

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): _____

Organization: ICE Clear Europe Limited

Filing as a: DCM SEF DCO SDR Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 09/12/2014 Filing Description:

ICE Clear Europe submits for self-certification amendments to the Clearing Rules and Procedures to transition the trading of certain cleared financials and softs commodity contracts from the LIFFE Administration & Management market to ICE Futures Europe.

SPECIFY FILING TYPE Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | |
|--|------------|
| <input checked="" type="checkbox"/> Certification | § 40.6(a) |
| <input type="checkbox"/> Approval | § 40.5(a) |
| <input type="checkbox"/> Notification | § 40.6(d) |
| <input type="checkbox"/> Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: Parts 1, 2, 4, 9, 11, 12 and 21 of the ICE Clear Europe Clearing Rules and various ICE Clear Europe Procedures.

New Product

Please note only ONE product per Submission.

- | | |
|--|------------|
| <input type="checkbox"/> Certification | § 40.2(a) |
| <input type="checkbox"/> Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> Approval | § 40.3(a) |
| <input type="checkbox"/> Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> Swap Submission | § 39.5 |

Official Product Name: _____

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | |
|--|----------------------|
| <input type="checkbox"/> Certification | § 40.6(a) |
| <input type="checkbox"/> Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> Approval | § 40.5(a) |
| <input type="checkbox"/> Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> Approval Security Futures | § 41.24(b) |
| <input type="checkbox"/> Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> "Non-Material Agricultural Rule Change" | § 40.4(b)(5) |
| <input type="checkbox"/> Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected: _____

Rule Numbers: _____



September 12, 2014

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

By Email: submissions@cftc.gov

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6:
Amendments Relating to LIFFE Financials and Softs Contracts

Dear Mr. Kirkpatrick:

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

Concise Explanation and Analysis

As has been publicly announced, IntercontinentalExchange Group, Inc. has determined to transition the trading of certain cleared financials and softs commodity contracts from the LIFFE Administration & Management (“LIFFE”) market to ICE Futures Europe. ICE Clear Europe currently acts as the clearing organization for such contracts and will continue to be the clearing organization for such contracts following the transition. The contracts consist of futures and options contracts involving financial instruments (including interest rate futures and option contracts and equity futures and option contracts) and so-called “soft” commodities (including futures and option contracts on cocoa, wheat, coffee and sugar) (collectively, “financials and softs contracts”). It is expected that the transition will occur in several stages commencing in late September 2014.

In connection with the transition, ICE Clear Europe hereby submits certain amendments to its Rules and Procedures to reflect the change in trading market and make various related conforming changes. The amendments revise Parts 1, 2, 4, 9, 11 and 12 of the Rules and adopt a new Part 21 of the Rules. ICE Clear Europe also submits certain conforming changes to its Procedures, including the Clearing Procedures, Finance Procedures, Delivery Procedures, General Contract Terms, Complaint Resolution Procedures and FX Procedures.

Throughout the Rules and Procedures, references to “LIFFE Contracts” and related definitions referring to “LIFFE” have been changed to “Financials & Softs Contracts” and corresponding related terms, as described herein. Accordingly, the current LIFFE segment of the F&O product category will become known as the Financials & Softs segment of the F&O product category. During the transition period, the Financials & Softs segment will include both those former LIFFE contracts that have transitioned to trading on ICE Futures Europe and those LIFFE contracts that have not yet been transferred.

Part 1 of the Rules is modified to add new defined terms and revise existing definitions in connection with the transition. A new set of Financials & Softs related definitions has been added based on the existing LIFFE contract related definitions, which are substantially the same as the corresponding definitions for LIFFE products, but reflect the fact that Financials & Softs contracts will be traded on ICE Futures Europe and, prior to the transition, on LIFFE. Certain other definitions have been added to address particular LIFFE trading functionalities. Various other conforming changes to definitions have been made.

In Parts 2 and 4 of the Rules various conforming changes are made to refer to Financials & Softs Transactions, Contracts and Clearing Members instead of LIFFE Transactions, Contracts and Clearing Members, as appropriate. In Parts 9 and 11 of the Rules, various conforming references to defined terms referencing LIFFE have been changed to Financials & Softs. The amendments also revise Part 12 of the Rules, which addresses UK Settlement Finality Regulations and the Companies Act 1989, to refer to Financials & Softs transactions.

The amendments include a new Part 21 of the Rules, which adopts transitional provisions for the LIFFE Contracts moving to ICE Futures Europe. Rule 2101 adopts definitions for the various stages of the transition and the particular contracts being moved to ICE Futures Europe. Rule 2102 provides that the transition of trading will occur for each stage of the transition at the specified transition time. Rule 2103 provides for the redesignation of contracts as Financials & Softs Contracts for purposes of the Rules.

In the Clearing Procedures, Finance Procedures, General Contract Terms and Complaint Resolution Procedures and FX Procedures, various provisions have been revised to refer to “Financials & Softs” instead of LIFFE, together with related conforming changes to defined terms.

ICE Clear Europe also proposes to make other conforming changes to the Delivery Procedures, including addition of references to ICE Futures Europe and the ICE Futures Europe Rules as appropriate. Certain references to LIFFE contract terms have been changed to reflect the transition to ICE Futures Europe.

In the General Contract Terms, certain other conforming changes to defined terms have been made. The “Waiver” and “Entire Agreement” provisions in new paragraphs 3(o) and (p) were inadvertently deleted from a prior amendment and are reinstated in relevant part.

Compliance with the Act and Commission Regulations

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

- *Participant and Product Eligibility.* The contracts being moved from LIFFE to ICE Futures Europe are currently cleared by ICE Clear Europe and will continue to be cleared by ICE Clear Europe following the transition, consistent with ICE Clear Europe’s standards for determining the eligibility of contracts for clearing and the requirements of Core Principle C and Commission regulations. The existing clearing arrangements for such contracts and related financial safeguards, protections, settlement procedures, clearing membership standards and default management procedures for such contracts will continue to apply. As a result, ICE Clear Europe believes that the amendments are consistent with the requirements of Core Principle C and Commission Rule 39.12.
- *Risk Management.* As noted above, the transitioning contracts will remain subject to ICE Clear Europe’s existing risk management policies and procedures for such contracts, which are consistent with the requirements of Core Principle D and Commission Rule 39.13.
- *Settlement Procedures.* Similarly, ICE Clear Europe’s current settlement framework (including for physical delivery) for the transitioning contracts will continue to apply under the amended Rules and Procedures, consistent with the requirements of Core Principle E and Commission Rule 39.15.
- *Default Management.* ICE Clear Europe’s existing default rules and default management policies will also continue to apply to the transitioning contracts under the amended Rules and Procedures, consistent with the requirements of Core Principle G and Commission Rule 39.16.

ICE Clear Europe hereby certifies that the changes 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 patrick.davis@theice.com or +44 20 7065 7738, Dee Blake, Director

of Regulation, at dee.blake@theice.com or +44 20 7065 7752 or Paul Swann,
President & Managing Director, at paul.swann@theice.com or
+44 20 7065 7700.

Very truly yours,

A handwritten signature in black ink, appearing to read 'P. Davis', with a large, stylized initial 'P'.

Patrick Davis
Head of Legal and Company Secretary



ICE Clear Europesm

Clearing Rules

Part 1 General Provisions

Rule 101 *Definitions*

The term "**Acceptance Notice**" has the meaning set out in the CDS Procedures.

The term "**Account**" means a Customer Account of a particular Contract Category, a Proprietary Account or an Individually Segregated Sponsored Account.

The term "**Accounting Standards**" means applicable accounting standards and principles.

The term "**Affected Customer**" means a Customer in respect of whom Applicable Laws in the Customer's jurisdiction of establishment or applicable in the context of activity on a relevant trading platform do not prevent or prohibit a Customer Account providing individual client segregation and a Customer Account providing omnibus client segregation (in the manner set out in Articles 39 and 48 of EMIR) being provided to the Customer.

The term "**Affected FM Party**" means a Person prevented, hindered or delayed by a Force Majeure Event.

The term "**Affiliated Person**" or "**Affiliate**" means, with respect to any specified Person, any other Person that Controls, is Controlled by, or is under common Control with, such specified Person.

The term "**Appeals Panel**" means the panel at which an appeal of a decision of a Disciplinary Panel is heard pursuant to Rule 1005.

The term "**Applicable Law**" means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, regulatory requirement, judgment or decision of a Governmental Authority and, for the avoidance of doubt, includes all the provisions of EMIR, the FCA Rules, the PRA Rules, rules, regulations, guidance and approach documents of the Bank of England, the CEA, the rules and regulations of the CFTC, the Exchange Act, the rules and regulations of the SEC, any rules or regulations of any other Regulatory Authority and applicable insolvency law (including the U.S. Bankruptcy Code).

The term "**Approved Financial Institution**" means a credit institution, bank, trust company or other institution which is an "institution" as defined in the Settlement Finality Regulations and which has been designated as an approved financial institution by the Clearing House for purposes of making and receiving cash transfers to and from the Clearing House and Payment Transfer Orders.

The term "**Assessment Contribution**" means an F&O Assessment Contribution, a CDS Assessment Contribution or an FX Assessment Contribution.

The term "**Banking Consolidation Directive**" means Directive 2006/48/EC.

The term "**Bankruptcy**" means, in relation to a Person, where that Person: (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it, by a Governmental Authority with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such Governmental Authority; (v) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in (iv) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (vi) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vii) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (viii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (ix) causes or is subject to any event with respect to it which, under the Applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in (i) to (viii) above; or (x) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts. For the purposes of this definition and for the avoidance of doubt, "Person", in the case of a CDS Clearing Member or Sponsored Principal in respect of CDS Clearing, includes any Office (as defined in the CDS Procedures) which the Clearing House and the CDS Clearing Member or Sponsored Principal have agreed pursuant to paragraph 8.2(b)(i) of the CDS Procedures that the CDS Clearing Member or Sponsored Principal may enter into a CDS Contract through or have an open CDS Contract recorded in the name of, or any Office of such CDS Clearing Member or Sponsored Principal through which it is acting.

The term "**Basis Trades**" means 'basis trades' under the LIFFE Rules and/or the ICE Futures Europe Rules.

The term "**BClear**" means ~~at~~the service operated by LIFFE and/or ICE Futures Europe which enables LIFFE Financials & Softs Clearing Members to report certain trades that have been made bilaterally in the over-the-counter market, to LIFFE or ICE Futures Europe, as applicable, for the purposes of the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

The term "**Bilateral CDS Transaction**" means: (i) a CDS transaction between two CDS Clearing Members (or, to the extent permitted in the CDS Procedures, involving the same CDS Clearing Member acting in two different capacities); or (ii) a CDS transaction between a CDS Clearing Member and an Affiliate of the same or a different CDS Clearing Member; or (iii) a

The term "**Circular**" means a publication issued by the Clearing House for the attention of all Clearing Members and posted on the Clearing House's website in accordance with Rule 109(g).

The term "**Clearing**" means the central counterparty and, where relevant, related risk, Open Contract Position, Margin, settlement, delivery, administrative, acceptance, transaction data, settlement price establishment and other functions of the Clearing House pursuant to these Rules.

The term "**Clearing House**" means ICE Clear Europe Limited, a company registered in England & Wales with registered number 06219884.

The term "**Clearing House Account**" means an account of the Clearing House at an Approved Financial Institution.

The term "**Clearing House CDS Contributions**" means the Clearing House CDS GF Contribution and the Clearing House CDS Initial Contribution.

The term "**Clearing House CDS GF Contribution**" means amounts allocated by the Clearing House as being available to be applied following an Event of Default in accordance with Rule 908(c)(iii)(B) or Rule 908(g)(iii)(C) and as maintained pursuant to Rule 1103(f) including, where the context so requires, any proceeds of realisation of the same.

The term "**Clearing House CDS Initial Contribution**" means amounts allocated by the Clearing House as being available to be applied following an Event of Default in accordance with Rule 908(c)(ii) or Rule 908(g)(ii)(B) and as maintained pursuant to Rule 1103(f) including, where the context so requires, any proceeds of realisation of the same.

The term "**Clearing House Contributions**" means the Clearing House F&O Contributions, the Clearing House CDS Contributions and the Clearing House FX Contributions.

The term "**Clearing House F&O Contributions**" means the Clearing House F&O GF Contribution and the Clearing House F&O Initial Contribution.

The term "**Clearing House F&O GF Contribution**" means amounts allocated by the Clearing House as being available to be applied following an Event of Default in accordance with Rule 908(b)(iii)(B) or Rule 908(g)(iii)(B) and as maintained pursuant to Rule 1103(f) including, where the context so requires, any proceeds of realisation of the same.

The term "**Clearing House F&O GF (Energy) Contribution**" means that portion of the Clearing House F&O GF Contribution as is allocated by the Clearing House as applying primarily to Energy Contracts and residually to [LIFFE Financials & Softs](#) Contracts.

The term "**Clearing House F&O GF (~~LIFFE~~ Financials & Softs) Contribution**" means that portion of the Clearing House F&O GF Contribution as is allocated by the Clearing House as applying primarily to [LIFFE Financials & Softs](#) Contracts and residually to Energy Contracts.

The term "**Clearing House F&O Initial Contribution**" means amounts allocated by the Clearing House as being available to be applied following an Event of Default in accordance

with Rule 908(b)(ii) or Rule 908(g)(ii)(A) and as maintained pursuant to Rule 1103(f) including, where the context so requires, any proceeds of realisation of the same.

The term "**Clearing House F&O Initial (Energy) Contribution**" means that portion of the Clearing House F&O Initial Contribution as is allocated by the Clearing House as applying primarily to Energy Contracts and residually to [LIFFE Financials & Softs](#) Contracts.

The term "**Clearing House F&O Initial ([LIFFE Financials & Softs](#)) Contribution**" means that portion of the Clearing House F&O Initial Contribution as is allocated by the Clearing House as applying primarily to [LIFFE Financials & Softs](#) Contracts and residually to Energy Contracts.

The term "**Clearing House FX Contributions**" means the Clearing House FX GF Contribution and the Clearing House FX Initial Contribution.

The term "**Clearing House FX GF Contribution**" means amounts allocated by the Clearing House as being available to be applied following an Event of Default in accordance with Rule 908(d)(iii)(B) or Rule 908(g)(iii)(D) and as maintained pursuant to Rule 1103(f) including, where the context so requires, any proceeds of realisation of the same.

The term "**Clearing House FX Initial Contribution**" means amounts allocated by the Clearing House as being available to be applied following an Event of Default in accordance with Rule 908(d)(ii) or Rule 908(g)(ii)(C) and as maintained pursuant to Rule 1103(e) including, where the context so requires, any proceeds of realisation of the same.

The term "**Clearing Member**" means a Person which has entered into a Clearing Membership Agreement with the Clearing House and which has been admitted as a clearing member pursuant to Part 2 of these Rules.

The term "**Clearing Member-Required Additional Margin**" has the meaning set out in the relevant Standard Terms.

The term "**Clearing Membership Agreement**" means an agreement between the Clearing House and a Clearing Member under which, *inter alia*, the Clearing House agrees to provide Clearing in respect of Contracts to that Clearing Member and that Clearing Member agrees to be bound by and subject to these Rules. Without prejudice to the generality of Rule 102(b) or to the effectiveness of any other agreement between a Clearing House and a Clearing Member, for the avoidance of doubt, for Clearing Members that have executed a Pledged Collateral Addendum, the relevant Clearing Membership Agreement will be interpreted as amended by that Pledged Collateral Addendum.

The term "**Clearing Organisation**" means any clearing house duly authorised, regulated, recognised or licensed under Applicable Laws in any jurisdiction, including any recognised clearing house, recognised overseas clearing house, derivatives clearing organisation or similar entity.

The term "**Clearing Processing System**" means the clearing processing system for Energy Contracts, the universal clearing platform for [LIFFE Financials & Softs](#) Contracts and other clearing processing systems and platforms used by the Clearing House for F&O Contracts.

The term "**CLS Bank**" means CLS Bank International.

The term "**Collateral Offset Obligations**" means obligations of a Clearing Member arising pursuant to Rule 919 to pay the Clearing House, which offset obligations of the Clearing House to pay the Clearing Member or return assets in respect of Permitted Cover transferred or pledged to the Clearing House by the Clearing Member.

The term "**Concentration Bank**" means an Approved Financial Institution at which the Clearing House has an account or accounts for the purpose of making transfers between Clearing House Accounts.

The term "**Continuing CDS Rule Provisions**" means the Rules as in effect prior to the effectiveness of Circular C14/012 as of 1 February 2014, which Continuing CDS Rule Provisions will continue to be in effect with respect to the CDS Contract Category as set forth herein. The Continuing CDS Rule Provisions will be available on the Clearing House website at <http://www.theice.com> or a successor website identified by the Clearing House. For purposes of the Continuing CDS Rule Provisions, references in Rule 209 thereof to "LIFFE Contracts" shall be deemed to be references to "Financials & Softs Contracts" as defined herein.

The term "**Contract**" means a contract between the Clearing House and a Clearing Member (or Sponsored Principal) arising in accordance with these Rules, and as amended, subject to netting or aggregation in accordance with these Rules, the terms and conditions of which are the relevant Contract Terms.

The term "**Contract Category**" means any of the three categories of Contract cleared by the Clearing House which are linked to a specific Guaranty Fund, i.e. F&O Contracts, CDS Contracts and FX Contracts.

For the definition of the term "**Contract Position**", see 'Open Contract Position' below.

The term "**Contract Terms**" means all the terms and conditions of a Contract, as applicable, in: (i) the general conditions set out in the Contract Terms Procedures; (ii) (in relation to ICE Endex Contracts only) the ICE Endex Rules; (iii) (in relation to ICE Futures Europe Contracts only) the ICE Futures Europe Rules; (iv) (in relation to ICE Futures US Contracts only) the ICE Futures US Rules; (v) (in relation to ~~LIFFE~~ Financials & Softs Contracts only) the LIFFE Rules or the ICE Futures Europe Rules, as applicable; (vi) (except in relation to F&O Contracts which are settled only in cash) if such F&O Contract becomes deliverable or is a Contract of Sale, the relevant Delivery Procedures for the class of F&O Contract, the specified terms set out in the Contract Terms Procedures and ICE Endex Rules, ICE Futures Europe Rules, ICE Futures US Rules or LIFFE Rules, as applicable; (vii) for CDS Contracts, the terms specified pursuant to Rule 1502; and (viii) for FX Contracts, the general conditions set out in the Rules and Procedures.

The term "**Control**" means the rights and powers exercised over a Person by a Controller and its cognate terms shall be construed accordingly.

The term "**Controller**" has the meaning given to that term in section 422 of the FSMA.

The term "**EMIR**" (European Market Infrastructure Regulation) means Regulation (EU) No, 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and includes all delegated or implementing regulations, decisions and technical standards thereunder as interpreted in accordance with any applicable guidance publicly issued by ESMA or any Regulatory Authority.

The term "**Encumbrance**" means any claim, charge, mortgage, security, lien, equity, beneficial interest, power of sale, option or other right to purchase, usufruct, hypothecation, retention of title, right of pre-emption or other third party right or security interest of any kind or an agreement to create any of the foregoing.

The term "**Energy**" is used to refer to the Clearing of the ICE Endex, ICE Futures Europe and ICE Futures US Markets, [excluding the Clearing of Financials & Softs Contracts on the ICE Futures Europe market.](#)

The term "**Energy Clearing Member**" means a Clearing Member that is authorised by the Clearing House to become party to Energy Contracts.

The term "**Energy Contracts**" means Contracts resulting from the clearing of Energy Transactions.

The term "**Energy Transaction**" means an ICE Endex Transaction, ICE Futures Europe Transaction [\(excluding a Financials & Softs Transaction\)](#) or an ICE Futures US Transaction.

The term "**ESMA**" means the European Securities and Markets Authority or any successor entity.

The term "**EUR**" means the euro, or any other lawful currency that is a successor to it.

The term "**Event of Default**" has the meaning set out in Rule 901 and the term "**Default**" shall be construed accordingly.

The term "**Exchange**" means any exchange or similar body duly authorised, regulated, recognised or licensed (to the extent necessary) under Applicable Laws in any jurisdiction, including, but not limited to, any recognised investment exchange, recognised overseas investment exchange, designated investment exchange, designated contract market, national securities exchange, swap execution facility, security-based swap execution facility, exempt commercial market, regulated market, alternative trading system, multilateral trading facility, swap execution facility, organised trading facility, systematic internaliser, trade affirmation or confirmation platform or similar entity.

The term "**Exchange Act**" means the U.S. Securities Exchange Act of 1934.

The term "**Exchange Delivery Settlement Price**" or "**EDSP**" in respect of a Set of F&O Contracts or an F&O Contract, means the closing, delivery or cash settlement price determined pursuant to Rule 701.

The term "**F&O**" means futures and options and refers to the Clearing of Energy and [LIFFE Financials & Softs](#) products.

The term "**F&O Assessment Amount**" means the total amount of all F&O Assessment Contributions payable by F&O Clearing Members pursuant to Rule 909(a) in respect of an Event of Default.

The term "**F&O Assessment Contribution**" has the meaning set out in Rule 909(b).

The term "**F&O Clearing Member**" means a Clearing Member that is authorised by the Clearing House to become party to Energy Contracts or [LIFFE Financials & Softs](#) Contracts or both.

The term "**F&O Contract**" means an Energy Contract and/or a [LIFFE Financials & Softs](#) Contract.

The term "**F&O Default Amount**" has the meaning set out in Rule 908(e).

The term "**F&O Guaranty Fund**" means the guaranty fund established and maintained pursuant to Part 11 relating only to F&O Contracts.

The term "**F&O Guaranty Fund Contribution**" means a Guaranty Fund Contribution relating to the F&O Guaranty Fund.

