilities of the Seller's delivery facility with respect to manner of delivery and quantity.</u>	<u>By 16:30 ET on Last Trading Day +2 to +4 Business Days, but before submission of Delivery Range Nomination Form</u>
<b><u>ICE NYH ULSO Futures: Delivery Range Nomination Form</u></b>	<p><u>This notice is submitted by the Buyer to the Seller, with a copy to the Clearing House, confirming:</u></p> <p><u>(i) Seller's name (and Clearing member if different from the Seller);</u></p> <p><u>(ii) tender number;</u></p> <p><u>(iii) the Contract (or Contracts) against which it is given;</u></p> <p><u>(iv) the name of the Terminal within the delivery location in which delivery will be made/taken;</u></p> <p><u>(v) Inspector's name;</u></p> <p><u>(vi) the Buyer's preferred consecutive five-day delivery range;</u></p> <p><u>(vii) the Buyer's normal documentary requirements in addition to those mentioned in Rule 7C2.11, which may not be unreasonably requested; and</u></p> <p><u>(viii) any additional information that may be required by the Clearing House..</u></p>	<u>By 16:30 ET on Last Trading Day +2 to +4 Business Days</u>
<b><u>ICE NYH ULSO Futures: Delivery Nomination Form</u></b>	<p><u>This notice is submitted by the Buyer to the Seller, with a copy to the Clearing House, confirming:</u></p> <p><u>(i) the name of the Seller;</u></p> <p><u>(ii) tender number;</u></p> <p><u>(iii) the Contract (or Contracts) against which it is given;</u></p> <p><u>(iv) the name of the Terminal within the delivery location in which delivery will be made/taken;</u></p> <p><u>(v) delivery method;</u></p> <p><u>(vi) name and registration number of proposed carrier (e.g. barge or tanker) and the approximate size of the carrier where applicable;</u></p> <p><u>(vii) for inter-tank transfer, the name of receiving</u></p>	<p><u>By 10:30 ET on Last Trading Day +3 Business Days onwards</u></p> <p><u>By 16:30 ET on the day of receipt of Delivery Nomination Form</u></p>



**DELIVERY PROCEDURES: ICE NYH ULSO FUTURES CONTRACTS**

<b><u>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full</u></b>		
<b><u>Name of Delivery Document</u></b>	<b><u>Explanation</u></b>	<b><u>Timing</u></b>
	<u>facility;</u> <u>(viii) the nominated delivery day and approximate time for initiating delivery;</u> <u>(ix) name of the Inspector; and</u> <u>(x) any additional information that may be required by the Clearing House.</u>  <u>The Seller must complete and return to the Buyer, with a copy to the Clearing House, relevant section of the form confirming the Seller's acceptance or rejection of the nomination.</u>	
<b><u>ICE NYH ULSO Futures: Confirmation of Agreed ADP Form</u></b>	<u>This form is submitted by both Buyers and Sellers to the Clearing House confirming their agreement to the ADP and the number of lots.</u>	<u>Any time before the completion of delivery</u>

**6. INVOICE**

**6.1 Invoice Calculation**

The Clearing House will invoice basis the full contract value

Contract Volume x Delivery Settlement Price x Contract Size (Gallons) = Full Contract Value

1 lot x 2.0000 x 42,000 = USD 84,000.00

**6.2 Delivery Tolerance**

A delivery tolerance of plus or minus 2% of the contract volume is permitted. Notwithstanding the tolerance permitted under the Contract, the Clearing House will invoice the parties on a full lots basis; any Product delivered as part of the tolerance level will be accounted separately between the Buyer and the Seller.

Based upon 1 lot delivery

Maximum tolerance = 1 x 42,000 gallons plus 2% = 42,840 gallons

Minimum tolerance = 1 x 42,000 gallons minus 2% = 41,160 gallons

<b>Summary report:</b>	
<b>Litera® Change-Pro for Word 10.7.0.7 Document comparison done on 10/07/2019 10:30:21</b>	
<b>Style name:</b> Shearman & Sterling	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> dm://LNDOCS01/1150274/1	
<b>Modified DMS:</b> dm://LNDOCS01/1150274/2	
<b>Changes:</b>	
Add	173
Delete	64
Move From	0
Move To	0
Table Insert	4
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>241</b>