The term "**F&O Standard Terms**" means the form of Customer-CM F&O Transactions Standard Terms as published by the Clearing House from time to time as an Exhibit to these Rules, but which do not form part of these Rules, which are applicable as between each Non-FCM/BD Clearing Member and each of its Customers in relation to F&O Clearing, as amended from time to time in accordance with the F&O Standard Terms.

The term "**F&O Transaction**" means an Energy Transaction and/or [LIFFE Financials & Softs](#) Transaction.

The term "**Failure To Pay**" means, in respect of a particular Contract Category, the failure of the Clearing House to make any payment when due (including the return of assets equivalent to any Pledged Collateral) pursuant to Part 3 of the Rules if such failure is not remedied on or before:

- (i) if no extension has been granted to the Clearing House pursuant to Rule 110(b) or Rule 110(c) prior to this date: the date falling 3 Business Days after notice of such failure is given to it by the Clearing Member or Sponsored Principal to whom such payment or return is due; or
- (ii) if an extension has been granted to the Clearing House as referred to in paragraph (i) of this definition, 10 a.m. on the next Business Day after service of a notice of that failure to the Clearing House by the Clearing Member or Sponsored Principal to whom such payment or return is due, provided that such notice is given no earlier than the final day of a period for which an extension has been granted to the Clearing House pursuant to Rule 110(b) or Rule 110(c),

The term "**Financially-Settled FX Contract**" means an FX Contract which provides for cash settlement in a single predetermined currency on the relevant FX Settlement Date based on the difference between the values on the FX Settlement Date of: (i) the purchase of an agreed amount in one currency by the Reference Currency Buyer from the Reference Currency Seller; and (ii) the purchase by the Reference Currency Seller of an agreed amount in a different currency from the Reference Currency Buyer. Each leg of an FX Swap may form the basis of FX Trade Particulars which, if eligible for Clearing and Cleared, would give rise to two Financially-Settled FX Contracts.

The term "**Financials & Softs**" is used to refer to the Clearing of Financials & Softs Contracts on the ICE Futures Europe and LIFFE Markets, as applicable.

The term "**Financials & Softs Block Contract**" means a Contract resulting from a Financials & Softs Block Transaction.

The term "**Financials & Softs Block Trade Facility**" means the block trade facility operated by LIFFE in accordance with the LIFFE Rules and the block trade facility operated by ICE Futures Europe in accordance with the ICE Futures Europe Rules, in each case for Financials & Softs Transactions.

The term "**Financials & Softs Block Transaction**" means an EFS, EFP, Soft Commodity EFRPs, Basis Trade, Financials & Softs Block Trade Facility Transaction or BClear Transaction reported through either LIFFE in accordance with the LIFFE Rules or ICE Futures Europe in accordance with the ICE Futures Europe Rules, as applicable.

The term "**Financials & Softs Clearing Member**" means a Clearing Member that is authorised by the Clearing House to become party to Financials & Softs Contracts and that is a clearing member of either LIFFE or ICE Futures Europe, as applicable.

The term "**Financials & Softs Contract**" means a Financials & Softs Block Contract or a Financials & Softs Matched Contract.

The term "**Financials & Softs Matched Contract**" means a Contract resulting from a Financials & Softs Matched Transaction.

The term "**Financials & Softs Matched Transaction**" means a Transaction that occurs or occurred on LIFFE in accordance with the LIFFE Rules or a Transaction in respect of Financials & Softs Contracts that occurs or occurred on ICE Futures Europe in accordance with the ICE Futures Europe Rules.

The term "**Financials & Softs Transaction**" means a Financials & Softs Matched Transaction or a Financials & Softs Block Transaction where the related trade particulars or data submitted or provided to the Clearing House, LIFFE or ICE Futures Europe by or on behalf of a Clearing Member or Clearing Members (including by any Representative) will give rise to a Contract or Contracts if the relevant circumstances specified in Rule 401(a) occur (or in such a case but where a Sponsored Principal takes the place of one or both of the relevant Clearing Members).

is cross-referenced herein, has the same meaning as that given to the term "Rules" in the rules of LIFFE, as amended from time to time.

~~The term "**LIFFE Transaction**" means a LIFFE Matched Transaction or a LIFFE Block Transaction, where the related trade particulars or data submitted or provided to the Clearing House or LIFFE by or on behalf of a Clearing Member or Clearing Members (including by any Representative) will give rise to a Contract or Contracts if the relevant circumstances specified in Rule 401(a) occur (or in such a case but where a Sponsored Principal takes the place of one or both of the relevant Clearing Members).~~

The term "**Long**", in respect of an Option, refers to the positions of Persons entitled to exercise Options.

The term "**Loss Assets**" means assets of the Clearing House of a value specified pursuant to Rule 919(p) which are intended to be applied towards Non-Default Losses or Investment Losses pursuant to Rule 919.

The term "**Margin**" means Permitted Cover required to be provided or actually provided (by way of title transfer pursuant to a Clearing Membership Agreement or Sponsored Principal Clearing Agreement or by way of pledge pursuant to a Pledged Collateral Addendum) to the Clearing House (or, in the case of Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin, provided to or by the Clearing House, as the context may require or, in the case of Variation Margin provided pursuant to a transfer of cash) pursuant to a requirement for Original Margin, Variation Margin, FX Original Margin, Initial Margin, Mark-to-Market Margin, FX Mark-to-Market Margin or any other requirement under the Rules or the Finance Procedures and includes, where the context so requires, any proceeds of realisation of the same.

The term "**Margin Account**" means a Proprietary Margin Account or Customer Margin Account.

The term "**Margin-flow Co-mingled Account**" means a kind of Customer Account of a Non-FCM/BD Clearing Member at the Clearing House for the recording of positions and related Margin, in which solely assets and positions and related Margin relating to a particular Customer (or a particular group of Customers) are recorded, enabling the Clearing House to distinguish the assets and positions recorded in such account from assets, positions and Margin relating to other Customers of the Clearing Member and from assets, positions and Margin relating to Sponsored Principals, but in respect of which transfers of Permitted Cover to and from the Clearing House are co-mingled or netted with transfers of Permitted Cover relating to other Margin-flow Co-mingled Accounts of the same Clearing Member in accordance with Rules 302(a)(v)-(vi) and 503(k). A Margin-flow Co-mingled Account may be an Account: (i) in which solely assets and positions and related Margin relating to a particular Customer are recorded, in which case it will be an "**Individually Segregated Margin-flow Co-mingled Account**" and result in 'individual client segregation' for purposes of EMIR; or (ii) in which assets and positions and related Margin relating to a group of Customers (such as, without limitation, Customers that are Affiliates of one another or Customers which are all funds managed by the same fund manager or fund managers that are Affiliates of one another) are recorded, in which case it will be an "**Omnibus**

Customer Bank Account is not and does not form part of a Customer Account. The term includes a similar account nominated by a Sponsored Principal in accordance with Rule 1901(b) and 1902, which must be linked to the relevant Individually Segregated Sponsored Account.

The term "**Nominated Proprietary Bank Account**" means an account of a Clearing Member at an Approved Financial Institution, nominated by the Clearing Member in accordance with the Finance Procedures, used by the Clearing Member for transfers to or from the Clearing House of amounts due in respect of a Proprietary Account, which may be designated for payments in respect of F&O Contracts, FX Contracts, CDS Contracts or any or all of them. For the avoidance of doubt, a Nominated Proprietary Bank Account is not and does not form part of a Proprietary Account.

The term "**Non-DCM/Swap**" means, in relation to an FCM/BD Clearing Member, a transaction or Contract that is not a U.S. Future, SBS or a Swap (as described in paragraphs (i) or (ii) of the definition thereof) and that is made on or subject to the rules of a "foreign board of trade" as defined in the CEA, which will include without limitation any such transaction or Contract that is an ICE Endex Transaction, an ICE Endex Contract, an ICE Futures Europe Transaction, an ICE Futures Europe Contract, a [LIFFE Financials & Softs](#) Transaction and a [LIFFE Financials & Softs](#) Contract.

The term "**Non-DCM/Swap Customer**", in respect of an FCM/BD Clearing Member, means a Customer with respect to a transaction or Contract that is a Non-DCM/Swap and which Customer is required by Applicable Laws to be treated as a Non-DCM/Swap Customer. A Person may be a Non-DCM/Swap Customer in relation to certain transactions or Contracts and another category of FCM/BD Customer in relation to other transactions or Contracts.

The term "**Non-DCM/Swap Customer Account**", in respect of an FCM/BD Clearing Member, means a kind of Customer Account with the Clearing House that is not a DCM Customer Account, Swap Customer Account or SBS Customer Account in relation to which the FCM/BD Clearing Member: (i) acts in its capacity as a clearing member in relation to Non-DCM/ Swaps (other than Permitted Co-mingled Contracts) connected with the provision of services to Non-DCM/Swap Customers; and (ii) enters into market contracts in the capacity of a clearing member in relation only to transactions connected with the provision of services to Non-DCM/Swap Customers.

The term "**Non-Default Losses**" means losses, liabilities, damages, costs, claims, shortfalls or expenses incurred or suffered by the Clearing House that are not Investment Losses, arising in connection with any event other than an Event of Default and which threaten the Clearing House's solvency.

The term "**Non-FCM/BD CDS Clearing Member**" means any CDS Clearing Member that is not an FCM/BD Clearing Member.

The term "**Non-FCM/BD Clearing Member**" means any Clearing Member that is not an FCM/BD Clearing Member.

The term "**Opening Days**" means the days upon which the Clearing House is operational, which may vary for different Contracts or between deliveries and other business, as notified by the Clearing House from time to time.

The term "**Opening Hours**" means the hours during which the Clearing House is operational, which may vary for different Contracts or between deliveries and other business, as notified by the Clearing House from time to time.

The term "**Option**" means an F&O Contract subject to Clearing by the Clearing House that is an 'option' under article 83 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or any economically similar Contract that is not an investment.

The term "**Original Margin**" means the Permitted Cover required to be provided or actually provided (by way of title transfer pursuant to a Clearing Membership Agreement or Sponsored Principal Clearing Agreement or by way of pledge pursuant to a Pledged Collateral Addendum) to the Clearing House as collateral for the obligations of a Clearing Member or Sponsored Principal in respect of F&O Contracts pursuant to Part 5 including any margin provided in relation to F&O Contracts pursuant to Rule 502(g), in each case as calculated or permitted to be called in accordance with the risk policies of the Clearing House, but excluding in any case Variation Margin, and including where the context so requires, any proceeds of realisation of the same.

The term "**Permitted Co-mingled Contract**" means, with respect to an FCM/BD Clearing Member, a Contract that is a Non-DCM/Swap which has been designated by the Clearing House by Circular and approved by the appropriate Regulatory Authority or Regulatory Authorities to be recorded in a Swap Customer Account or a DCM Customer Account, as applicable, rather than a Non-DCM/Swap Customer Account.

The term "**Permitted Cover**" means cash in Eligible Currencies and other assets determined by the Clearing House as permissible for Margin or Guaranty Fund Contributions and includes, where the context so requires, any such cash or assets transferred to the Clearing House and any proceeds of realisation of the same. A particular kind of currency or asset may be determined by the Clearing House to be Permitted Cover only in respect of Proprietary Accounts, particular kinds of Customer Accounts, Energy Contracts, [LIFPE Financials & Softs](#) Contracts, F&O Contracts, FX Contracts, CDS Contracts or certain Sets of Contracts.

The term "**Person**" means any individual, partnership, firm, body corporate, association, trust, unincorporated organisation or other entity, including:

- (a) an investment fund (*Sondervermögen*) within the meaning of the German Investment Act (*Investmentgesetz* – "**InvG**") or the German Investment Capital Act (*Kapitalanlagegesetzbuch* – "**KAGB**"), including a sub-fund (*Teilfonds*) within the meaning of section 34 para. (2) InvG or a sub-fund (*Teilsondervermögen*) within the meaning of section 96 para (2) KAGB; or
- (b) a fund segment of such investment fund;

Initial Payment, the 'Trade Date' and any provisions relating to tax or the provision of forms relating to tax);

- (d) for CDS Contracts that are based on a single reference entity, a set of Contracts that are similar as to their terms (including, without limitation, identical as to their terms concerning the reference entity and obligations to which any payment or delivery obligation is linked, fixed rate, scheduled termination date and, where terms are determined by reference to a "Physical Settlement Matrix", referring to the same version of such "Physical Settlement Matrix"; but which may differ, without limitation, as to any Initial Payment, the 'Trade Date' and any provisions relating to tax or the provision of forms relating to tax); and
- (e) for Financially-Settled FX Contracts: a set of Contracts that are identical as to their terms and economic characteristics (including the currency pair to which such Financially-Settled FX Contracts relate and their FX Settlement Date; but excluding any amount paid or to be paid for entry into or writing of the Financially-Settled FX Contract, any amount paid or to be paid in respect of settlement under the Financially-Settled FX Contract and the position of the FX Clearing Member or Clearing House as Reference Currency Buyer or Reference Currency Seller).

The term "**Settlement and Notices Terms**" means the Settlement and Notices Terms as published by the Clearing House from time to time as an Exhibit to these Rules, but which do not form part of these Rules, which are applicable in respect of CDS Contracts, Customer-CM CDS Transactions and clearing agreements or arrangements between FCM/BD CDS Clearing Members and their Customers, as amended from time to time in accordance with the terms thereof.

The term "**Settlement Finality Regulations**" means the Financial Markets and Insolvency (Settlement Finality) Regulations 1999.

The term "**Short**", in respect of an Option, refers to the positions of Persons against whom Put Options and Call Options may be exercised.

[The term "Soft Commodity EFRP" means 'Soft Commodity EFRP' as defined in the ICE Futures Europe Rules or 'AAs' as defined in the LIFFE Rules.](#)

The term "**Sponsor**" means a Clearing Member that has permission from the Clearing House to act as such, acting in its capacity as sponsor of an Individually Segregated Sponsored Account.

The term "**Sponsor Agreement**" means an agreement between a Sponsor and the Clearing House under which, *inter alia*, the Sponsor agrees to act as a Sponsor, the Sponsor agrees to be bound by and subject to these Rules in its capacity as such and pursuant to which the Sponsor nominates Sponsored Principals for whom it will act as Sponsor.

The term "**Sponsored Principal**" means the principal in respect of an Individually Segregated Sponsored Account. A Sponsored Principal must also be a client (as defined in EMIR) that is a Customer of the Sponsor and may be either a Segregated Customer or an Segregated TTFC Customer.

Procedures) and any other document incorporated by reference) (except Rules 301(h), (i), (j) or (k) only in the event of any conflict between any such provision on the one hand and any provision of the Contract Terms of a CDS Contract relating to tax on the other hand, in which case the relevant provision of the Contract Terms of the CDS Contract shall prevail; and except as provided in Rule 1518);

- (ii) the Clearing Membership Agreement;
- (iii) in relation to an Individually Segregated Sponsored Account, the Sponsored Principal Clearing Agreement;
- (iv) in relation to an Individually Segregated Sponsored Account, the Sponsor Agreement;
- (v) in the case of CDS Contracts only, the CDS Procedures;
- (vi) in the case of Energy Contracts traded on ICE Endex only, in relation to those aspects of the ICE Endex Rules that include Contract Terms only, the ICE Endex Rules;
- (vii) in the case of Energy Contracts traded on ICE Futures Europe only, in relation to those aspects of the ICE Futures Europe Rules that include Contract Terms only, the ICE Futures Europe Rules;
- (viii) in the case of Energy Contracts traded on ICE Futures US only, in relation to those aspects of the ICE Futures US Rules that include Contract Terms only, the ICE Futures US Rules;
- (ix) in the case of ~~LIFFE~~ [Financials & Softs](#) Contracts traded on LIFFE, in relation to those aspects of the LIFFE Rules that include Contract Terms only, the LIFFE Rules;
- (x) in the case of Financials & Softs Contracts traded on ICE Futures Europe, in relation to those aspects of the ICE Futures Europe Rules that include Contract Terms only, the ICE Futures Europe Rules;
- (xi) ~~(x)~~ in the case of F&O Contracts only, the Contract Terms other than those set out in these Rules or Market Rules (except as set out in Rule 102(f)(i)) (excluding the Rules and any other document incorporated by reference);
- (xii) ~~(xi)~~ the Procedures (excluding any Contract Terms set out in the Procedures) save to the extent included in (v);
- (xiii) ~~(xii)~~ Market Rules other than those referred to in (vi) to (ix) above (excluding any document described in Rule 102(f)(i) to (xi) incorporated by reference);
- (xiv) ~~(xiii)~~ any Guidance;

- (xv) ~~(xiv)~~ any Circular (except for a Circular communicating an amendment to any of the above documents in accordance with these Rules, in which case the amendments communicated in such Circular shall be binding on the effective date specified in the Circular as if such amendments were one of those documents);
- (xvi) ~~(xv)~~ in the case of CDS Contracts recorded in a Segregated Customer Omnibus Account For CDS or Segregated TTFCA Customer Omnibus Account For CDS, the CDS Standard Terms (solely to the extent that the CDS Standard Terms may be of interpretative relevance to the Rules or a CDS Contract);
- (xvii) ~~(xvi)~~ in the case of F&O Contracts recorded in a Segregated Customer Omnibus Account For F&O or Segregated TTFCA Customer Omnibus Account For F&O, the F&O Standard Terms (solely to the extent that the F&O Standard Terms may be of interpretative relevance to the Rules or an F&O Contract);
- (xviii) ~~(xvii)~~ in the case of FX Contracts recorded in a Segregated Customer Omnibus Account For FX or Segregated TTFCA Customer Omnibus Account For FX, the FX Standard Terms (solely to the extent that the FX Standard Terms may be of interpretative relevance to the Rules or an FX Contract); and
- (xix) ~~(xviii)~~ in the case of CDS Contracts and Customer-CM CDS Transactions, the Settlement and Notices Terms.
- (g) All Clearing Members must comply with the relevant provisions of EMIR and other Applicable Law when providing services to Customers. In particular, all Clearing Members must offer, at least, a choice of one Customer Account providing individual client segregation and one Customer Account providing omnibus client segregation (in the manner set out in Articles 39 and 48 of EMIR) to all Affected Customers. For a Clearing Member that is prevented or prohibited under Applicable Laws itself from providing such Customer Accounts to an Affected Customer, this offer must include, to the extent possible and practicable under Applicable Laws, an offer to procure the provision to the Affected Customer of such a Customer Account by another Clearing Member (which may be an Affiliate). Clearing Members must provide details of the costs and level of protection under individual versus omnibus segregation. A Clearing Member must record the choice of omnibus or individual client segregation made by each of its Customers in writing.
- (h) All references to timings or times of day are to London (UK) times, unless indicated otherwise. Business hours shall occur only on Business Days and shall be construed accordingly.
- (i) All references to "tax" shall include, without limitation, any tax, levy, impost, duty, or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying the same).

Part 2 Clearing Membership

This Part 2 does not apply to Sponsored Principals save to the extent expressly set out in Part 19.

Rule 201 *Clearing Membership Criteria*

- (a) In order to attain and maintain membership as a Clearing Member, a Person must, at a minimum, as from the date on which it is proposed that it becomes a Clearing Member:
- (i) have paid the Clearing House's (non-refundable) application fee (if applicable) and provided completed membership application forms;
 - (ii) (if proposing to become a Clearing Member in relation to ICE Endex Transactions) be a member of ICE Endex;
 - (iii) (if proposing to become a Clearing Member in relation to ICE Futures Europe Transactions) be a member of ICE Futures Europe;
 - (iv) (if proposing to become a Clearing Member in relation to ICE Futures US Transactions) be a member of ICE Futures US;
 - (v) be a user of or otherwise have access to at least one Repository (if any) for the Contracts it proposes to clear;
 - (vi) (if proposing to become a Clearing Member in relation to [LIFFE Financials & Softs Transactions that are made on or reported to LIFFE](#)) be a member of LIFFE;
 - (vii) have nominated a Person, satisfactory to the Clearing House, who is (A) a director, general partner, trustee or officer of the applicant (or Person occupying a similar status or performing similar functions), (B) responsible for the clearing operations of the applicant and (C) authorised to act on behalf of the applicant in all transactions with or involving the Clearing House, and have nominated a second Person who meets the requirements of (A) above and is authorised to act on behalf of the applicant in the event of the death, incapacity or other inability of the first Person to so act;
 - (viii) maintain and, where applicable, procure that all of its Designated Controllers maintain, sufficient Capital in accordance with Rule 206;
 - (ix) where a Controller Guarantee is or is to be provided by a Designated Controller, procure that the Controller Guarantee is executed in such form and delivered in such manner as the Clearing House may prescribe from time to time;
 - (x) be party to a Clearing Membership Agreement with the Clearing House;
 - (xi) have in place all necessary regulatory authorisations, licences, permissions and approvals in its country of origin, the UK and any other jurisdiction in which it conducts business;

Customer Accounts. A Non-FCM/BD Clearing Member shall be eligible to have any number of Proprietary Accounts, Segregated Customer Omnibus Accounts For F&O, Segregated TTFCA Customer Omnibus Accounts For F&O, Segregated Customer Omnibus Accounts For CDS, Segregated TTFCA Customer Omnibus Accounts For CDS, Segregated Customer Omnibus Accounts For FX and Segregated TTFCA Customer Omnibus Accounts for FX, as well as having any number of Margin-flow Co-mingled Accounts and being able to act as Sponsor in respect of any number of Individually Segregated Sponsored Accounts.

- (e) A Disclosed Principal Member shall be liable as principal to the Clearing House and responsible for all obligations arising in respect of the Proprietary Account referable to the Clearing Member that has appointed it as a Disclosed Principal Member, instead of the Clearing Member. Where the Clearing Member appoints a Disclosed Principal Member, there shall be no Customer Account for either the Clearing Member or the Disclosed Principal Member and the only Proprietary Account shall be that of the Disclosed Principal Member.
- (f) Subject to Market requirements (if any), a Clearing Member may appoint another Clearing Member to perform specific functions, including deliveries, on the first Clearing Member's behalf. In order to do so, the relevant Clearing Members, the Market (if any) and the Clearing House must be party to an agreement pursuant to which the second Clearing Member agrees to perform specific functions detailed in the agreement on behalf of the first Clearing Member. A Clearing Member intending to perform functions for another Clearing Member will represent and warrant to the Clearing House that it has sufficient authorisation under the FSMA and other Applicable Laws to carry on such function.
- (g) The following categories of Clearing Members will not be permitted to clear ~~LIFFE~~Financials & Softs Contracts that are futures or options on underlying U.S. securities (other than futures contracts on broad-based security indices or exempted securities): (i) FCM/BD Clearing Members; (ii) other Clearing Members that are organised in the United States of America; and (iii) other Clearing Members having a U.S. residence, based upon the location of their executive office or principal place of business, including, without limitation, (a) a U.S. bank (as defined by Section 3(a)(6) of the Exchange Act), and (b) a foreign branch of a U.S. bank or U.S. registered broker-dealer.

Rule 208 *Suspension of Clearing Member*

- (a) A Clearing Member may be suspended:
 - (i) if one or more of the conditions set out in Rule 209(a)(i) to (v) is satisfied;
 - (ii) upon any breach by the Clearing Member of these Rules;
 - (iii) if a Market suspends the Clearing Member or any of its trading privileges;

- (iv) if the Clearing House at its discretion considers that suspension is necessary to protect the interests of the Clearing House or its Clearing Members (excluding the Clearing Member concerned); or
 - (v) in the event of any Financial Emergency or Force Majeure Event affecting the Clearing Member.
- (b) Any suspension may occur in relation to the Clearing Member's status as a Clearing Member or in respect of certain classes of Contracts or rights of a Clearing Member only. A Clearing Member that has been suspended shall, during the term of such suspension and thereafter, remain and continue to be:
- (i) subject to and bound by these Rules and any agreements between it and the Clearing House;
 - (ii) obliged to pay all fees, fines, assessments or other charges imposed by the Clearing House;
 - (iii) liable pursuant to these Rules for all other obligations arising under Contracts and all obligations incurred before, during or after such suspension including, but not limited to, obligations to transfer, deposit, maintain and pay Margin and make Guaranty Fund Contributions; and
 - (iv) able to undertake such activities of a Clearing Member as are expressly permitted by the Clearing House and required to undertake such activities of a Clearing Member as are required by the Clearing House, in each case subject to compliance with all reasonable instructions of the Clearing House in relation to those activities.
- (c) The Clearing House shall be entitled at its discretion to revoke the suspension of any suspended Clearing Member.
- (d) The Clearing House may publish details of any suspension or a copy of any suspension notice in or together with a Circular, at its discretion except to the extent that a notice is required by Rule 208(e).
- (e) The Clearing House will issue a Circular promptly following any suspension of a Clearing Member or the suspension of any Clearing Member's ability to clear Energy Contracts, ~~LHFE~~[Financials & Softs](#) Contracts, F&O Contracts, CDS Contracts or FX Contracts specifying the name of the Clearing Member affected.

Part 4 Clearing Mechanism

Rule 401 *Formation of Contracts*

- (a) Subject to Rule 403 and Rule 404, two Contracts shall arise automatically, one between the Selling Counterparty and the Clearing House and the other between the Clearing House and the Buying Counterparty (or a single Contract shall arise between the Clearing House and a Buying Counterparty or Selling Counterparty where applicable in the case of Rule 401(a)(vi)), at the moment that:
- (i) in the case of any ICE Endex Matched Transaction, ICE Futures Europe Matched Transaction, ICE Futures US Matched Transaction or ~~LIFFE~~[Financials & Softs](#) Matched Transaction, the relevant orders are matched on ICE Endex, ICE Futures Europe, ICE Futures US or LIFFE, ~~respectively~~[as applicable](#);
 - (ii) [Not used.];
 - (iii) in the case of any ICE Endex Block Transaction, ICE Futures Europe Block Transaction, ICE Futures US Block Transaction or ~~LIFFE~~[Financials & Softs](#) Block Transaction: ICE Endex, ICE Futures Europe, ICE Futures US or LIFFE, ~~respectively~~[as applicable](#), receives and has recorded on its system complete data in respect of the Transaction;
 - (iv) [Not used.];
 - (v) in the case of Transactions generated by ICE Endex, ICE Futures Europe, ICE Futures US or LIFFE as a result of the operation of their contra trade, error trade, invalid trade, cancelled trade, trade correction, error correction or similar policies and rules or procedures relating thereto or otherwise, upon notice of the final terms of the Transaction being received by the Clearing House;
 - (vi) in the case of a Contract that is formed as a result of another Contract being Invoiced Back by the Clearing House, immediately upon notice of the existence and final terms of the new Contract being given by the Clearing House to the Clearing Member or Sponsored Principal affected;
 - (vii) in the case of a Contract (including a Contract of Sale) that forms as a result of an Option being exercised in accordance with Part 8, immediately upon such exercise taking effect pursuant to Part 8;
 - (viii) in the case of an F&O Contract that is allocated by one Clearing Member or a Sponsored Principal to a different Person (such Person receiving the allocation itself also being a Clearing Member or Sponsored Principal) by agreement of both parties subsequent to that F&O Contract arising but on the same day as that on which such Contract arose, upon both such parties having recorded their agreement to such allocation on the Clearing House's systems;

further designation to the Clearing House, specifying any required transfers between accounts or sub-accounts which, if acted upon by the Clearing House, would result in any Contract affected by such event or circumstance being correctly designated as for the appropriate Position Account, CDS Sub-Account (if applicable) and sub-account in the ICE Systems (if applicable). The Clearing House shall be entitled to act and shall (subject, in the case of any transfers, to the requirements of Rule 408(a)) act upon such designations by Clearing Members in recording Contracts in Position Accounts, CDS Sub-Accounts or other sub-accounts designated by the Clearing Member from time to time, without the need for any further enquiry on the part of the Clearing House.

- (h) Where a Clearing Member has appointed a Disclosed Principal Member, the Disclosed Principal Member shall be the Buying Counterparty or the Selling Counterparty (as applicable) instead of the relevant Clearing Member in respect of all Contracts arising under this Rule 401 to which that Clearing Member would, but for the requirements of this Rule 401(h), otherwise be party. All provisions of these Rules relating to Contracts and Clearing Members shall be construed accordingly.
- (i) In order for a Contract to arise pursuant to:
 - (i) Rule 401(a)(i), (iii), (v), (vii) or (viii); or
 - (ii) Rule 401(a)(vi) in relation to an Energy Contract,

each Clearing Member that is a Buying Counterparty or Selling Counterparty must be an Energy Clearing Member and an F&O Clearing Member and each Sponsored Principal that is a Buying Counterparty or Selling Counterparty must be authorised to clear Energy and F&O.

In order for a Contract to arise pursuant to:

- (iii) Rule 401(a)(i), (iii), (v), (vii), (viii) or (xiv); or
- (iv) Rule 401(a)(vi) in relation to a ~~LIFFE~~[Financials & Softs](#) Contract,

each Clearing Member that is a Buying Counterparty or Selling Counterparty must be an ~~LIFFE~~[Financials & Softs](#) Clearing Member and an F&O Clearing Member and each Sponsored Principal that is a Buying Counterparty or Selling Counterparty must be authorised to clear ~~LIFFE~~[Financials & Softs](#) and F&O.

- (j) In order for a Contract to arise pursuant to:
 - (i) Rule 401(a)(ix), (x) or (xi); or
 - (ii) Rule 401(a)(vi) or 401(a)(xiii) in relation to a CDS Contract,

each Clearing Member that is a Buying Counterparty or Selling Counterparty must be an CDS Clearing Member and each Sponsored Principal that is a Buying Counterparty or Selling Counterparty must be authorised to clear CDS.

(C) the Clearing House shall be authorised to submit the terms of a Transaction or Contract to Deriv/SERV.

- (v) In the case of either a CDS Contract or an FX Contract, the Clearing House shall be authorised to submit the terms of such Contract (and any related Customer-CM Transaction) to any Repository as a delegate for the Clearing Member, Sponsored Principal and Customer, as applicable, save where the relevant Clearing Member notifies the Clearing House in writing that it does not require the Clearing House to act as such (whether generally or in respect of particular Customers, Sponsored Principals or kinds of Contract.)
- (m) Where an F&O Contract (other than an ICE Futures US Contract) arises pursuant to Rule 401 as a result of trading, submission of trade data or other action by or relating to a Customer of a Non-FCM/BD Clearing Member, an opposite Customer-CM F&O Transaction shall arise between such Customer and Clearing Member (and may be void or voided) and further corresponding transactions may arise between Customers, in the manner specified by and in accordance with:
 - (i) in the case of Energy Contracts arising as a result of ICE Endex Transactions, the ICE Endex Rules;
 - (ii) in the case of Energy Contracts arising as a result of ICE Futures Europe Transactions, the ICE Futures Europe Rules; or
 - (iii) in the case of ~~LIFFE~~[LIFFE Financials & Softs](#) Contracts arising as a result of ~~LIFFE~~[LIFFE Financials & Softs](#) Transactions, the LIFFE Rules or the ICE Futures Europe Rules, as applicable.
- (n) Where a CDS Contract arises pursuant to Rule 401 for the Customer Account of a Non-FCM/BD CDS Clearing Member, a Customer-CM CDS Transaction shall arise (or, any previously existing transaction shall be amended and restated in the form of a Customer-CM CDS Transaction) between the Customer and that Non-FCM/BD CDS Clearing Member. Where an FX Contract arises pursuant to Rule 401 for the Customer Account of a Non-FCM/BD Clearing Member, a Customer-CM FX Transaction shall arise (or, any previously existing transaction shall be amended and restated in the form of a Customer-CM FX Transaction) between the Customer and that Non-FCM/BD Clearing Member.
- (o) When a Clearing Member enters into any Contract, becomes subject to a guarantee in respect of a Contract, takes any action which results in a Contract arising for its own account, becomes bound joint and severally with a Sponsored Principal in respect of a Contract, or has a Contract recorded in a Proprietary Account or Customer Account in its name (or, in respect of an Individually Segregated Sponsored Account, the Sponsored Principal's name), it may do so in only one of the following capacities:
 - (i) if it is an FCM/BD Clearing Member, as a clearing member in relation to a transaction or transactions connected with the provision of services to one or more Non-DCM/Swap Customers, in which case the Contract shall be designated

applicable) whether in whole or in part, as against any Clearing Member, Sponsored Principal or Sponsor that is or would be bound thereto:

- (i) conflicts or appears to conflict with information received by the Clearing House in relation to such Contract or Transaction from another source, including (without limitation) information received from a Market, Exchange, any other Clearing Member, Sponsored Principal, Sponsor, Governmental Authority or any Representative of any such Person;
 - (ii) results or appears to result from a communications or information technology error or problem;
 - (iii) is or appears to be connected with fraud, illegality, insider dealing, market abuse, money laundering or any other breach of Applicable Laws;
 - (iv) is or appears to be a result of a Force Majeure Event;
 - (v) is one which any Governmental Authority or any Market requires or requests in writing that the Clearing House treat as void or voided;
 - (vi) is one which any Applicable Law provides is void or voided or which any Applicable Law requires the Clearing House to treat as void or voided;
 - (vii) is one in respect of which the Clearing House has requested additional Margin or Permitted Cover from the Clearing Member or Sponsored Principal and no Margin or Permitted Cover is provided by the time required;
 - (viii) was entered into in breach of a representation by a Clearing Member or Sponsored Principal arising under the Rules or the Procedures; or
 - (ix) is otherwise made or received in such circumstances or in such a manner that acceptance of the Contract or Transaction would be inadvisable, in the opinion of the Clearing House, for the Clearing House's own protection, the protection of Clearing Members generally, Energy Clearing Members generally, ~~LIFFE~~[Financials & Softs](#) Clearing Members generally, F&O Clearing Members generally, Sponsored Principals or the protection of a Market or marketplace in any class of Contracts.
- (b) If any CDS Contract or FX Contract, as against any Clearing Member, Sponsored Principal or Sponsor that is or would be bound thereto:
- (i) is one which any Governmental Authority requires or requests in writing that the Clearing House treat as void or voided;
 - (ii) is one which any Applicable Law provides is void or voided, or requires the Clearing House to treat as void or voided;

- (v) without limitation to the generality of Rule 102(q), this Rule 908 is subject to Rule 102(q);
 - (vi) where the loss or shortfall relates to Energy Contracts: (A) the Clearing House F&O Initial (Energy) Contribution shall be applied and exhausted prior to applying the Clearing House F&O Initial (~~LIFFE~~[Financials & Softs](#)) Contribution; (B) the F&O Guaranty Fund Contributions relating to Energy Contracts shall be applied and exhausted prior to applying the F&O Guaranty Fund Contributions relating to ~~LIFFE~~[Financials & Softs](#) Contracts; (C) the Clearing House F&O GF (Energy) Contribution shall be applied and exhausted prior to applying the Clearing House F&O GF (~~LIFFE~~[Financials & Softs](#)) Contribution; and (D) F&O Assessment Contributions relating to Energy Contracts shall be applied and exhausted prior to applying F&O Assessment Contributions relating to ~~LIFFE~~[Financials & Softs](#) Contracts;
 - (vii) where the loss or shortfall relates to ~~LIFFE~~[Financials & Softs](#) Contracts: (A) the Clearing House F&O Initial (~~LIFFE~~[Financials & Softs](#)) Contribution shall be applied and exhausted prior to applying the Clearing House F&O Initial (Energy) Contribution; (B) the F&O Guaranty Fund Contributions relating to ~~LIFFE~~[Financials & Softs](#) Contracts shall be applied and exhausted prior to applying the F&O Guaranty Fund Contributions relating to Energy Contracts; (C) the Clearing House F&O GF (~~LIFFE~~[Financials & Softs](#)) Contribution shall be applied and exhausted prior to applying the Clearing House F&O GF (Energy) Contribution; and (D) F&O Assessment Contributions relating to ~~LIFFE~~[Financials & Softs](#) Contracts shall be applied and exhausted prior to applying F&O Assessment Contributions relating to Energy Contracts;
 - (viii) in determining whether a loss or shortfall relates to Energy Contracts or to ~~LIFFE~~[Financials & Softs](#) Contracts for the purposes of Rule 908(a)(vi) or (vii), the principles set out in Rule 908(e) for the attribution of liabilities to particular Contract Categories shall be applied as if Energy Contracts and ~~LIFFE~~[Financials & Softs](#) Contracts were two separate Contract Categories, *mutatis mutandis*; and
 - (ix) in relation to an Event of Default declared in respect of a Sponsored Principal, the Clearing House will not apply any Guaranty Fund Contributions, Assessment Contributions or other assets of Clearing Members other than the Sponsor to meet any loss or shortfall, unless the Sponsor has itself also been declared subject to an Event of Default.
- (b) In the case of a Defaulter that was an F&O Clearing Member or a Sponsored Principal that was authorised to clear F&O (but neither a CDS Clearing Member nor an FX Clearing Member, nor authorised to clear CDS or FX), the Clearing House shall be entitled to apply assets to meet the obligations and liabilities of the Defaulter and any shortfall, loss or liability to the Clearing House upon or following any Event of Default of that Defaulter (including in connection with any net sum calculated under Rule 906), in the following order of recourse:

$$FOAA \times \frac{FOGF(CM)}{FOGF(all)}$$

where:

FOAA is the F&O Assessment Amount certified by the Clearing House in a Circular, provided that the total F&O Assessment Amount shall be no greater than the amount equal to twice the total required F&O Guaranty Fund Contributions of all F&O Clearing Members immediately prior to the relevant Event of Default (less F&O Guaranty Fund Contributions of Defaulters);

FOGF(CM) is the required F&O Guaranty Fund Contribution of the relevant F&O Clearing Member immediately preceding the relevant Event of Default; and

FOGF(all) is the total required F&O Guaranty Fund Contributions of all F&O Clearing Members immediately preceding the relevant Event of Default (less F&O Guaranty Fund Contributions of Defaulters and excluding the Clearing House F&O Contributions).

F&O Assessment Contributions will be designated as relating primarily to Energy Contracts or ~~LHFE~~[Financials & Softs](#) Contracts based on the designation of Guaranty Fund Contributions to Energy Contracts or ~~LHFE~~[Financials & Softs](#) Contracts under Rule 1101(a).

- (c) No F&O Clearing Member shall be liable for more than an amount equal to twice their required Guaranty Fund Contributions immediately preceding the relevant Event of Default in total F&O Assessment Contributions in respect of a single Event of Default. A Person that is or was an F&O Clearing Member and that has served a Termination Notice shall be subject to obligations to pay F&O Assessment Contributions only in respect of Events of Default declared in relation to Clearing Members that are F&O Clearing Members occurring prior to the Termination Date.
- (d) If the F&O Assessment Amount is not met by F&O Assessment Contribution receipts from F&O Clearing Members due to non-payment by an F&O Clearing Member or F&O Clearing Members, Default of an F&O Clearing Member or F&O Clearing Members or otherwise, the Clearing House shall at its discretion determine what, if any, further action to take. Unless, or unless to the extent that, the Clearing House directs otherwise in a Circular, any shortfall in F&O Assessment Contribution receipts shall be re-assessed against all F&O Clearing Members (other than Defaulters and Persons that have defaulted in making an F&O Assessment Contribution) in accordance with Rule 909(a), as if such shortfall were the F&O Assessment Amount, provided that no F&O Clearing Member shall be liable to pay F&O Assessment Contributions in respect of a single Default for an amount greater than twice its F&O Guaranty Fund Contribution immediately prior to the relevant Default. Subject to Rule 909(c), further F&O Assessment Contributions may be levied and repeated in this manner at the discretion of the Clearing House until the entire F&O Assessment Amount has been met in full by F&O Assessment Contributions.

Part 11 Guaranty Funds

Rule 1101 *Establishment and parameters of the Guaranty Funds*

- (a) There shall be three separate Guaranty Funds operated by the Clearing House: the F&O Guaranty Fund, the CDS Guaranty Fund and the FX Guaranty Fund. F&O Clearing Members shall be liable to make and maintain F&O Guaranty Fund Contributions. CDS Clearing Members shall be liable to make and maintain CDS Guaranty Fund Contributions. FX Clearing Members shall be liable to make and maintain FX Guaranty Fund Contributions. The total amount required in each Guaranty Fund will be established by the Clearing House in accordance with the Finance Procedures. F&O Guaranty Fund Contributions will be designated for each Guaranty Fund Period and F&O Clearing Member as relating primarily to either Energy or ~~LIFFE~~[Financials & Softs](#) Clearing, based on the Margin requirements for such Contracts for the purposes of Rule 908(a)(v) to (vii). The total amounts of each Guaranty Fund will be expressed (and Guaranty Fund Contributions will be called) in the currency or currencies set out in the Finance Procedures and will be reviewed periodically by the Clearing House in advance of the end of each Guaranty Fund Period for each of those Guaranty Funds. If the Clearing House determines that the total amount in any Guaranty Fund is to change, Clearing Members will be given notice by Circular and will be informed of their new Guaranty Fund Contribution requirements prior to the start of the Guaranty Fund Period when the change becomes effective.
- (b) The Clearing House will communicate to Clearing Members by Circular the basis on which their Guaranty Fund Contributions are calculated.
- (c) The Clearing House may vary the parameters by reference to which Guaranty Fund Contributions are calculated from time to time and at any time upon issuing a Circular to Clearing Members. Any new parameters will come into effect on the date of the next applicable re-calculation of Guaranty Fund Contributions, unless Clearing Members are otherwise notified of a different effective date. Parameters for Guaranty Funds will be established on the basis that the Guaranty Fund Contributions of each Clearing Member for F&O, CDS or FX will be proportional to the exposures of each Clearing Member in F&O, CDS or FX and that each Guaranty Fund shall enable the Clearing House to withstand, under extreme but plausible market conditions, (i) at least the largest default of the Clearing Member to which it has the largest exposures or the second and third largest Clearing Members, if the sum of their exposures is larger or (ii) such other higher default parameters required by other Applicable Laws with respect to financial resource requirements. The Clearing House may add further parameters to define the size of any Guaranty Fund.
- (d) Clearing Members shall be required and liable to make Guaranty Fund Contributions in the amounts and at the times specified in accordance with Rule 1102 and (a), such that the Guaranty Funds are always at least of the size required pursuant to this Rule 1101, except in circumstances in which amounts are drawn down from any Guaranty Fund in order to meet liabilities resulting from an Event of Default and such amounts have not been replenished in accordance with this Part 11. For the avoidance of doubt, a Clearing

including the common rules (including the Rules and the Procedures) and the standardised arrangements (including the AFI Agreements, Investment Agency Agreements, Clearing Membership Agreements, Sponsored Principal Clearing Agreements, Sponsor Agreements and other agreements involving the Clearing House, Clearing Members, Sponsored Principals, Sponsors, Approved Financial Institutions, Concentration Banks and Investment Agent Banks, provided that in the event of any conflict between any provision of the Rules or Procedures and any provision of any such agreement or arrangements, the provision of the Rules or Procedures shall prevail, control, govern and be binding on the parties) and related functionality for the effecting of Transfer Orders between the Clearing House and Participants which, *inter alia*:

- (i) enable the Clearing House to give instructions and to place at the disposal of Clearing Members amounts of money on the account of Approved Financial Institutions;
- (ii) enable Clearing Members to give instructions and to place at the disposal of the Clearing House amounts of money on the accounts of Approved Financial Institutions;
- (iii) enables the Clearing House to give instructions and make transfers between its accounts at Approved Financial Institutions, Concentration Banks and Investment Agent Banks;
- (iv) enables the Clearing House to give instructions and make transfers between Individually Segregated Margin-flow Co-mingled Accounts by way of book entry through its own systems;
- (v) enable the Clearing House and Clearing Members to fulfil the obligations they incur in respect of Contracts and otherwise to one another pursuant to the Rules;
- (vi) enable transfers, assignments and novations of Contracts between Clearing Members or following a Default;
- (vii) enable transfers of Non-Cash Collateral to or to the order of the Clearing House and Clearing Members;
- (viii) enable Bilateral CDS Transactions and CDS Trade Particulars to give rise to CDS Contracts;
- (ix) enable FX Trade Particulars to give rise to FX Contracts;
- (x) enable ICE Endex Block Transactions, ICE Futures Europe Block Transactions, ICE Futures US Block Transactions and [LIFFE Financials & Softs](#) Block Transactions to give rise to F&O Contracts;
- (xi) facilitate physical settlement obligations under CDS Contracts and obligations for the delivery of Deliverables that are SFD Securities under [LIFFE Financials & Softs](#) Contracts;

- (m) The term "**Payment Transfer Order**" means a payment transfer order (as defined in the Settlement Finality Regulations) that is a New Contract Payment Transfer Order, Credit/Debit Payment Transfer Order, ISOC Credit/Debit Payment Transfer Order or CH Account Payment Transfer Order subject to this Part 12.
- (n) The term "**Securities Transfer Order**" means a securities transfer order (as defined in the Settlement Finality Regulations) that is a Position Transfer Order, Collateral Transfer Order, F&O Block Clearing Order, Transaction Clearing Order, CDS Physical Settlement Order, ~~LIFFE~~[Security Derivative](#) Delivery Order, Linked Exchange Incoming Order or Linked Exchange Outgoing Order subject to this Part 12.
- (o) The term "**SFD Custodian**" means any Custodian used by a Clearing Member or the Clearing House for the holding or transfer of Non-Cash Collateral that is subject of a Collateral Transfer Order provided that such person is a 'participant' (as defined in the Settlement Finality Regulations) in the Designated System (and this Part 12 shall apply equally to any Insolvency Practitioner appointed for, or with powers in respect of, such a person).
- (p) The term "**SFD Security**" means a 'security', as defined in the Settlement Finality Regulations.
- (q) The term "**System Bank**" means an Approved Financial Institution, Concentration Bank or Investment Agent Bank.
- (r) The term "**Transfer Order**" means a Payment Transfer Order or a Securities Transfer Order.
- (s) The term "**ICE Post Trade and Clearing Systems**" or the "**ICE Systems**" means the trade registration, clearing processing and finance hardware and software used by the Clearing House and Clearing Members from time to time, as further described in the Procedures.
- (t) No transfer orders (as defined in the Settlement Finality Regulations) shall arise, enter the Designated System or become irrevocable under these Rules except as set out in this Part 12.
- (u) The Clearing House and each Clearing Member with a Pledged Collateral Account that is a Participant in the Designated System acknowledge and agree that: (i) all forms of Permitted Cover provided as Pledged Collateral constitute "realisable assets"; and (ii) Pledged Collateral is provided under a "charge or a repurchase or similar agreement" which has been entered into "for the purpose of securing rights and obligations potentially arising in connection with a designated system", for purposes of the Settlement Finality Regulations. Accordingly, the Clearing House and each such Clearing Member that is a Participant in the Designated System intend and agree that: (a) Pledged Collateral constitutes both "collateral security" and "collateral security in connection with participation in a designated system" for purposes of the Settlement Finality Regulations; and (b) the Clearing Membership Agreement, any Sponsored

have already agreed to a transfer, assignment or novation of Contracts from one Clearing Member to another Clearing Member pursuant to Rule 408(a)(i); or

(B) the Clearing House has declared an Event of Default under Rule 901 and any Contracts to which a Defaulter is party are proposed to be transferred from the Defaulter to another Clearing Member (being a Participant) pursuant to the Clearing House's powers under Rule 903, Rule 904, Rule 905 or otherwise,

in either case, instructions for settlement of the transfer, assignment or novation in question being effected through the ICE Systems at the relevant settlement transfer deadline for the relevant Contract (such Securities Transfer Order, a "**Position Transfer Order**");

(ii) the Clearing House accepts, through the ICE Systems, that a Clearing Member has validly requested either:

(A) the transfer of Non-Cash Collateral to or to the order of the Clearing House; or

(B) a transfer to that Clearing Member or to its order of Non-Cash Collateral

(such Securities Transfer Order, in either case, a "**Collateral Transfer Order**");

(iii) in respect of an ICE Endex Block Transaction, ICE Futures Europe Block Transaction, ICE Futures US Block Transaction or ~~LIFPE~~[Financials & Softs](#) Block Transaction at the point at which the relevant details of the relevant Transaction have passed through the credit filter and risk controls of both relevant Clearing Members in the ICE Systems (such Securities Transfer Order, a "**F&O Block Clearing Order**");

(iv) in respect of CDS Trade Particulars or FX Trade Particulars submitted for Clearing in relation to a Bilateral CDS Transaction or FX transaction already recorded in Deriv/SERV or a Repository, as the case may be, the Clearing House providing a report to a Clearing Member after it has checked whether CDS Trade Particulars or FX Trade Particulars submitted for Clearing are consistent with the records submitted by another Clearing Member and, where applicable, with the records in Deriv/SERV or a Repository (such Securities Transfer Order, a "**Subsisting Transaction Clearing Order**");

(v) in respect of CDS Trade Particulars or FX Trade Particulars other than as referred to in (iv) above submitted for Clearing, the Clearing House issuing an Acceptance Notice or FX Acceptance Notice in accordance with Rule 401(a)(ix) or (xii) to a Clearing Member through the ICE Systems (such Securities Transfer Order, a

"**New Transaction Clearing Order**" and, together with a Subsisting Transaction Clearing Order, "**Transaction Clearing Order**");

- (vi) (A) the Clearing House being provided with a copy of a notice delivered by a Matched CDS Buyer to a Matched CDS Seller in a Matched Pair of a Notice of Physical Settlement in respect of Matched CDS Contracts, where the Notice of Physical Settlement specifies an instrument to be delivered that is an SFD Security; or (B) the Clearing House being provided with a copy of a notice delivered by a Matched CDS Buyer to a Matched CDS Seller in a Matched Pair of a NOPS Amendment Notice in respect of Matched CDS Contracts, where the NOPS Amendment Notice specifies an instrument to be delivered that is an SFD Security but where the Notice of Physical Settlement (including, as amended by any previous NOPS Amendment Notice) had specified an instrument that is not an SFD Security as the instrument that was to be delivered (either such Securities Transfer Order, a "**CDS Physical Settlement Order**"); or
 - (vii) delivery of an SFD Security as a Deliverable is required following expiry of a ~~LIFFE~~relevant Financials & Softs Contract that is a Future or following exercise of a ~~LIFFE~~relevant Financials & Softs Contract that is an Option (such Securities Transfer Order, a "~~LIFFE~~Security Derivative Delivery Order");
 - (viii) the Clearing House receiving instructions from a Clearing Member or Participating Exchange for the transfer of a Participating Exchange Contract to the Clearing House (such Securities Transfer Order, a "**Linked Exchange Incoming Order**"); or
 - (ix) the Clearing House receiving instructions from a Clearing Member or Participating Exchange for the transfer of a Linked Outgoing Contract to a Participating Exchange (such Securities Transfer Order, a "**Linked Exchange Outgoing Order**").
- (c) If two or more Transfer Orders exist in respect of the same obligation prior to becoming irrevocable, all such Transfer Orders shall be valid. No duplication of an obligation to pay shall arise as a result of two or more Transfer Orders existing in respect of the same obligation.
- (d) The status of a Transfer Order shall not be affected by any calculation of Open Contract Position, netting, set off or closing out of a Contract to which it relates.
- (e) Each Payment Transfer Order shall apply and have effect in respect of the following amounts:
- (i) in the case of a New Contract Payment Transfer Order, the amount due to or from the Clearing House pursuant to the Contract Terms as a result of the Contract referred to in Rule 1202(a)(i) arising; or

- (ii) in the case of a Credit/Debit Payment Transfer Order, ISOC Credit/Debit Payment Transfer Order or CH Account Payment Transfer Order, the amount specified in the relevant instruction referred to in Rule 1202(a);
- (f) Each Position Transfer Order shall apply and have effect in respect of the Contracts to be transferred, assigned or novated.
- (g) Each Collateral Transfer Order shall apply and have effect in respect of the Non-Cash Collateral to be transferred to or to the order of the Clearing House or Clearing Member.
- (h) Each F&O Block Clearing Order shall apply and have effect in respect of the ICE Endex Block Transaction, ICE Futures Europe Block Transaction, ICE Futures US Block Transaction or [LIFFE Financials & Softs](#) Block Transaction in question and any resulting F&O Contract.
- (i) Each Transaction Clearing Order shall apply and have effect, for CDS in respect of the CDS Trade Particulars and any Bilateral CDS Transaction in question and any resulting CDS Contract or for FX in respect of the FX Trade Particulars and any FX transaction in question and any resulting FX Contract.
- (j) Two separate CDS Physical Settlement Orders shall apply and shall have effect separately in respect of each of the CDS Contracts in the Matched Pair that are subject to a physical settlement obligation, and the instrument to be delivered pursuant thereto.
- (k) Two separate [LIFFE Security Derivative](#) Delivery Orders shall apply and shall have effect separately in respect of each of the [LIFFE Financials & Softs](#) Contracts that are subject to an obligation to make delivery of an SFD Security, and the SFD Security to be delivered pursuant thereto.
- (l) Each Linked Exchange Incoming Order shall apply and have effect in respect of the Participating Exchange Transaction in question and any resulting Linked Incoming Contract.
- (m) Each Linked Exchange Outgoing Order shall apply and have effect in respect of the Linked Outgoing Contract in question and any resulting transaction between a Clearing Member and a Participating Exchange.
- (n) Transfer Orders shall apply to, and have effect as against and between each of the following Persons, in respect of any particular Person only to the extent that such Person is a Participant or an Indirect Participant:
 - (i) in the case of a New Contract Payment Transfer Order, the affected Clearing Member (if it is a Participant) and the Clearing House and, as from and after the time of irrevocability only, the affected Approved Financial Institution;
 - (ii) in the case of a Credit/Debit Payment Transfer Order or ISOC Credit/Debit Payment Transfer Order, the affected Clearing Member (if it is a Participant), the affected Approved Financial Institutions and the Clearing House;

- (iii) in the case of a CH Account Payment Transfer Order, the affected System Bank or System Banks and the Clearing House;
- (iv) in the case of a Position Transfer Order:
 - (A) the Clearing Members (that are the transferor, assignor or person whose rights, liabilities and obligations are novated and the transferee, assignee or person that assumes rights, liabilities and obligations pursuant to a novation);
 - (B) each Customer and Disclosed Principal Member affected by the Position Transfer Order which is an Indirect Participant (if any); and
 - (C) the Clearing House.
- (v) in the case of a Collateral Transfer Order:
 - (A) the Clearing Member that is the transferor of the Non-Cash Collateral in question;
 - (B) any SFD Custodian of the Clearing Member or the Clearing House; and
 - (C) the Clearing House;
- (vi) in the case of an F&O Block Clearing Order:
 - (A) each Clearing Member that has submitted or confirmed details of the ICE Endex Block Transaction, ICE Futures Europe Block Transaction, ICE Futures US Block Transaction or ~~LHFE~~[Financials & Softs](#) Transaction;
 - (B) any Affiliate of the Clearing Member that was party to an ICE Endex Block Transaction, ICE Futures Europe Block Transaction, ICE Futures US Block Transaction or ~~LHFE~~[Financials & Softs](#) Block Transaction and which is an Indirect Participant (if any); and
 - (C) the Clearing House;
- (vii) in the case of an Transaction Clearing Order:
 - (A) each Clearing Member that has submitted or confirmed details of the Transaction;

- (B) any Affiliate of a Clearing Member that is or was party to a Bilateral CDS Transaction or FX transaction and which is an Indirect Participant (if any); and
 - (C) the Clearing House;
- (viii) in the case of a CDS Physical Settlement Order:
 - (A) each Clearing Member in the Matched Pair; and
 - (B) the Clearing House;
- (ix) in the case of a ~~LIFFE~~Security Derivative Delivery Order:
 - (A) each Clearing Member that is party to a ~~LIFFE~~relevant Financials & Softs Contract under delivery;
 - (B) any SFD Custodian of the Clearing Member or the Clearing House; and
 - (C) the Clearing House;
- (x) in the case of a Linked Exchange Incoming Order or Linked Exchange Outgoing Order:
 - (A) each Clearing Member that is party to a Linked Incoming Contract, Linked Outgoing Contract or Participating Exchange Transaction, as applicable;
 - (B) the relevant Participating Exchange; and
 - (C) the Clearing House.
- (o) Where a Transfer Order applies to a System Bank, it shall also apply to and be effective against any Intermediary Financial Institution used by that System Bank.
- (p) Where a Transfer Order applies additionally to an Indirect Participant, the liability of any Participant pursuant to the same Transfer Order shall not be affected.

Rule 1203 *Transfer Orders Becoming Irrevocable*

- (a) A Credit/Debit Payment Transfer Order shall become irrevocable at the time when the Approved Financial Institution sends a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that the relevant payment will be or has been made. An ISOC Credit/Debit Payment Transfer Order shall become irrevocable at the time when the Clearing House updates its records to reflect the transfer.
- (b) A CH Account Payment Transfer Order shall become irrevocable at the time when the System Bank of the account from which payment is to be made sends a SWIFT

confirmation message, other electronic message, fax, telephone or other message confirming that the relevant payment will be or has been made.

- (c) Without prejudice to Rule 1205(g) and Rule 1205(h), a New Contract Payment Transfer Order shall become irrevocable upon an Approved Financial Institution sending a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that amount to which the New Contract Payment Transfer Order relates (as specified in Rule 1202(e)(i)) will be or has been made.
- (d) A Position Transfer Order shall become irrevocable at the time when the definitive record of the Open Contract Position of the Clearing Member (that is the assignee, transferee or person that assumes rights, liabilities and obligations pursuant to a novation) is updated as a result of a successful position transfer clearing run in the ICE Systems to reflect the transfer, assignment or novation of Contracts which are given effect pursuant to the Position Transfer Order.
- (e) A Collateral Transfer Order shall become irrevocable at the earlier of the time when: (i) the Clearing House receives the Non-Cash Collateral; or (ii) any related securities transfer order (which relates to the same subject matter as the Collateral Transfer Order but which a securities transfer order in a designated system for purposes of Directive 98/26/EC which is not the Designated System) becomes irrevocable.
- (f) An F&O Block Clearing Order shall become irrevocable at the time that the Clearing House becomes party to resulting Contracts with the Clearing Members in question, pursuant to Rule 401(a)(iii).
- (g) A Transaction Clearing Order shall become irrevocable, for CDS when the time specified pursuant to the CDS Procedures occurs for the acceptance of the resulting CDS Contracts in question, pursuant to Rule 401(a)(x) or for FX when the time specified pursuant to the FX Procedures occurs for the acceptance of the resulting FX Contracts in question, pursuant to Rule 401(a)(xii).
- (h) A CDS Physical Settlement Order shall become irrevocable at the earliest of: (i) the time when the Matched CDS Buyer in the Matched Pair has submitted irrevocable instructions to a Custodian for the transfer of securities to or to the account of the Matched CDS Seller; (ii) the time at which the instrument subject to physical settlement is delivered or assigned or at which physical settlement obligations are otherwise discharged; or (iii) if the Matched CDS Buyer or Matched CDS Seller has (in the absence of any Matching Reversal Notice or not later than one Business Day after any Matching Reversal Notice) given notice to the Clearing House in accordance with Rule 1511 or the CDS Procedures (as applicable) that the relevant Matched Pair have settled the relevant Matched CDS Contracts, at the time of such notice.
- (i) A ~~LIFFE~~[Security Derivative](#) Delivery Order shall become irrevocable at the earlier of the time when: (i) the Clearing House (or a Clearing Member that is due to receive delivery directly from another Clearing Member under Part 7) receives the SFD Security into its account; or (ii) any related securities transfer order (which relates to the same subject

Clearing Order, such notice shall be deemed to have been given if the Clearing House (or, in the case of an F&O Block Clearing Order, any Market) rejects a Transaction or CDS Trade Particulars for Clearing.

- (g) A CDS Physical Settlement Order shall be cancelled immediately and automatically if and when a copy is provided to the Clearing House of a validly delivered NOPS Amendment Notice specifying an instrument for delivery which is not an SFD Security.
- (h) A ~~LIFFE~~ [Security Derivative](#) Delivery Order shall be cancelled immediately and automatically if, prior to it becoming irrevocable, the issuer of the SFD Security that is the Deliverable becomes subject to an Insolvency, redeems all its SFD Securities of a kind which would have been the Deliverables for the delivery or another event occurs under which delivery obligations are substituted for cash settlement obligations under the Contract Terms.
- (i) A Linked Exchange Incoming Order or Linked Exchange Outgoing Order shall be cancelled immediately and automatically if, prior to it becoming irrevocable, the Participating Exchange or Clearing House rejects or cancels the transfer.
- (j) This Rule 1204 does not affect the ability of the Clearing House to take steps giving rise to a new Transfer Order of opposite effect to an existing Transfer Order or part thereof if any of the events described in Rule 1204(a) occur. No Transfer Order Variation shall preclude the cancellation of a Transfer Order in any circumstances in which a Transfer Order may alternatively be cancelled by the Clearing House. The ability of the Clearing House to cancel or vary a Transfer Order shall not preclude a Transfer Order Variation from taking effect.

Rule 1205 *Termination of Transfer Orders*

- (a) Each Payment Transfer Order shall be satisfied immediately and automatically upon all payments required pursuant to the Payment Transfer Order being received in cleared funds or full satisfaction of the relevant underlying obligations is otherwise made and recorded in the Clearing House's systems, in either case not subject to any Encumbrances (except as envisaged under a Pledged Collateral Addendum).
- (b) Each Position Transfer Order shall be satisfied immediately and automatically at the same time that it becomes irrevocable under Rule 1203(d) (whereupon all Contracts to which the Transfer Order in question relates will have been transferred, assigned or novated pursuant to the Rules).
- (c) Each Collateral Transfer Order shall be satisfied immediately and automatically at the later of the time when: (i) the Clearing House receives the Non-Cash Collateral in its account; or (ii) the definitive record of the Permitted Cover transferred by the Clearing Member that is the transferor is updated in the ICE Systems to reflect the successful transfer of Non-Cash Collateral to or to the order of the Clearing House pursuant to the Collateral Transfer Order.

- (d) An Transaction Clearing Order, F&O Block Clearing Order, Linked Exchange Incoming Order or Linked Exchange Outgoing Order shall be satisfied immediately and automatically at the same time that the relevant resulting Contracts arise under Rule 401(a).
- (e) A CDS Physical Settlement Order shall be satisfied immediately and automatically at the time when the Clearing House updates its records of the relevant CDS Contracts in the ICE Systems to reflect that either physical delivery of the security in question has been completed or the delivery obligations of the parties under the relevant CDS Contracts have otherwise been discharged or settled.
- (f) A ~~LIFFE~~ [Security Derivative](#) Delivery Order shall be satisfied immediately and automatically at the time when the Clearing House (or a Clearing Member to whom delivery is to be made directly from another Clearing Member under Part 7) receives the SFD Security that is the Deliverable, unencumbered in its account.
- (g) If a Credit/Debit Payment Transfer Order or ISOC Credit/Debit Payment Transfer Order becomes irrevocable in respect of the same obligation to which a New Contract Payment Transfer Order relates, the New Contract Payment Transfer Order shall automatically be satisfied and shall not become irrevocable. It is acknowledged that New Contract Payment Transfer Orders will generally terminate in accordance with this Rule 1205(g) when standard Clearing and payment processes apply.
- (h) A New Contract Payment Transfer Order relating to an F&O Contract shall be satisfied immediately and automatically if and at the point that the relevant F&O Transaction or Contract is transferred or allocated to another Clearing Member pursuant to Rule 401(a)(viii) or Rule 408(a)(ii).

Rule 1206 *Provision of Information by the Clearing House and Participants*

- (a) The Clearing House and any Participant must provide, upon payment of a reasonable charge, the following information to any person who requests it, save where the request is frivolous or vexatious, within 14 days of a request being made:
 - (i) details of the Designated System; and
 - (ii) information about the Rules relevant to the functioning of the Designated System.
- (b) The Clearing House will provide a copy of information referred to in Rule 1206(a) to any Clearing Member upon request.

Rule 1207 *Notice to the Bank of England*

- (a) Any notice which under Rule 204(a)(viii) must be copied to the Bank of England, shall be sent to the following addresses:
- (b) Bank of England:

Part 21 Transition Rules for LIFFE in 2014

Rule 2201 Introduction

- (a) These LIFFE Transition Rules deal with certain matters occurring at and around each Transition Time. These LIFFE Transition Rules form part of the Rules and are intended to be interpreted together with the Rules. All terms used but not defined in these LIFFE Transition Rules have the meaning given to them elsewhere in the Rules. In the event of any conflict between the Rules and these LIFFE Transition Rules in relation to any matter to which these LIFFE Transition Rules relate, these LIFFE Transition Rules shall prevail.
- (b) These LIFFE Transition Rules will cease to apply on a date notified by the Clearing House to Clearing Members in a Circular, following such consultation with LIFFE and the Clearing House as has been agreed to take place as between LIFFE, ICE Futures Europe and the Clearing House.

Rule 2101 Additional Definitions

- (a) The term "1m Eonia" means One Month EONIA Indexed Futures Contracts.
- (b) The term "3m Eonia" means Three Month EONIA Swap Index Futures Contracts.
- (c) The term "1st Transition Time" means 29 September 2014 or such later date to which the first transition time is deferred (which will be communicated to Clearing Members by the Clearing House) for Soft Commodities Contracts and such other contracts as specified by ICE Futures Europe.
- (d) The term "1st Transition Time Contracts" means the contracts transferring at the 1st Transition Time.
- (e) The term "2nd Transition Time" means 6 October 2014 or such later date to which the second transition time is deferred (which will be communicated to Clearing Members by the Clearing House) for Euroswiss, 1m Eonia, Bond Contracts (excluding Long Gilts and Ultra Long Gilts), Swapnote® Contracts and such other contracts as specified by ICE Futures Europe to the extent not transitioned during the 1st Transition Time.
- (f) The term "2nd Transition Time Contracts" means the contracts transferring at the 2nd Transition Time.
- (g) The term "3rd Transition Time" means 20 October 2014 or such later date to which the third transition time is deferred (which will be communicated to Clearing Members by the Clearing House) for Sterling, Long Gilts, Ultra Long Gilts and such other contracts as specified by ICE Futures Europe to the extent not transitioned during the 2nd Transition Time.
- (h) The term "3rd Transition Time Contracts" means the contracts transferring on the 3rd Transition Time.

- (i) The term "**4th Transition Time**" means 3 November 2014 or such later date to which the fourth transition time is deferred (which will be communicated to Clearing Members by the Clearing House) for Euribor, 3m Eonia, Euribor/Eonia Spread and such other contracts as specified by ICE Futures Europe to the extent not transitioned during the 3rd Transition Time.
- (j) The term "**4th Transition Time Contracts**" means the contracts transferring on the 4th Transition Time.
- (k) The term "**5th Transition Time**" means 17 November 2014 or such later date to which the fifth transition time is deferred (which will be communicated to Clearing Members by the Clearing House) for Securities Contracts (excluding Bond Contracts) and such other contracts as specified by ICE Futures Europe to the extent not transitioned during the 4th Transition Time.
- (l) The term "**5th Transition Time Contracts**" means the contracts transferring on the 5th Transition Time.
- (m) The term "**Bond Contracts**" means Gilt Contracts, Eurobond Government Contracts and Swiss Confederation Bond Contracts.
- (n) The term "**Euribor**" means Three Month Euro Futures Contracts, Options on Three Month Euro Futures Contracts, One Year Mid-Curve Options on Three Month Euro Futures Contracts, Two Year Mid-Curve Options on Three Month Euro Futures Contracts, Three Year Mid-Curve Options on Three Month Euro Futures Contracts and Four Year Mid-Curve Options on Three Month Euro Futures Contracts.
- (o) The term "**Euribor/Eonia Spread**" means the Inter-contract Spread strategy between Three Month Euro Futures Contracts and 3m Eonia.
- (p) The term "**Eurobond Government Contracts**" means German Government Bond Contracts, Italian Government Bond Contracts and Spanish Government Bond Contracts.
- (q) The term "**Euroswiss**" means Three Month Euro Swiss Franc Futures Contracts and Options on Three Month Euro Swiss Franc Futures Contracts.
- (r) The term "**German Government Bond Contracts**" means Short Bund Futures Contracts, Medium Bund Futures Contracts, Long Bund Futures Contracts and Ultra Long Bund Futures Contracts.
- (s) The term "**Gilt Contracts**" means Short Gilts, Medium Gilts, Long Gilts and Ultra Long Gilts.
- (t) The term "**Italian Government Bond Contracts**" means Short BTP Futures Contracts, Medium BTP Futures Contracts and Long BTP Futures Contracts.
- (u) The term "**LIEFFE Transition Rules**" means these transitional rules.

- (v) The term "**Long Gilts**" means Long Gilt Futures Contracts and Options on Long Gilt Futures Contracts.
- (w) The term "**Medium Gilts**" means Medium Gilt Futures Contracts.
- (x) The term "**Securities Contract**" means a Future or Option containing the terms set out in any of Sections IIIII to PPPPP of the ICE Futures Europe Rules, a Bond Contract, and/or any other contract determined to be a Securities Contract by the directors of ICE Futures Europe from time to time.
- (y) The term "**Short Gilts**" means Short Gilt Futures Contracts.
- (z) The term "**Soft Commodities Contract**" means a Future or Option containing the terms set out in any of Sections EEEE to MMMM of the ICE Futures Europe Rules and/or any other contract determined to be a Soft Commodities Contract by the directors of ICE Futures Europe from time to time.
- (aa) The term "**Spanish Government Bond Contracts**" means Short Spanish Government Bond Futures Contracts, Medium Spanish Government Bond Futures Contracts and Long Spanish Government Bond Futures Contracts.
- (bb) The term "**Sterling**" means Three Month Sterling Futures Contracts, Options on Three Month Sterling Futures Contracts, One Year Mid-Curve Options on Three Month Sterling Futures Contracts, Two Year Mid-Curve Options on Three Month Sterling Futures Contracts, Three Year Mid-Curve Options on Three Month Sterling Futures Contracts and Four Year Mid-Curve Options on Three Month Sterling Futures Contracts.
- (cc) The term "**Swapnote® Contract**" means a Future or Option containing the terms set out in any of Sections XXXX to EEEEE, and Section FFFF as it relates to a Swapnote®, of the ICE Futures Europe Rules and/or any other contract determined to be a Swapnote® Contract by the directors of ICE Futures Europe from time to time.
- (dd) The term "**Swiss Confederation Bond Contracts**" means Medium Swiss Confederation Bond Futures Contracts and Long Swiss Confederation Bond Futures Contracts.
- (ee) The term "**Transitioning Contracts**" means the 1st Transition Time Contracts, the 2nd Transition Time Contracts, the 3rd Transition Time Contracts, the 4th Transition Time Contracts and the 5th Transition Time Contracts.
- (ff) The term "**Transition Time**" means each of the 1st Transition Time, 2nd Transition Time, 3rd Transition Time, 4th Transition Time or 5th Transition Time, which will be communicated to Clearing Members by the Clearing House.
- (gg) The term "**Ultra Long Gilts**" means Ultra Long Gilt Futures Contracts.

Rule 2102 **Exchange Transition**

- (a) At each relevant Transition Time, the trading of relevant Transitioning Contracts will transfer from LIFFE to ICE Futures Europe.

Rule 2103 **Redesignation of Transitioning Contracts**

- (a) With effect from the 1st Transition Time, open 1st Transition Time Contracts shall be automatically redesignated, without need for any further step or notices, as Financials & Softs Contracts for the purposes of the Rules. Any such redesignated Contract shall remain in full force and effect as between the relevant Clearing Member and the Clearing House provided that, from the 1st Transition Time, the Rules shall apply to such Contract which was previously a 1st Transition Time Contract as a Financials & Softs Contract. The Contract Terms of affected 1st Transition Time Contracts shall be amended and restated at the 1st Transition Time accordingly.
- (b) With effect from the 2nd Transition Time, open 2nd Transition Time Contracts shall be automatically redesignated, without need for any further step or notices, as Financials & Softs Contracts for the purposes of the Rules. Any such redesignated Contract shall remain in full force and effect as between the relevant Clearing Member and the Clearing House provided that, from the 2nd Transition Time, the Rules shall apply to such Contract which was previously a 2nd Transition Time Contract as a Financials & Softs Contract. The Contract Terms of affected 2nd Transition Time Contracts shall be amended and restated at the 2nd Transition Time accordingly.
- (c) With effect from the 3rd Transition Time, open 3rd Transition Time Contracts shall be automatically redesignated, without need for any further step or notices, as Financials & Softs Contracts for the purposes of the Rules. Any such redesignated Contract shall remain in full force and effect as between the relevant Clearing Member and the Clearing House provided that, from the 3rd Transition Time, the Rules shall apply to such Contract which was previously a 3rd Transition Time Contract as a Financials & Softs Contract. The Contract Terms of affected 3rd Transition Time Contracts shall be amended and restated at the 3rd Transition Time accordingly.
- (d) With effect from the 4th Transition Time, open 4th Transition Time Contracts shall be automatically redesignated, without need for any further step or notices, as Financials & Softs Contracts for the purposes of the Rules. Any such redesignated Contract shall remain in full force and effect as between the relevant Clearing Member and the Clearing House provided that, from the 4th Transition Time, the Rules shall apply to such Contract which was previously a 4th Transition Time Contract as a Financials & Softs Contract. The Contract Terms of affected 4th Transition Time Contracts shall be amended and restated at the 4th Transition Time accordingly.
- (e) With effect from the 5th Transition Time, open 5th Transition Time Contracts shall be automatically redesignated, without need for any further step or notices, as Financials & Softs Contracts for the purposes of the Rules. Any such redesignated Contract shall remain in full force and effect as between the relevant Clearing Member and the Clearing

House provided that, from the 5th Transition Time, the Rules shall apply to such Contract which was previously a 5th Transition Time Contract as a Financials & Softs Contract. The Contract Terms of affected 5th Transition Time Contracts shall be amended and restated at the 5th Transition Time accordingly.

(I) CLEARING PROCEDURES

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1. SYSTEMS

- 1.1 The Clearing House's primary systems, to which Clearing Members and Sponsored Principals require interfaces, consist of:
- (a) Post-trade administration/clearing and settlement processing: ICE clearing systems including ECS, PTMS and ACT and, for [LHFFE Financials & Softs](#) Contracts, Guardian ([or any successor system](#)) and UCP ([or any successor system](#)) (the "ICE Post Trade and Clearing Systems" or the "ICE Systems");
 - (b) Risk management: the ICE Systems and SPAN®;
 - (c) Banking: ECS;
 - (d) Deliveries: ICE in-house system and, for [LHFFE Financials & Softs](#) Contracts, Guardian ([or any successor system](#)) and UCP ([or any successor system](#)); and
 - (e) Billing: ICE in-house system.
- 1.2 These Clearing Procedures deal primarily with matters relating to post-trade administration, clearing and settlement and risk management. Details relating to finance and deliveries are set out in the Finance Procedures and Delivery Procedures respectively.
- 1.3 Clearing Members should immediately inform the Clearing House of any event, system-related or otherwise, that would prevent them from operating timely and accurately on the Markets cleared by the Clearing House. Clearing Members must, at all times, ensure that they are able to continuously monitor communication facilities for receipt of communications from the Clearing House.
- 1.4 Paragraphs 1, 2.1, 2.2, 2.5, 4 and 5 of these Clearing Procedures apply to Sponsored Principals in the same way as they apply to Clearing Members, subject to Part 19 of the Rules. Other paragraphs of these Clearing Procedures are subject to specific provisions in respect of Sponsored Principals and Sponsors and Individually Segregated Sponsored Accounts.
- 1.5 These Clearing Procedures are "Procedures" as defined in the ICE Clear Europe rules (the "Rules") and are subject to the Rules, including, without limitation, Rule 102. Subject to paragraph 1.6 to 1.11 below, these Clearing Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law and any Dispute under these Clearing Procedures will be subject to arbitration under Rule 117.
- 1.6 Solely as between an FCM/BD Clearing Member and the Clearing House, paragraphs 3, 4 and 6 of these Clearing Procedures inasmuch as they relate solely to an issue or matter concerning:
- (a) the pledging, transfer, holding, use and segregation of Pledged Collateral provided by an FCM/BD Clearing Member (or other property, excluding for the avoidance of doubt the Contracts themselves recorded in such an Account, recorded in a Customer Account or Proprietary Account that is designated as an account in respect of which Pledged Collateral may be provided by an FCM/BD Clearing Member); and/or
 - (b) the application of any net sum owed in favour of the FCM/BD Clearing Member in respect of a Customer Account or Proprietary Account that is designated as an account in respect of which Pledged Collateral may be provided,

and, solely to the extent relevant to interpreting the foregoing provisions in such circumstances, relevant definitions and interpretative provisions in paragraph 1 of these Clearing Procedures (such provisions, together or separately "Pledged Collateral Matters") shall be governed by and construed in accordance with the laws of the State of New York and, as applicable, the federal law of the United States of America.

- (vii) M –market maker (for ~~LIFFE~~[Financials & Softs](#) Contracts only); and
- (viii) such other sub-accounts as are made available to Clearing Members for Proprietary Accounts by the Clearing House.

2. Position-keeping accounts linked to a Customer Account for FCM/BD Clearing Members:

- (ix) S (for F&O) - maps to Non-DCM/Swap Customer Account or General Customer Account ;
- (x) W – maps to DCM Customer Account;
- (xi) Z – maps to Swap Customer Account;

3. Position-keeping-accounts linked to a Customer Account for Non-FCM/BD Clearing Members which are regulated by the Financial Conduct Authority and to whom the client money rules in CASS apply:

- (xii) S (for F&O) or C (for CDS or FX) – maps to a Segregated Customer Omnibus Account for F&O, Segregated Customer Omnibus Account for CDS, Segregated Customer Omnibus Account for FX;
- (xiii) F – maps to a different, separate Segregated Customer Omnibus Account for F&O, Segregated Customer Omnibus Account for CDS or Segregated Customer Omnibus Account for FX, from that used for S or C; made available in order to assist in any desire for separate treatment for Customers that are Affiliates but can be used for other groups of Segregated Customers;
- (xiv) T – Segregated TTFCA Customer – maps to Segregated TTFCA Customer Omnibus Account for F&O, Segregated TTFCA Customer Omnibus Account for CDS or Segregated TTFCA Customer Omnibus Account for FX;
- (xv) I – maps to Margin-flow Co-mingled Accounts for Segregated Customers; and
- (xvi) J . – maps to Margin-flow Co-mingled Accounts for Segregated TTFCA Customers.

Circular C08/032 applies only to the Accounts in S or C, F and I of such Non-FCM/BD Clearing Members.

4. Position-keeping -accounts linked to a Customer Account for a Clearing Member which is neither (i) an FCM/BD Clearing Member nor (ii) a Non-FCM/BD Clearing Members falling under (3.) above:

- (xvii) S (for F&O) or C (for CDS or FX) – maps to a Segregated Customer Omnibus Account for F&O, Segregated TTFCA Customer Omnibus Account for F&O, Segregated Customer Omnibus Account for CDS, Segregated TTFCA Customer Omnibus Account for CDS, Segregated Customer Omnibus Account for FX or Segregated TTFCA Customer Omnibus Account for FX;
- (xviii) F – as for S or C, but maps to a different Customer Account for each Contract Category from that used for S or C or F;
- (xix) T – as for F, but maps to a different Customer Account for each Contract Category from that used for S or C or F;
- (xx) I – maps to Margin-flow Co-mingled Accounts; and

(II) FINANCE PROCEDURES

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2. CASH COLLATERAL

- 2.1 The Clearing House will support transactions and account holdings in six currencies: USD, GBP, EUR, CAD, CHF and SEK. Initial Margin, Original Margin and FX Original Margin obligations may be met only in USD, GBP and EUR. CAD, CHF and SEK may be used by Clearing Members and Sponsored Principals only for the receipt of income on non-cash Permitted Cover with coupons payable in those currencies. CAD may also be used for Variation Margin and settlement payments only for Energy Contracts which settle in CAD. CHF, CZK, DKK, HUF, JPY, NOK, PLN, SEK and TRY may also be used for Variation Margin and settlement payments only for ~~LIFFE~~Financials & Softs Contracts which settle in such currencies.
- 2.2 The Clearing House supports cross currency collateral, which means that it is not necessary to cover Margin requirements in the same currency as the underlying Contract. The relevant exchange rate applied is the rate determined by the daily concertation procedure between central banks within and outside the European System of Central Banks (currently published by the European Central Bank at <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html#latest>) on the day or business day prior to the date on which the exchange rate is calculated by the Clearing House or, in the event that such rate is not available, a reasonable exchange rate determined by the Clearing House at its discretion. Cross currency coverage will result in the application of a "haircut" to cover fluctuations in exchange rates. Applicable exchange rate haircuts will be published from time to time by Circular. Haircuts will be determined as set out in section 10 of these Finance Procedures.

3. TRIPARTY COLLATERAL

General

- 3.1 Clearing Members may use Triparty Collateral to cover Original Margin, Initial Margin and FX Original Margin requirements for certain Accounts, as specified in Circulars concerning the use of Permitted Cover. This facility is available to Clearing Members at the discretion of the Clearing House. The facility is available, and this paragraph 3 applies equally, to Sponsored Principals in the same way as it applies to Clearing Members, save as expressly set out in paragraph 3.2, subject to Part 19 of the Rules. The Clearing House reserves the right to terminate this arrangement at any time. The service is provided in cooperation with Triparty Collateral Service Providers designated by the Clearing House.
- 3.2 These Finance Procedures should be read in conjunction with the Terms and Conditions and the Operational Procedures of the Triparty Collateral Service Providers. The legal basis underpinning the collateral consists of (i) the Collateral Service Agreement (or equivalent document) (CSA) of the Triparty Collateral Service Provider; (ii) the Clearing Membership Agreement (CMA, for Clearing Members) or Sponsored Principal Clearing Agreement (SPCA, for Sponsored Principals); and (iii) in respect of securities collateral which is transferred pursuant to a Pledged Collateral Addendum, such Pledged Collateral Addendum. The Collateral Giver (under the CSA) must be the same legal entity as the Clearing Member (under the CMA) or, in respect of an Individually Segregated Sponsored Account, the Disclosed Principal (under the SPCA).
- 3.3 The following definitions apply to these Triparty Collateral Procedures:
- (a) The term "Triparty Collateral Service Provider" or "Provider" means the institution offering the Triparty Collateral Service.
 - (b) The term "Triparty Collateral Instruction" or "Instruction" means the instruction to deposit or withdraw sent to the Clearing House by the Clearing Member or the initiation, amendment or closure instructions sent by the Clearing House or the Clearing Member to the Triparty Collateral Service Provider.

Default

3.31 The Clearing House will inform the Triparty Collateral Service Provider of an event of default of the Clearing Member according to the terms and regulations of the CSA. The Clearing House Rules regarding the liquidation of the collateral can be found in the Clearing Member Agreement.

4. ASSURED PAYMENT SYSTEM: ACCOUNTS

4.1 Each Clearing Member must as a minimum maintain the following accounts at one or more Approved Financial Institutions:

- (a) up to six Nominated Proprietary Bank Accounts (also known as 'house' accounts) linked to each Proprietary Account, denominated in up to one each of USD, GBP, EUR, CAD, CHF and SEK as follows, subject to paragraph 4.2:
 - (i) all F&O Clearing Members and FX Clearing Members must have an account, denominated in USD;
 - (ii) all CDS Clearing Members must have an account denominated in EUR;
 - (iii) all F&O Clearing Members and FX Clearing Members must additionally have at least one further account denominated in either GBP or EUR;
 - (iv) all CDS Clearing Members must additionally have at least one further account denominated in either GBP or USD;
 - (v) a Clearing Member which has an Open Contract Position in a contract for which EUR, GBP, USD or CAD is the settlement currency must have an account denominated in such currency;
 - (vi) a Clearing Member which transfers non-cash Permitted Cover to the Clearing House which pays a coupon, interest or redemptions in USD, EUR, GBP, CAD, CHF or SEK must have an account in that currency; and.
 - (vii) an F&O Clearing Member that is a ~~LIFFE~~[Financials & Softs](#) Clearing Member and is party to ~~LIFFE~~[Financials & Softs](#) Contracts which settle in CAD, CHF, CZK, DKK, HUF, JPY, NOK, PLN, SEK or TRY must have an account in each such currency.
- (b) for an F&O Clearing Member that is a Non-FCM/BD Clearing Member, additional Nominated Customer Bank Accounts (also known as 'client' accounts), one for each currency used by it for each of its different Customer Accounts (other than Margin-flow Co-mingled Accounts, in respect of which a single Nominated Customer Bank Account shall be used), the relevant currencies being USD, GBP, EUR, CAD, CHF, SEK, CZK, DKK, HUF, JPY, NOK, PLN, SEK and TRY, based on the same principles as set out in 4.1(a)(i) to (vii);
- (c) for an F&O Clearing Member that is an FCM/BD Clearing Member and which has one or more Customer Accounts, additional Nominated Customer Bank Accounts (also known as 'client' accounts), one for each currency for each of its Non-DCM/Swap Customer Accounts, Swap Customer Accounts, DCM Customer Accounts and General Customer Accounts, the relevant currencies being USD, GBP, EUR, CAD, CHF, SEK, CZK, DKK, HUF, JPY, NOK, PLN, SEK and TRY, based on the same principles as set out in 4.1(a)(i) to (vii) for each such Customer Account;
- (d) for F&O Clearing Members, a Guaranty Fund account denominated in USD (which may be the same account as a USD Nominated Proprietary Bank Account or a USD guaranty fund account for CDS);

- (vi) a Sponsored Principal which transfers non-cash Permitted Cover to the Clearing House which pays a coupon, interest or redemptions in USD, EUR, GBP, CAD, CHF or SEK must have an account in that currency; and.
- (vii) a Sponsored Principal that clears ~~LIFFE~~ [Financials & Softs](#) Contracts which settle in CAD, CHF, CZK, DKK, HUF, JPY, NOK, PLN, SEK or TRY must have an account in each such currency.

4.5 The Clearing House's Extensible Clearing System ("ECS") will be used for payments. Successful applicants for membership or Sponsored Principal status will be issued with log-ins and given training in the use of ECS. ECS will be used by Clearing Members and Sponsored Principals to give instructions in respect of certain transactions relating to the transfer of cash and securities to the Clearing House and when there is excess Permitted Cover in place that the Clearing Member or Sponsored Principal requests be returned. The Clearing House will be entitled to act upon instructions made through ECS by the Clearing Member or any of its Representatives. In respect of an Individually Segregated Sponsored Account, the Clearing House will be entitled to act upon instructions made through ECS by either the Sponsor or the Sponsored Principal or any of their Representatives. The accounts described in section 4.1 are the only accounts that may be used for day-to-day transfers to and from the Clearing House through ECS.

4.6 The Clearing House operates Clearing House Accounts in each of the currencies at each Approved Financial Institution and separately for each different Customer Account and Proprietary Account business of Clearing Members and separately for F&O, CDS and FX, as mentioned in paragraph 4.2. Such separation by the Clearing House is undertaken to comply with Applicable Laws and provide administrative benefits to Clearing Members. Upon an Event of Default being declared, amounts in all Proprietary Accounts of a Clearing Member may be combined and set off (subject to and in accordance with the Rules and paragraph 4.2), and amounts relevant to a single separate Customer Account may be combined and set off with one another but not with any other Account, as set out in the Rules.

4.7 Additionally, the Clearing House will hold Clearing House Accounts at a Concentration Bank in order to facilitate transfers between accounts at Approved Financial Institutions.

5. **ASSURED PAYMENT SYSTEM: PROCEDURES**

5.1 Each Clearing Member and Sponsored Principal (or, if a Sponsor operates a Nominated Bank Account for the Sponsored Principal, the Sponsor) will be required to have in place at all times a standard debit mandate, allowing the Clearing House to call funds from its Nominated Bank Accounts, established in the relevant Approved Financial Institution's standard form ("**Third Party Authority Form**"). Pursuant to the Clearing Membership Agreement, each Clearing Member must at all times have in place a duly executed Third Party Authority Form in favour of each Approved Financial Institution used by it and in respect of each of its Nominated Bank Accounts. Pursuant to the Sponsored Principal Clearing Agreement and Sponsor Agreement, each Sponsored Principal must at all times have in place a duly executed Third Party Authority Form executed by the Sponsored Principal or Sponsor in favour of each Approved Financial Institution used by it and in respect of each of its Nominated Bank Accounts. Pursuant to Clearing Membership Agreements (and, where applicable, Sponsored Principal Clearing Agreements and Sponsor Agreements) and arrangements between the Clearing House and Approved Financial Institutions, the Clearing House is given various powers, including to take any action as it in its discretion determines in the Clearing Member's (or, where applicable Sponsor's and Sponsored Principal's) or the Clearing House's name in connection with a Clearing Member's (or, where applicable Sponsor's and Sponsored Principal's) Nominated Bank Accounts. Approved Financial Institutions will act upon any instructions received from the Clearing House in relation to the Nominated Bank Accounts without any further reference to, or authority from, a Clearing Member.

5.2 Changes in APS account details must be notified at least five Business Days in advance.

- 5.3 It is the responsibility of each Clearing Member and Sponsored Principal to have sufficient funds in its Nominated Bank Accounts to enable all cash transfers required under the Rules to be settled. Approved Financial Institutions will not be able to reverse any payment from or to a Clearing House Account without receipt of authorisation from the Clearing House evidenced in writing.
- 5.4 Clearing Members and Sponsored Principals (or their Sponsors) will be advised of debits from or credits to their physical accounts by the standard SWIFT advices of debit and credit (MT900 and MT910 respectively) or otherwise in accordance with arrangement established with Approved Financial Institutions.
- 5.5 Clearing Members and Sponsored Principals must ensure that Approved Financial Institutions make payment to the Clearing House Account at the relevant Approved Financial Institution within the time periods specified in Table 1. The Clearing House will notify all affected Approved Financial Institutions if a contingency method is to be invoked. In the event that no payment notification is received from an Approved Financial Institution by the time specified in Table 1, the Clearing House will be permitted to act as if the funds have not and will not be received, which includes the declaration of an Event of Default in respect of any affected Clearing Member or Sponsored Principal. In such circumstances, the Clearing House will use its reasonable endeavours to determine the cause of the late notification with the relevant Approved Financial Institutions. The remittance of funds remains at all times the responsibility of Clearing Members. The Clearing House may otherwise treat funds as not having been received and take similar actions as a result of Rule 301(f). In the case of the failure or Insolvency of an Approved Financial Institution used by a Clearing Member or Sponsored Principal in circumstances in which an amount is not treated as having been paid as a result of Rule 301(f), the amount must still be paid (through a further payment, if necessary) by a Clearing Member or Sponsored Principal using alternative methods or a different Approved Financial Institution, in order to discharge the Clearing Member's or Sponsored Principal's liabilities.
- 5.6 If the Clearing House has been transferred excess cash (beyond applicable Margin requirements) by any Clearing Member or Sponsored Principal, the Clearing Member or Sponsored Principal in question is entitled to request repayment through ECS, either on an *ad hoc* basis or automatically on a daily or other regular basis. Such repayments will take place through the same systems and accounts as for payments to the Clearing House.

TABLE 1: TIME PERIODS FOR DELIVERY OF FUNDS AND SWIFT MT900/MT910

Type of Instruction	Time for Receipt of Instruction	Latest time for APS Bank to make payment of amount specified in Instruction and send SWIFT MT900/MT910
Routine End-of-day Instruction	On or after 00:00:00 London Time on Business Day X+1 but on or before 07:59:59 on Business Day X+1	Before 09:00:00 London time on Business Day X+1
Routine End-of-day Instruction for LHFE Financials & Softs Contracts that settle in JPY only	On or after 00:00:00 London Time on Business Day X+1 but on or before 07:59:59 on Business Day X+1	Before 09:00:00 London time on Business Day X+2
Intra-day Instruction (contingency)	On or after 08:00:00 on Business Day X but on or before Cut-Off Time on Business Day X	Within one hour of instruction on Business Day X

- (g) Overnight payments must be made to the Clearing House at or before 09:00 on the morning following a call. *Ad hoc* payments must be made within one hour of an instruction being issued by the Clearing House through ECS. In relation to overnight pending transactions, any withdrawals or deposits instructed after the relevant deadline will be rejected by ECS.
- (h) The Clearing House will not provide Clearing Members with any specific notifications or confirmations after the execution of a cash movement. Clearing Members may instead find details of all instructions in daily and other reports available through the ECS-GUI. After execution, the status of an instruction within ECS will change from ‘pending’ to ‘processed’.
- (i) The following sections describe the various payments that may be included in any cash transfer:
 - (i) *Variation Margin (for F&O Contracts), Mark-to-Market Margin (for CDS Contracts) and FX Mark-to-Market Margin (for FX Contracts)*

Daily Calls: Pursuant to Rule 503, all Contracts will be revalued and subject to Variation Margin, Mark-to-Market Margin or FX Mark-to-Market Margin calls on a daily basis for settlement next day for payments in JPY or same day for payments in other currencies in accordance with Table 1. Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin requirements are calculated and settled only in cash. Adjustments will be calculated and payments will ordinarily be executed in the currency of the relevant Contracts (or underlying Contracts). Liabilities resulting from Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin requirements will be included in the overnight call or return.

Intra-day Calls: Contracts may also be marked to market and subject to an additional Initial Margin, Original Margin or FX Original Margin call (the proceeds of which may be applied against future Variation Margin, Mark-to-Market Margin or FX Mark-to-Market Margin calls) on an *ad hoc* intra-day basis. Affected Clearing Members will be informed (not in writing) by the Clearing House in the event of an intra-day call being applicable. If the call affects a significant number of Clearing Members, the Clearing House will issue a Circular. Intra-day calls will be executed via a direct debit from the Clearing Member’s Nominated Bank Account at an Approved Financial Institution. Payment must be made within one hour. Intra-day calls will only be in USD, GBP or EUR.

JPY payments: Any obligation to pay Variation Margin or settlement amounts on ~~LIFFE~~ Financials & Softs Contracts in JPY must be covered with cash or non cash Original Margin in a different currency between the time of instruction and settlement.

- (ii) *Original Margin (for F&O Contracts), Initial Margin (for CDS Contracts) and FX Original Margin (for FX Contracts)*

Daily Calls: Pursuant to Part 5 of the Rules, Original Margin, Initial Margin and FX Original Margin requirements will be recalculated on a daily basis. Requirements will be calculated and payments will ordinarily be executed in the currency of the relevant Contracts (or underlying Contracts). Liabilities resulting from Original Margin, Initial Margin and FX Original Margin requirements will be included in the overnight call or return.

Intra-day Calls: Original Margin, Initial Margin and FX Original Margin may also be subject to *ad hoc* intra-day recalculations and calls. Affected Clearing Members will be informed (not in writing) by the Clearing House in the event of an intra-day call being applicable. If the call affects a significant number of Clearing Members, the

the payer of the rebate, fee discount or incentive program payment is the Clearing House as to the total amount of the Market and Clearing House rebate, fee discount or incentive program payments multiplied by the percentage that Clearing House fees represent of the sum of Clearing House and Market fees. The legal entity operating the relevant Market will be the payer of the remainder of the rebate, fee discount or incentive program payment. Where only Clearing House fees are charged or a rebate, fee discount, the payer of the entire rebate, fee discount or incentive program payment is the Clearing House. The Clearing House or the operator of the relevant Market may arrange for one of its Affiliates or the Clearing House to make any payment in respect of rebates, fee discounts or incentive programs on the payer's behalf. The payee in respect of a fee discount or incentive program is the person who participates in the program, regardless of whether such person is or is not a Clearing Member or member or participant of the relevant Market. A qualifying participant in a rebate, fee discount or incentive program may from time to time direct that relevant payments be made directly to their account or to the account of their Clearing Member, exchange member, execution platform participant or any other third party. Any payment in accordance with such instructions shall constitute due and final payment by the Clearing House or Market to the account of the rebate, fee discount or incentive program participant. Rebate, fee discount or incentive program participants may direct changes to such payment arrangements from time to time by providing notice in writing to the Clearing House or the relevant Market. In the absence of any payment instructions, the Clearing House shall be entitled (but shall not be required) to make payment in respect of any rebate, fee discount or incentive program payment by crediting amounts to the Proprietary Account or Customer Account of the relevant Clearing Member and in doing so shall have made good discharge of its obligations and those of any Market in relation to the relevant rebate, fee discount or incentive program payment.

Fee invoices will be made available via ECS on the fourth Business Day of each month. Fees and any applicable rebates, incentive payments or discounts will be included in the overnight call or return on the fifth Business Day after the end of each month. All fees are collected through a Clearing Member's Nominated Proprietary Bank Account. Rebates, incentive payments or discounts may be credited to a Clearing Member's Nominated Proprietary Bank Account or Nominated Customer Bank Account, as instructed from time to time by the payee.

Clearing Members that wish to query a fee invoice should contact the Clearing House Finance department on or before the 10th Business Day of the relevant month. Any required amendments will be reflected in the next billing cycle.

(vii) *Other Amounts*

Any amount payable by a Clearing Member to the Clearing House (or *vice versa*) pursuant to the Rules or any Contract may be included within an end-of-day or *ad hoc* payment. This may include settlement amounts, delivery-related payments (e.g. Buyer's Security and Seller's Security), fines, damages, amounts payable as a result of arbitration or disciplinary proceedings, dividends and coupons on Investments being delivered under [LHFE Financials & Softs](#) Contracts and other amounts payable under the Rules.

(viii) *Currency Holidays and payments in other currencies*

Before the start of each calendar year, the Clearing House will publish a Circular setting out details of bank holidays relevant to the currencies supported by the Clearing House in different jurisdictions (each, a "**Currency Holiday**"). Transfer of funds in a currency will not take place on a Currency Holiday for that currency.

(IV) DELIVERY PROCEDURES

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PART A: ICE FUTURES EUA FUTURES CONTRACT ("ICE EUA FUTURES"), ICE FUTURES EUA DAILY FUTURES CONTRACT ("ICE EUA DAILY FUTURES"), ICE FUTURES EUA AUCTION CONTRACT ("ICE EUA AUCTION CONTRACT"), ICE FUTURES EUAA FUTURES CONTRACT ("ICE EUAA FUTURES"), ICE FUTURES EUAA AUCTION CONTRACT ("ICE EUAA AUCTION CONTRACT"), ICE FUTURES CER FUTURES CONTRACT ("ICE CER FUTURES"), ICE FUTURES CER FUTURES DAILY CONTRACT ("ICE CER DAILY FUTURES"), AND ICE FUTURES ERU FUTURES CONTRACT ("ICE ERU FUTURES")

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8. ALTERNATIVE DELIVERY PROCEDURE: ~~LIFFE~~ FINANCIALS & SOFTS WHITE SUGAR ~~AND RAW SUGAR~~ CONTRACTS

In the event that the Seller agrees with the Buyer (to whom the Seller's Tender is allocated by the Clearing House) to make delivery other than as specified in the LIFFE Rules or the ICE Futures Europe Rules, as applicable, in respect of ~~LIFFE~~ Financials & Softs White Sugar Contracts ~~or LIFFE Raw Sugar Contracts~~, both parties must advise LIFFE or ICE Futures Europe, as applicable, via ~~LIFFE~~ Guardian (or any successor system) of their agreement. In such circumstances, the Clearing House will terminate the ~~LIFFE~~ Financials & Softs White ~~Sugar Contracts or LIFFE Raw~~ Sugar Contracts at the agreed settlement price, in fulfilment of all obligations and rights of all parties under the Contracts.

9. 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, ~~LIFFE~~ Financials & Softs Coffee Contract, ~~LIFFE~~ Financials & Softs Cocoa Contract, ~~LIFFE~~ Financials & Softs Wheat Contract, ~~LIFFE~~ Financials & Softs Gilt Contract, ~~LIFFE~~ Financials & Softs Japanese Government Bond Contract, ~~LIFFE~~ Financials & Softs Equity Futures/Options Contract or ~~LIFFE~~ 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.

10. 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.

11. 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.

12. 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.

13. 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 ~~LIFFE~~ 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 ~~LIFFE~~ Financials & Softs Contracts, and *vice versa*, as circumstances require.

14. 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).

15. LIABILITY, MARGIN, DEFAULT AND DISCIPLINARY

- 15.1 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.
- 15.2 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.
- 15.3 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.
- 15.4 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.
- 15.5 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.
- 15.6 Nothing in these Delivery Procedures shall exclude any liability for fraud, death, personal injury or any liability which by law may not be excluded.

16. 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.

17. ~~LIFFE~~-GUARDIAN

~~LIFFE~~-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).

PART L: ~~LIFFE~~FINANCIALS & SOFTS COCOA CONTRACTS

1. DELIVERY SPECIFICATION

1.1 Quality

Cocoa shall be delivered of a growth and quality as specified in the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.2 Price

The price at which the Cocoa is delivered is the Market Delivery Settlement Price on the Business Day immediately preceding the day of tender, adjusted in accordance with the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.3 Scope

Cocoa shall be delivered from a nominated warehouse as defined in the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.4 Cessation of Trading

Cocoa delivery months cease trading on the last trading day, as specified in the Contract Terms, which unless specified otherwise in the Market Rules is at 12:00, eleven Business Days prior to the last Business Day of the delivery month. Sellers' Tenders must be submitted by 10:00 the following day (the "Notice Day").

DELIVERY TIMETABLE FOR ~~LIFFE~~FINANCIALS & SOFTS COCOA CONTRACTS

	TIME	ACTION
Cessation of Trading	11 Business Days prior to the last Business Day of the delivery month	
	By 12:00	The cocoa delivery month ceases trading.
Notice Day	The day following cessation of trading (Notice Day)	
	By 10:00	<p>All Clearing Members perform position maintenance.</p> <p>Remaining Open Contract Positions automatically become subject to delivery obligations.</p> <p>Clearing Members with a deliverable Short Open Contract Position must submit the details of the lots to be delivered via LIFFE Guardian <u>(or any successor system)</u>.</p> <p>Clearing Members with an Open Contract Position as Buyer must submit a Buyer's Position Notice via LIFFE Guardian <u>(or any successor system)</u> which should give details of the 'shape' of the positions that are required for delivery.</p> <p>Sellers must input delivery notices via LIFFE Guardian <u>(or any successor system)</u>. Sellers' delivery notices may be deleted by Clearing Members via LIFFE Guardian <u>(or any successor system)</u>.</p> <p>Clearing Members must ensure that all settlements and transfers are completed in UCP <u>(or any successor system)</u> by the 10:00 deadline.</p>
First Allocation	After 10:00	<p>First allocation of cocoa to Buyers. Buyers are not informed of the allocation details at this time unless there are no conversions to be made.</p> <p>HIT report available on UCP <u>(or any successor system)</u>, informing Buyers of the number of lots allocated.</p>
Conversion of lots	By 16:00	<p>The Clearing House may direct Sellers to convert bulk ("BDU") or large ("LDU") delivery units into LDU or standard ("SDU") delivery units.</p> <p>LIFFE <u>or ICE Futures Europe, as applicable,</u> will be notified of these directions.</p>
	After 16:00	Sellers can obtain details of the BDU and LDU to be converted via LIFFE Guardian <u>(or any successor system)</u> .

	TIME	ACTION
Conversion Notice	First Business Day after the Notice Day	
	By 12:00	<p>Sellers who have been directed to convert must give notice via LIFFE-Guardian <u>(or any successor system)</u> that they will either:</p> <ul style="list-style-type: none"> ; comply with the conversion as instructed <p>or</p> <ul style="list-style-type: none"> ; convert alternative delivery units, and provide details of those units <p>or</p> <ul style="list-style-type: none"> ; provide substitute delivery units, and give details of those units. <p>In the cases where different delivery units will be converted, the alternate units proposed for conversion must both match the Clearing House's requirements to fulfil delivery to Buyers and must be of an equivalent or better quality.</p> <p>In the cases where a Seller, in place of performing a conversion, substitutes a delivered unit via LIFFE-Guardian <u>(or any successor system)</u>, the substitution must meet the Clearing House's requirements to facilitate delivery.</p>
Second Allocation	By 16:00	<p>Second allocation of Cocoa to Buyers.</p> <p>The following are made available to Sellers via LIFFE Guardian <u>(or any successor system)</u>:</p> <ul style="list-style-type: none"> ; account sale report. ; delivery details. <p>The following are made available to Buyers via LIFFE Guardian <u>(or any successor system)</u>:</p> <ul style="list-style-type: none"> ; invoice report. ; delivery details.
LDU Conversion Notice	First Business Day prior to the Settlement Day	
	At or prior to 10:00	<p>Sellers who have been directed to convert LDU must give notice via LIFFE-Guardian <u>(or any successor system)</u> that:</p> <ul style="list-style-type: none"> ; they have complied with the conversion as instructed. <p>and</p> <ul style="list-style-type: none"> ; arranged for the warehousekeeper/s to provide updated delivery details in respect of the converted delivery units.
	By 16:00	<p>Where necessary the following are made available to Sellers via LIFFE Guardian <u>(or any successor system)</u>:</p> <ul style="list-style-type: none"> ; final account sale report. ; warrant delivery instructions report. ; delivery details. <p>Where necessary the following are made available to Buyers via</p>

	TIME	ACTION
		LIFFE -Guardian <u>(or any successor system)</u> : ; final invoice report. ; delivery details.
Settlement Day	Last Business Day of delivery month (Settlement Day)	
	By 09:00	The Clearing House debits Buyers, as detailed on the Invoices
	After 09:30	The Clearing House credits Sellers, as detailed on the Account Sales. The Clearing House transfers the warrants to Buyers via LIFFE Guardian <u>(or any successor system)</u> .
BDU Notice	First Business Day prior to the Conversion Settlement Day	
	At or prior to 10:00	Sellers who have been directed to convert BDUs must give notice via LIFFE -Guardian <u>(or any successor system)</u> that: ; they have complied with the conversion as instructed and ; arranged for the warehousekeeper/s to provide updated delivery details to LIFFE Guardian <u>(or any successor system)</u> in respect of the converted delivery units or ; they are unable to complete conversion in time and wish to apply for an extension to conversion. Where a Seller has applied for an extension to conversion, it must provide reasons for the conversion having not been completed and Buyers and LIFFE or <u>ICE Futures Europe, as applicable</u> , will be informed of such Seller's application. Where it is determined that an extension is to be granted, the Seller and Buyer will be informed accordingly.
Extension to conversion	By 16:00	Where necessary the following are made available via LIFFE Guardian <u>(or any successor system)</u> to Sellers: ; final account sale report. ; delivery details. Where necessary the following are made available to Buyers: - final invoice report. - delivery details.
BDU Notice	First Business Day prior to the Extended Conversion Settlement Day	
	At or prior to 10:00	Sellers who have been directed to convert BDUs must give notice via LIFFE -Guardian <u>(or any successor system)</u> that: ; they have complied with the conversion as instructed and

	TIME	ACTION
		; arranged for the warehousekeeper/s to provide updated delivery details in respect of the converted delivery units
	By 16:00	<p>Where necessary the following are made available to Sellers via- LIFFE Guardian <u>(or any successor system)</u>:</p> <p>; final account sale report. ; delivery details.</p> <p>Where necessary the following are made available to Buyers:</p> <p>; final invoice report. ; delivery details.</p>
Settlement Day, Conversion Settlement Day and Extended Settlement Day	Last Business Day of delivery month/10 Business Days after Settlement Day/ 10 Business Days after Conversion Settlement Day	
	By 09:00	The Clearing House debits Buyers, as detailed on the Invoices.
	After 09:30	The Clearing House credits Sellers, as detailed on the Account Sales. The Clearing House transfers the warrants to Buyers via- LIFFE Guardian <u>(or any successor system)</u> .
Substitution of Delivery Unit	10 Business Days after Settlement Day or 7 Business Days after either the Conversion Settlement Day or the Extended Conversion Settlement Day	
	By 12:00	<p>A Seller may substitute a delivery unit with the Buyer's prior consent (or in the case of dispute, if ordered to do so by LIFFE <u>or ICE Futures Europe, as applicable</u>), via LIFFE-Guardian <u>(or any successor system)</u> and in such case, LIFFE-Guardian <u>(or any successor system)</u> will notify any changes in pricing resulting from the substitution and a Substitution Invoice or Account Sale will be made available to the Buyer and Seller respectively.</p> <p>If the Buyer does not consent to such a substitution, then the Seller remains obliged to make delivery in accordance with the original Tender. If the Seller fails to make delivery against the original Tender then the Seller will be in default in performance.</p>
Deemed acceptance of delivery	By 12:00	The Buyer will be deemed to have accepted each delivery unit that has been received.

2. DELIVERY DOCUMENTATION SUMMARY

<i>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full.</i>		
Name of Delivery Document	Explanation	Timing
LIFFE Financials & Softs Cocoa Contract: Seller's Delivery Notice	The Seller's Delivery Notice screen is completed via LIFFE -Guardian (<u>or any successor system</u>) including details of: <ul style="list-style-type: none"> (i) the port in which the cocoa is stored; (ii) the warehouse in which the cocoa is stored; and (iii) the shed in which the cocoa is stored. 	On the Notice Day.
LIFFE Financials & Softs Cocoa Contract: Buyer's Invoice	Buyers are provided with Invoices via LIFFE -Guardian (<u>or any successor system</u>). Provisional Invoices and Accounts Sales are issued where a delivery unit is the subject of an instruction to convert.	By 16:00 on the day that is (i) 10 Business Days prior to the last Business Day of the delivery month; (ii) First Business Day prior to the Conversion Settlement Day; (iii) First Business Day prior to the Extended Conversion Settlement Day.
LIFFE Financials & Softs Cocoa Contract: Seller's Account Sales	Sellers are provided with Account Sales via LIFFE -Guardian (<u>or any successor system</u>). Provisional Invoices and Accounts Sales are issued where a delivery unit is the subject of an instruction to convert.	(ii) First Business Day prior to the Conversion Settlement Day; (iii) First Business Day prior to the Extended Conversion Settlement Day.
LIFFE Financials & Softs Cocoa Contract: Buyer's Position Notice	Clearing Members with buying positions must submit a Buyer's Position Notice via LIFFE -Guardian (<u>or any successor system</u>) which should give details of the 'shape' of the positions that are required for delivery.	By 10:00 on the Notice Day.
LIFFE Financials & Softs Cocoa Contract: Seller's Conversion Notice	Sellers who have been directed to convert must give notice via LIFFE -Guardian (<u>or any successor system</u>) that they will either: (i) comply with the conversion as instructed; (ii) convert alternative delivery units, and provide details of those units; or (iii) provide substitute delivery units, and give details of those units.	By 12:00 on the first Business Day after the Notice Day.
LIFFE Financials & Softs Cocoa Contract: Seller's LDU Conversion Notice	Sellers who have been directed to convert LDUs must give notice via LIFFE -Guardian (<u>or any successor system</u>) that: (i) they have complied with the conversion as instructed; and (ii) arranged for the warehousekeeper/s to provide updated delivery details in respect of the converted delivery units.	At or prior to 10.00 on the first Business Day prior to Settlement Day.

Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full.

Name of Delivery Document	Explanation	Timing
LIFFE Financials & Softs Cocoa Contract: Seller's BDU Conversion Notice	Sellers who have been directed to convert BDUs must give notice via LIFFE -Guardian_ (or any successor system) that: (i) they have complied with the conversion as instructed; and (ii) arranged for the warehousekeeper/s to provide updated delivery details to LIFFE -Guardian (or any successor system) in respect of the converted delivery units; or (iii) they are unable to complete conversion in time and wish to apply for an extension to conversion	At or prior to 10.00 on the first Business Day prior to Conversion Settlement Day or the Extended Conversion Settlement Day.

PART M: ~~LIFFE~~FINANCIALS & SOFTS COFFEE CONTRACTS

1. DELIVERY SPECIFICATION

1.1 Quality

Coffee shall be delivered of a growth and quality as specified in the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.2 Price

The price at which the Cocoa is delivered is the Market Delivery Settlement Price on the Business Day immediately preceding the day of Tender, adjusted in accordance with the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.3 Scope

Coffee shall be delivered from a nominated warehouse as defined in the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.4 Cessation of Trading

Coffee delivery months cease trading on the last trading day, as specified in the Contract Terms, which unless specified otherwise in the Market Rules is at approximately 12:30 on the last Business Day of the delivery month. Sellers' Tenders may be submitted by 12:00 on any Business Day during the delivery month (excluding the last trading day when the Tender must be submitted by 14:30).

DELIVERY TIMETABLE FOR ~~LIFFE~~FINANCIALS & SOFTS COFFEE – 10 TONNE CONTRACTS

	TIME	ACTION
Tender Day (excluding last Tender day)	Tender Day	
	By 12:00	<p>All Clearing Members perform position maintenance.</p> <p>Sellers who wish to tender input Delivery Notices via both UCP (or any successor system) and LIFFE-Guardian (or any successor system).</p> <p>On each Business Day during the delivery month a Seller may input a delivery notification via UCP (or any successor system). Clearing Members submitting a delivery notification to UCP (or any successor system) must also submit via LIFFE-Guardian (or any successor system) the details of the lots to be tendered.</p> <p>Tender notifications may be deleted by Clearing Members.</p> <p>Submission of a delivery notification to UCP (or any successor system) without the corresponding input to LIFFE-Guardian (or any successor system) (<i>or vice versa</i>) will not constitute valid notification of Tender to the Clearing House.</p> <p>Clearing Members must ensure that all settlements and transfers are completed in UCP (or any successor system) by the 12:00 deadline.</p>
First Allocation	After 12:00	<p>HIT report available on UCP (or any successor system) informing Buyers of the number of lots allocated.</p> <p>Coffee allocated to Buyers on a pro rata basis.</p> <p>The following are made available to Buyers via LIFFE Guardian (or any successor system):</p> <ul style="list-style-type: none"> ; invoice report. ; delivery details. <p>The following are made available to Sellers via LIFFE Guardian (or any successor system):</p> <ul style="list-style-type: none"> ; account sale report. ; delivery details.
Cessation of Trading	Last Tender Day	
	At 12:30	The Coffee delivery month ceases trading.
	By 14:30	<p>All Clearing Members perform position maintenance. Remaining Open Contract Positions automatically become subject to delivery obligations.</p> <p>Sellers submit delivery notices via LIFFE Guardian (or any successor system).</p> <p>Sellers holding Open Contract Positions must submit via LIFFE-Guardian (or any successor system) the details of the lots to be tendered.</p>

	TIME	ACTION
		<p>Tender notifications may be deleted by Clearing Members.</p> <p>Sellers are not required to give notification via UCP <u>(or any successor system)</u>.</p> <p>Clearing Members must ensure that all assignments, settlements and transfers are completed in UCP <u>(or any successor system)</u> by the 14:30 deadline. Clearing Members with Open Contract Positions in the expired delivery month are obliged to make or take delivery.</p>
Second Allocation	After 14:30	<p>The HIT report is made available on UCP <u>(or any successor system)</u> informing Buyers of the final number of lots allocated.</p> <p>Second allocation of coffee to Buyers on a pro rata basis.</p> <p>The following are made available to Sellers via LIFFE Guardian <u>(or any successor system)</u>:</p> <ul style="list-style-type: none"> ; account sale report. ; delivery details. <p>The following are made available to Buyers via LIFFE Guardian <u>(or any successor system)</u>:</p> <ul style="list-style-type: none"> ; invoice report. ; delivery details.
Early Take Up	Business Day prior to Business Day on which the Buyer wishes to take up and pay for the warrants	
	By 16:00	<p>A Buyer may take up warrants prior to the due Settlement Day, by inserting instructions via LIFFE Guardian <u>(or any successor system)</u>.</p> <p>The early take up is then processed and an Early Take Up Invoice or Account Sale is made available to the Buyer and Seller respectively.</p>
Payment	Settlement Day 14 days after the Tender Day (or the next Business Day in the case of a Bank Holiday or a day declared a non-Business Day by LIFFE <u>or ICE Futures Europe, as applicable</u>)	
	By 09:00	The Clearing House debits Buyers, as detailed on the Invoices
	After 09:00	<p>The Clearing House credits Sellers, as detailed on the Account Sales.</p> <p>The Clearing House transfers the warrants to Buyers via LIFFE Guardian <u>(or any successor system)</u>.</p>
Substitution of Tenders	7 Business Days after Settlement Day	
	By 17:00	<p>A Seller may substitute a Tender with the Buyer's prior consent (or in the case of dispute, if ordered to do so by LIFFE <u>or ICE Futures Europe, as applicable</u>) via LIFFE Guardian <u>(or any successor system)</u> and LIFFE Guardian <u>(or any successor system)</u> will notify any changes in pricing resulting from the substitution. A Substitution Invoice or Account Sale is made available to the Buyer and Seller</p>

	TIME	ACTION
		<p>respectively.</p> <p>If the Buyer does not consent to such a substitution, then the Seller remains obliged to make delivery in accordance with the original Tender. If the Seller fails to make delivery against the original Tender then the Seller will be in default in performance.</p>

2. DELIVERY DOCUMENTATION SUMMARY

Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full, including standard details such as Clearing Member name, mnemonic, etc.

Name of Delivery Document	Explanation	Timing
LIFFE Financials & Softs Coffee – 10 tonne: Buyer's Invoice	<p>Buyers are provided with Invoices via LIFFE-Guardian <u>(or any successor system)</u>. Provisional Invoices are issued where a delivery unit is the subject of an instruction to convert.</p> <p>Early Take Up, Substitution and Adjustment Invoices are identical to the original Invoices except the title reflects why they have been produced and the information that has changed.</p>	By 16:00 on the day that is (i) 10 Business Days prior to the last Business Day of the delivery month; (ii) First Business Day prior to the Conversion Settlement Day; (iii) First Business Day prior to the Extended Conversion Settlement Day.
LIFFE Financials & Softs Coffee – 10 tonne: Seller's Account Sales	<p>Sellers are provided with Account Sales via LIFFE-Guardian <u>(or any successor system)</u>. Provisional Account Sales are issued where a delivery unit is the subject of an instruction to convert.</p> <p>Early Take Up, Substitution and Adjustment Account Sales are identical to the original Account Sales except the title reflects why they have been produced and the information that has changed.</p>	
LIFFE Financials & Softs Coffee – 10 Tonne: Seller's Delivery Notice	<p>Sellers submit this notice via LIFFE-Guardian <u>(or any successor system)</u>.</p>	By 14:30 on the last tender day/last trading day.

PART N: ~~LIFFE~~FINANCIALS & SOFTS WHITE SUGAR CONTRACTS**1. DELIVERY SPECIFICATION****1.1 Quality**

White sugar shall be delivered of an origin and quality as specified in the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.2 Price

The price at which the white sugar contracts are delivered for a particular delivery month is the Market Delivery Settlement Price as calculated by LIFFE or ICE Futures Europe, as applicable. on the Last Trading Day, as defined in the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.3 Scope

White sugar contracts are for the sale and delivery of white beet or cane crystal sugar or refined sugar, in bags, of any origin of the crop current at the time of delivery, conforming to the specifications set out in the LIFFE Rules or the ICE Futures Europe Rules, as applicable. Delivery is permissible on a day in the period between the first day of the delivery month and the last day of the succeeding month.

Delivered white sugar must, inter alia, be free of all liens and claims of any kind.

1.4 Cessation of Trading

White sugar delivery months cease trading on the last trading day, as specified in the Contract Terms, which unless specified otherwise in the Market Rules is at 18:30, sixteen calendar days preceding the first day of the delivery month (or, if not a Business Day, then the first Business Day immediately preceding).

1.5 Taking White Sugar "Off the Market"

If Clearing Members opt for alternative delivery procedures, notification must be made via ~~LIFFE~~ Guardian (or any successor system).

DELIVERY TIMETABLE FOR ~~LIFFE~~FINANCIALS & SOFTS WHITE SUGAR CONTRACTS

	TIME	ACTION
	Last Trading Day	
	At 18:30	The white sugar delivery month ceases trading.
Seller's Notice of Tender	Last Trading Day +1	
	By 10:30	<p>All Clearing Members perform position maintenance.</p> <p>Remaining Open Contract Positions automatically become subject to delivery obligations.</p> <p>Sellers holding Open Contract Positions must deliver a Seller's Notice of Tender via LIFFE Guardian (<u>or any successor system</u>). Clearing Members are not required to give notification via UCP (<u>or any successor system</u>).</p> <p>Clearing Members must ensure that all assignments, settlements and transfers are completed in UCP (<u>or any successor system</u>) by the 10:30 deadline.</p> <p>Clearing Members with Open Contract Positions in the expired delivery month are obliged to make or take delivery.</p>
First Allocation	After 10:30	<p>HIT report available on UCP (<u>or any successor system</u>) which confirms the number of lots taken to delivery.</p> <p>First allocation of white sugar to Buyers on a pro-rata basis by "Port of Loading" and the information is made available via LIFFE-Guardian (<u>or any successor system</u>).</p> <p>Clearing Members are informed of the identity of the Buyers and ports from which delivery will be made via LIFFE-Guardian (<u>or any successor system</u>).</p>
Non-Qualifying Port(s)	By 11:00	<p>Where any Sellers ("Insufficient Sellers") have submitted Seller's Delivery Notification via LIFFE-Guardian (<u>or any successor system</u>) in respect of a port or ports which is/are not Qualifying Port(s) under the LIFFE Rules <u>or ICE Futures Rules, as applicable</u> ("Non-Qualifying Port(s)"), Insufficient Seller(s) will be notified, as specified under LIFFE Rule 9.04, <u>the relevant Contract Terms</u>, that the Tenders should be revised in accordance with LIFFE Rule 9.05, <u>the relevant Contract Terms</u>.</p>
Insufficient Sellers	By 13:00	<p>Insufficient Seller(s) deliver, in accordance with LIFFE Rule 9.05, <u>the relevant Contract Terms</u>, revised Seller's Delivery Notification via LIFFE-Guardian (<u>or any successor system</u>). If the Insufficient Seller(s) have not delivered the revised Seller's Delivery Notification by 13:00, LIFFE <u>or ICE Futures Europe, as applicable</u>, will determine in accordance with the <u>relevant Contract terms</u> Terms, the port of loading from which Tenders will be made, and LIFFE <u>or ICE Futures Europe, as applicable</u>, shall notify the Clearing House of such determination by 14:00.</p>
Seller's Delivery	By 14:00	Where Sellers' Delivery Notifications continue to be made in respect

	TIME	ACTION
Notification		<p>of Non-Qualifying Port(s), <u>LIFFE or ICE Futures Europe, as applicable,</u> will determine in accordance with LIFFE Rule 9.06 to 9.08, <u>the relevant Contract Terms,</u> the port of loading from which Tenders will be made and shall notify the Clearing House of such determination.</p> <p><u>LIFFE or ICE Futures Europe, as applicable,</u> shall notify the Insufficient Seller(s) of the port of loading at which their Tender(s) shall take place.</p>
	After 14:00	The Buyers are advised of the identity of the Seller via LIFFE -Guardian <u>(or any successor system).</u>
Last Trading Day +2	Second Business Day following the Last Trading Day	
	By 12:00	With the consent of <u>LIFFE or ICE Futures Europe, as applicable,</u> Buyers may exchange notices of Tender via LIFFE -Guardian <u>(or any successor system).</u>
Delivery day(s) -14 Calendar Days	Last Business Day of delivery month (Settlement Day)	
	By 16:00	<p>Delivery may commence on any day within the delivery period, the Buyer having given fourteen calendar days notice of the name of the vessel to the Seller via LIFFE Guardian <u>(or any successor system).</u></p> <p>Clearing Members should refer to the LIFFE Rules <u>or the ICE Futures Europe Rules, as applicable,</u> for further requirements in respect of nomination of vessels for delivery for delay in delivery.</p>
Document Notice Day	20 days after vessel has completed loading	
	By 12:00	The Seller must notify document presentations via LIFFE -Guardian <u>(or any successor system).</u> Once the presentation has been processed, the Buyer will be notified via LIFFE Guardian <u>(or any successor system).</u>
	After 12:00	<p>Buyer informed via LIFFE-Guardian <u>(or any successor system)</u> of next day presentation of documents.</p> <p>Invoices and Account Sales are made available to the Buyers and Sellers respectively via LIFFE-Guardian <u>(or any successor system).</u></p>
Document Delivery Day/ Settlement Day (Document Notice Day +1)	First Business Day following Document Notice Day	
	By 09:00	The Clearing House receives payment from the Buyer as detailed on the Invoice.
	By 10:00	<p>The Seller must lodge the following delivery documentation:</p> <ul style="list-style-type: none"> (i) a commercial invoice; (ii) a complete set of original signed clean on board bills of lading;

	TIME	ACTION
		(iii) an original certificate of origin; and (iv) an original certificate of weight, packing, quality, (polarisation, moisture and colour), issued by an internationally-recognised independent or state-owned supervision company appointed by the Seller at its own expense.
	After 11:00	LIFFE or ICE Futures Europe, as applicable , advises the Buyer that documents are available for collection. The Buyer collects the delivery documents from LIFFE or ICE Futures Europe, as applicable .
	By 14:00	If the Buyer informs LIFFE or ICE Futures Europe, as applicable , via LIFFE-Guardian , (or any successor system) by 14.00 that he wishes to reject the documents specified under LIFFE Rule 7.04 , LIFFE the relevant Contract Terms, LIFFE or ICE Futures Europe, as applicable , will advise the Clearing House to withhold payment from the Seller. All documents to be returned to LIFFE or ICE Futures Europe, as applicable , at the Buyer's expense by 15:00.
Notification of rejection of documents	After 14:00	LIFFE or ICE Futures Europe, as applicable , shall notify the Seller in the event that the Buyer has rejected the documents, and shall advise the Seller that the original documents shall be held at their disposal at LIFFE or ICE Futures Europe, as applicable , for collection at the Seller's expense after 15:00. If the documents have been rejected, the Clearing House credits back to the Buyer the sum debited earlier. The Clearing House credits the Seller, unless informed by 14:00 by the Buyer that the documents have been rejected.

2. DELIVERY DOCUMENTATION SUMMARY

<i>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full, including standard details such as Clearing Member name, mnemonic, etc.</i>		
Name of Delivery Document	Explanation	Timing
LIFFE Financials & Softs White Sugar Contract: Seller's Notice of Tender	The Clearing House sends the Buyer's Notice of Tender to Buyers. The notice informs Buying Clearing Members, in respect of each delivery, of the number of lots, the Clearing House reference number(s), country of origin (if known), the port from which delivery will be made and the name of the Seller.	By 10:30 on Last Trading Day +1.
LIFFE Financials & Softs White Sugar Contract: Seller's Delivery Notification	Sellers submit this notice to the Clearing House.	Last Trading Day +1.
LIFFE Financials & Softs White Sugar Contract: Invoice	The Clearing House issues invoices (for Buyers) and Account Sales (for Sellers). A	After 12:00 on Document

PART O: ~~LIFFE~~FINANCIALS & SOFTS WHEAT CONTRACTS**1 DELIVERY SPECIFICATION****1.1 Quality**

Wheat shall be delivered of an EC origin and of a standard as specified in the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.2 Price

The price at which the wheat is delivered is the Market Delivery Settlement Price on the Business Day immediately preceding the day of tender, adjusted in accordance with the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.3 Scope

Wheat shall be delivered from a registered store as defined in the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.4 First Tender day and Cessation of Trading

The normal first tender day is:

- (i) For January - the second Business Day after Christmas day; and
- (ii) For other delivery months - the seventh day prior to the first Business Day of the delivery month. If this is not a Business Day the next Business Day becomes the first tender day.

Wheat delivery months (with the exception of the July delivery month) normally cease trading on the last trading day, as specified in the relevant Contract Terms, which unless specified otherwise in the Market Rules is at 12:30 on the 23rd day of the delivery month. The July delivery month normally ceases trading at 12:30 on the 7th calendar day of July. If this is not a Business Day, trading ceases on the previous Business Day.

Sellers may tender from 10:30 on the first tender day up to 14:00 on the last trading day.

DELIVERY TIMETABLE FOR ~~LIFFE~~FINANCIALS & SOFTS WHEAT CONTRACTS

	TIME	ACTION
	Tender day (excluding Last Tender Day)	
	By 10:30	<p>All Clearing Members perform position maintenance.</p> <p>On any Business Day during the tender period as defined above, a Seller may input a delivery notification via UCP (or any successor system). Clearing Members submitting a delivery notification to UCP (or any successor system) must also enter delivery notices via LIFFE-Guardian (or any successor system). Submission of a delivery notification via UCP (or any successor system) without the corresponding delivery notice in LIFFE-Guardian (or any successor system), or <i>vice versa</i>, will not constitute valid notification to the Clearing House.</p> <p>Clearing Members must ensure that all assignments, settlements and transfers are completed in UCP (or any successor system) by the 10:30 deadline.</p>
First Allocation	After 10:30	<p>The Clearing House allocates the wheat to Buyers on a pro rata basis by store and makes available the delivery details for each lot via LIFFE-Guardian (or any successor system).</p> <p>A HIT report will be available on UCP (or any successor system), indicating the number of lots allocated to Buyers.</p>
Cessation of trading	Last Tender Day	
	At 12:30	The wheat delivery month ceases trading.
	By 14:00	<p>Clearing Members with Open Contract Positions in the expiry contract month are obliged to make or take delivery.</p> <p>Sellers holding Open Contract Positions must enter delivery notices via LIFFE Guardian (or any successor system). Clearing Members are not required to give notification via UCP (or any successor system).</p> <p>Clearing Members must ensure that all assignments, settlements and transfers are completed via UCP (or any successor system) by the 14:00 deadline.</p>
	After 14:00	<p>The Clearing House allocates the wheat to Buyers and makes available the delivery details via LIFFE-Guardian (or any successor system) for each lot.</p> <p>A HIT report will be available on UCP (or any successor system), indicating the number of lots allocated to Buyers.</p>
Settlement Day -1	First Business Day prior to Settlement Day	

	TIME	ACTION
	By 16:00	The Clearing House makes available via LIFFE -Guardian (<u>or any successor system</u>) the Invoice and Account Sale details to Buyers and Sellers respectively.
Settlement Day	7 days after the Tender Day (unless such a day is not a Business Day, in which case the Settlement Day will be the preceding day)	
	By 09:00	The Clearing House debits Buyers, as detailed on the Invoices
	After 09:00	The Clearing House credits Sellers, as detailed on the Account Sales. The Clearing House makes the warrants available for Buyers to collect via LIFFE Guardian (<u>or any successor system</u>).
	By 12:00	Under the e-Warrant Collection Scheme ("the Scheme") operated by LIFFE <u>or ICE Futures Europe, as applicable</u> , rent due and payable by a Seller in accordance with the LIFFE <u>relevant</u> Contract Terms and Administrative Procedures is collected from the Seller by the Clearing House and transferred to LIFFE <u>or ICE Futures Europe, as applicable</u> , who are responsible for paying the Warehouses. Any unpaid rent payable by the Seller will be collected by the Clearing House from the Seller through Clearing Member's accounts at an Approved Financial Institution no later than 12:00 on the relevant Settlement Day in respect of that Tender. The Clearing House has no principal liability whatsoever for the payment of any such unpaid rent and, in transferring such amounts to LIFFE <u>or ICE Futures Europe, as applicable</u> , acts on behalf of the Seller with whom the liability to make such payment rests. Without prejudice to the provisions of the Rules relating to liability, the Clearing House's only liability in respect of the operation of the Scheme shall be to make payment to LIFFE <u>or ICE Futures Europe, as applicable</u> (who will be responsible for making payment to any grainstorekeeper) of any sums properly collected under the Scheme by the Clearing House from any Clearing Member, and, in the unlikely event of that the Clearing House collects any sum erroneously from a Clearing Member, promptly to return such sum to that Clearing Member through the relevant Clearing Member's account at an Approved Financial Institution or otherwise.

2. DELIVERY DOCUMENTATION SUMMARY

<i>Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full.</i>		
Name of Delivery Document	Explanation	Timing
LIFFE Financials & Softs Wheat Contract: Seller's Delivery Notice	Seller notifies Clearing House by submission of a delivery notification via UCP (<u>or any successor system</u>) and the corresponding	On any Business Day during the Tender.

Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full.

Name of Delivery Document	Explanation	Timing
	delivery notice in LIFFE -Guardian <u>(or any successor system)</u> .	
LIFFE Financials & Softs Wheat Contract: Seller's Account Sales and Buyer's Invoice	The Clearing House issues invoices (for Buyers) and Account Sales (for Sellers). A separate document is issued for each delivery.	After 12:00 on Settlement Day.

PART P: ~~LIFFE~~FINANCIALS & SOFTS DELIVERIES

1. ~~LIFFE~~FINANCIALS & SOFTS DELIVERIES

1.1 Introduction

These Delivery Procedures should be read in conjunction with the rest of the Rules, the ~~LIFFE~~ Contract Terms, ~~LIFFE Administrative~~ Procedures and the UCP (or any successor system) User Manual.

Clearing Members must be fully aware of their obligations under the relevant contracts.

In the event of any conflict between the Clearing Rules and the ~~LIFFE~~ Contract Terms ~~and~~ ~~LIFFE Administrative~~ Procedures, the Clearing House Rules shall prevail.

Enquiries concerning the procedures in this section should be directed to Business Operations staff at the Clearing House.

PART Q: ~~LIFFE~~FINANCIALS & SOFTS COMMON DELIVERY PROCEDURES1 COMMON DELIVERY PROCEDURES FOR ~~LIFFE~~FINANCIALS & SOFTS CONTRACTS

1.1 Allocation Method

For all deliverable bond contracts the following method is used by the Clearing House to allocate stock delivered by Sellers to Buyers:

- (a) Buyers' accounts are listed in mnemonic sequence and numbered sequentially
- (b) a number is chosen at random
- (c) the allocation of the lowest coupon bond commences with the selected mnemonic and progresses through the list referred to in (a) above
- (d) when no further allocation of the lowest coupon bond can be made, the allocation continues with the next lowest coupon bond and so on, until the process is completed with the allocation of the highest coupon bond.

If bonds of equal coupon but with different maturity dates have been nominated then the bond with the earliest maturity will be allocated first.

1.2 Clearing Accounts

Pursuant to Part 7 of the Rules, Clearing Members' Proprietary Accounts and Customer Accounts are treated separately for deliveries. Clearing Members must submit separate notifications (*Seller's Delivery Notices*, etc) to the Clearing House for each such account.

1.3 Market Delivery Settlement Prices (MDSP)

LIFFE or ICE Futures Europe, as applicable, sets a Market Delivery Settlement Price for bond deliveries as determined pursuant to the ~~LIFFE~~relevant Contract Terms and LIFFE Rules or ICE Futures Europe Rules, as applicable. This is published on UCP (or any successor system) as soon as possible after it has been set.

1.4 Delivery Details for Bond Deliveries

Clearing Members submit and receive these details electronically via ~~LIFFE~~ Guardian (or any successor system), the content of the electronic message will vary depending on the contract being delivered.

1.5 Seller's Delivery Notice

Sellers must submit a Delivery Notice via ~~LIFFE~~ Guardian (or any successor system). The Seller must provide all relevant information as required by ~~LIFFE~~-Guardian (or any successor system) and the Clearing House.

1.6 Buyer Notifications

Buyers must submit a Buyer Notification via ~~LIFFE~~ Guardian (or any successor system). The Buyer must provide all relevant information as required by ~~LIFFE~~-Guardian (or any successor system) and the Clearing House.

1.7 Delivery Account Sales for Sellers

The Delivery Account Sale informs Sellers of the details of the invoice amount payable by the Clearing House.

1.8 Delivery Invoice for Buyers

The Delivery Invoice informs Buyers of the details of the invoice amount payable to the Clearing House and details of the bonds allocated.

1.9 Delivery Instructions for Sellers

The Delivery Instruction provides Sellers with:

- (i) precise instructions to be given to the delivery system; and
- (ii) details of the payment to be received from the Clearing House as advised in the Delivery Account Sale.

1.10 Delivery Instructions for Buyers

This Delivery Instruction provides Buyers with:

- (i) precise instructions to be given to the delivery system; and
- (ii) details of the bonds to be transferred from the Clearing House's delivery system.

1.11 Delivery Status

Clearing Members must provide the Clearing House with confirmation that relevant delivery statuses have been reached, as defined in these Delivery Procedures, by the appropriate deadline for a ~~LIFFE~~Financials & Softs Contract via ~~LIFFE~~Guardian (or any successor system). Failure to conform to notification requirements will result in a referral to LIFFE or ICE Futures Europe, as applicable, and potentially to disciplinary action by LIFFE under the LIFFE Rules or by ICE Futures Europe under the ICE Futures Europe Rules, as applicable, or by the Clearing House under the Rules.

1.12 Delivery Invoice/Account Sales for Buyer and Seller Dissemination

Delivery Invoice/Account Sale notices for Buyers and Sellers may be obtained via ~~LIFFE~~ Guardian (or any successor system).

1.13 Delivery Instruction Notices for Buyer and Seller Dissemination

Delivery Instruction notices for Buyers and Sellers may be obtained via ~~LIFFE~~ Guardian (or any successor system).

1.14 Transferors and Transferees

Transferors and Transferees may not be nominated for ~~LIFFE~~Financials & Softs Gilt Contracts, ~~LIFFE~~Financials & Softs Physically Delivered Equity Futures/Options Contracts, and ~~LIFFE~~Financials & Softs Stock Contingent Trades Contracts. Any transfers to Customers or Clearing Members must be arranged for by Clearing Members after their receipt of the relevant gilts or securities, as applicable, and any transfers to Clearing Members from Customers must be arranged with sufficient time to enable the Clearing Member to comply with its delivery obligations.

PART R: ~~LIFFE~~FINANCIALS & SOFTS GILT CONTRACTS**1 GILT CONTRACTS**

The following applies to each of the ~~LIFFE~~Financials & Softs Long, Medium and Short gilts contracts. These kinds of ~~LIFFE~~Financials & Softs Contract differ only in their maturity dates.

1.1 Delivery Mechanism

~~LIFFE~~Financials & Softs gilt contracts must be delivered through the Clearing House's account at CREST. The Clearing House CREST account name is ICE Clear Europe Limited.

1.2 Delivery Communication and ~~LIFFE~~ Guardian (or any successor system)

Delivery documentation must be submitted using ~~LIFFE~~-Guardian (or any successor system). Clearing Members must always ensure they allow sufficient time to connect and transmit their delivery details within the deadlines prescribed in these Delivery Procedures. Failure to do so will result in late delivery and therefore may be subject to disciplinary action by LIFFE or ICE Futures Europe, as applicable, or the Clearing House.

1.3 Invoice Value Calculation

The amount due to Sellers and payable by Buyers is calculated in accordance with the ~~LIFFE~~relevant Contract Terms (all values in GBP):

Invoice value per lot = (1000 x MDSP x Price Factor) + Initial Accrued + (Daily Accrued x Delivery Days in Month)

Invoice Calculation Example

MDSP(N)	=	107.41
Prime Factor	=	1.2554334
Initial Accrued	=	1746.58
Daily Accrued	=	17.1233
Delivery Days in Month	=	10
Single lot value =	=	(100 x 107.41 x 1.2554334) + 1746.58 + (17.1233x10)
	=	136,763.914494
Invoice value per lot	=	136,763.91

The Clearing House establishes the invoicing amount by calculating the full value of 1 lot using the formula (i.e. up to 7 decimal places on the price factor and 5 on the MDSP) and rounding to the nearest whole penny (.5 rounded down). This per lot value is then multiplied by the number of lots to establish the total invoice value.

1.4 Deliverable Bonds

A Deliverable Bond is a bond which is listed on the final list of deliverable bonds for a delivery month as defined in the ~~LIFFE~~relevant Contract Terms. This list is published by LIFFE or ICE Futures Europe, as applicable, and is available to download from ~~LIFFE~~-Guardian (or any successor system).

1.5 **Delivery Day Definition**

The First and Last Notice Day, and Delivery Days, are defined in the ~~LIFFE~~relevant Contract Terms and the LIFFE Rules or the ICE Futures Europe Rules, as applicable.

1.6 **Delivery Timetable (except for Last Notice Day)**

DAY	TIME	ACTION
		Notice Day
Seller's Delivery Notice	By 11:00	<p>Sellers submit Seller's Delivery Notices to the UCP (<u>or any successor system</u>) and LIFFE-Guardian (<u>or any successor system</u>).</p> <p>Deliverable positions are based on Clearing Members' Open Contract Positions at the close of business the previous day. The Open Contract Positions may be transferred or settled to establish the deliverable position.</p> <p>On each Business Day during the notice period, a Seller may input a 'Delivery Notification' and must then, in addition, submit the corresponding Seller's Delivery Notice via LIFFE-Guardian (<u>or any successor system</u>).</p> <p>The input of a delivery notification without the corresponding Seller's Delivery Notice (or <i>vice versa</i>) will not constitute a valid notification.</p> <p>Any notices submitted after this deadline will be treated as being submitted on the following Business Day (if the next Business Day is the Last Notice Day, then the Last Notice Day procedures apply).</p>
	By 11:30	LIFFE <u>or ICE Futures Europe, as applicable,</u> announces the MDSP and this is published on UCP (<u>or any successor system</u>) as soon as possible.
Allocation	By 12:00	<p>Allocation of lots to Buyers.</p> <p>A HIT report indicating the number of lots allocated to Buyers is made available on UCP (<u>or any successor system</u>).</p>
	By 15:00	<p>Deliverable gilts are allocated to Buyers.</p> <p>The Delivery Invoice and Delivery Account Sale are made available to Sellers and Buyers respectively via LIFFE-Guardian (<u>or any successor system</u>).</p>
Buyer's Notification	By 16:30	Buyers must submit a Buyer's Delivery Notification via LIFFE -Guardian (<u>or any successor system</u>).

DAY	TIME	ACTION
Notice Day +1		
Matching	By 05:00	<p>The following are made available via LIFFEGuardian (<u>or any successor system</u>):</p> <ul style="list-style-type: none"> (i) Delivery Instructions for Sellers (ii) Delivery Instructions for Buyers. <p>The instructions as described must be utilised by Clearing Members in order to match the instructions. Clearing Members should endeavour to match at the earliest possible time.</p>
	From 09:00	<p>Clearing Member to commence matching.</p> <p>Details of the LIFFEFinancials & Softs Contracts subject to delivery obligations must be submitted and matched in CREST.</p> <p>All entries must be made with the necessary fields completed in order to match with the instruction.</p>
	By 12:30	<p>Sellers and Buyers respectively update delivery status to 'Matched' in CREST.</p> <p>Failure to match contravenes the Clearing House Procedures and LIFFE's<u>applicable</u> Contract Terms and Administrative Procedures.</p> <p>The Clearing House informs LIFFE <u>or ICE Futures Europe, as applicable</u>, of any outstanding matching problems after this time.</p>
Settlement Day		
Settlement Day (Notice day + 2)	By 13:00	<p>Gilts delivered by Sellers against payment</p> <p>Gilts received by Buyers against payment.</p>
First day after Settlement Day		
S + 1		Original and Variation Margin is released.

1.7 **Last Trading Day (LTD)**

At 11:00

Trading ceases two Business Days prior to the last Business Day in the delivery month.

1.8 **Last Notice Day**

The Last Notice Day is the Business Day following the Last Trading Day.

1.9 **Delivery Timetable (Last Notice Day)**

DAY	TIME	ACTION
Last Notice Day (the Business Day following the last trading day)	Last Notice Day	
	By 10:00	Sellers holding Open Contract Positions <u>must</u> submit a Seller's Delivery Notice via LIFFE Guardian <u>(or any successor system)</u> . Clearing Members are not required to give notification via UCP <u>(or any successor system)</u> . Clearing Members with Open Contract Positions in the Set of the expired delivery month are obliged to make or take delivery.
	By 11:00	A HIT report indicating the number of lots allocated to Buyers is made available on UCP <u>(or any successor system)</u> .
	By 12:00	Allocation of lots and gilts to Buyers. Seller's Delivery Account Sale and Buyer's Delivery Invoice are made available via LIFFE Guardian <u>(or any successor system)</u> .
	By 14:00	Buyers must submit a Buyer's Notification via LIFFE Guardian <u>(or any successor system)</u> .
	By 15:00	Delivery Instructions are made available to Buyers and Sellers via LIFFE Guardian <u>(or any successor system)</u> . Clearing Members should endeavour to match at the earliest time possible. Clearing Member to commence matching.
	By 17:30	Sellers and Buyers update delivery statuses to "Matched" in CREST. The Clearing House informs LIFFE <u>or ICE Futures Europe, as applicable</u> , of any outstanding matching problems after this time.
Settlement Day (Last Notice Day + 1)	Settlement Day	
	By 13:00	Gilts delivered against payment. Gilts received against payment. Settlement day occurs on the second Business Day after the Notice Day. Where the Notice Day is the Last Notice Day,

PART 5: [LIFFE FINANCIALS & SOFTS](#) JAPANESE GOVERNMENT BOND CONTRACTS

1 JAPANESE GOVERNMENT BOND (JGB)

1.1 Cash Settlement Procedure

The Japanese Government Bond (JGB) is cash settled daily by means of settlement margin. Cash settlement is calculated using the Tokyo Stock [LIFFE Financials & Softs](#) (TSE) opening price versus the trade price.

As no open interest is carried forward, ordinarily Original Margin is not charged.

1.2 Absence of TSE Opening Price

In the case of a TSE non-working day (or when a TSE opening price is otherwise unavailable) positions are original and variation margined using the closing price established on LIFFE's [APT_or ICE Futures Europe's automated trading system, as applicable](#). This will generate an interim variation margin as opposed to a cash settlement. Original Margin will be charged on net uncovered positions.

This process will be repeated until the next TSE opening price is available, at which stage all positions are cash settled and Original Margins returned.

PART T: [LIFFE Financials & Softs](#) EQUITY FUTURES/OPTIONS

1 PHYSICALLY DELIVERED EQUITY FUTURES/OPTIONS, AND STOCK CONTINGENT TRADES DELIVERY PROCEDURES

1.1 Introduction

For the purposes of these Delivery Procedures any reference to Equity Futures/Options Contracts means the following [LIFFE Financials & Softs](#) physically delivered Contracts:

- (i) Universal Stock Futures;
- (ii) Individual Equity Options; and
- (iii) Contracts arising from Bclear.

1.2 Delivery System

Physical deliveries resulting from [LIFFE Financials & Softs](#) Equity Futures/Options Contracts and stock contingent trades are made through CREST for UK and Irish securities, the Euroclear Group Single Platform ("EGSP") for French, German, Netherlands and Switzerland securities and Euroclear for all other securities.

All deliveries resulting from [LIFFE Financials & Softs](#) Equity Futures/Options Contracts must be made gross because netting is not available.

1.3 Clearing House Settlement Details

Settlement details for the Clearing House will be as notified to Clearing Members.

1.4 Deliverable Equities

A "deliverable equity" means the equity underlying an Equity Future or Option Contract, published (from time to time) by means of a [LIFFE Financials & Softs](#) General Notice or by other means determined by LIFFE [or ICE Futures Europe, as applicable](#).

If an "equity underlying" is subject to a corporate event, the deliverable security may become a combination of shares and entitlements. Should such a corporate event occur, Clearing Members will be advised of the settlement details by the issue of a 'Corporate Action Notice' or by other means determined by LIFFE [or ICE Futures Europe, as applicable](#). See Section 5 on corporate events.

2. PHYSICALLY DELIVERED EQUITY DELIVERY TIMETABLES

2.1 Physically Delivered Equity Futures and Options Contracts: Summary Timetable

DAY	TIME	ACTION
	Day following the Day of Early Exercise or Expiry	
Exercise day + 1	By 07:00	Summary Clearing Member Delivery Details Report (MDD) available on UCP (or any successor system) . Clearing Members must establish their delivery obligations by reference to the Clearing Member Delivery Details Report (MDD) and the HIT report.

DAY	TIME	ACTION
	By 11:30	<p>All settlement instructions submitted to the relevant settlement system.</p> <p>CREST</p> <p>Details of the Contracts subject to delivery obligations resulting from early exercise or expiry of UK and Irish contracts must be submitted and matched in CREST.</p> <p>All entries must be made with the following fields completed (where applicable standard entries are indicated and encapsulated in brackets):</p> <ul style="list-style-type: none"> (a) Intended Settlement Date; (b) Transaction Type; (c) Participant ID; (d) Consideration; (e) Payment Type (Central); (f) Cash Movement Type (set to 'A' to reflect a standard movement between principals); (g) Debit Party Cash ID; (h) Credit Party Cash ID; (i) Stock ISIN; (j) Quantity; (k) Debit Party Stock ID; (l) Credit Party Stock ID; (m) Trade System of Origin (LIFFE or ICE Futures Europe, as applicable); (n) Trade Price; (o) Trade Date; (p) RO Condition (result of option) (for Equity Options only); (q) Agent/Principal Indicator ('S' for a principal sale and 'P' for a principal purchase); and (r) Special Condition (Special cum condition should only be entered in the event of a corporate action). <p>Clearing Members should note that CREST requires perfect matching and does not provide for tolerance. Clearing Members should also note that a Nationality Declaration is required for certain securities, see CREST manual.</p> <p>Euroclear</p> <p>Details of the Contracts subject to delivery obligations resulting from Physically Delivered Equity Futures or Options Contracts in all stocks with the exception of UK, Irish, French, German, Dutch and Swiss equities must be</p>

DAY	TIME	ACTION
Trade day + 1	Business Day following the Day of Trade	
	By 05:00	All trades submitted to relevant settlement system.
	By 07:00	<p>Clearing Member Stock Contingent Trade Report (SCTM) and Reconciliation Report (SCTR) available on UCP (or any successor system).</p> <p>Clearing Members must establish their delivery obligations by reference to the Clearing Member Stock Contingent Trade Report (SCTM) and Stock Contingent Trade Reconciliation Report (SCTR).</p>
By 11:30	<p>Details of the LIFFE Financials & Softs Contracts subject to delivery obligations resulting from stock contingent trades in all UK and Irish equities must be submitted and matched in CREST.</p> <p>The reporting of stock contingent trades to the Clearing House will automatically generate the Clearing House's entries into CREST. The Clearing Member will enter their trade details into CREST against the Clearing House's participant ID.</p> <p>All entries must be made with the following fields completed:</p> <p>Where applicable standard entries are indicated and encapsulated in brackets.</p> <ul style="list-style-type: none"> (a) Intended Settlement Date (b) Transaction Type (c) Participant Id (d) Consideration (e) Payment Type (Central) (f) Cash Movement Type (set to 'A' to reflect a standard movement between principals) (g) Debit Party Cash ID (h) Credit Party Cash ID (i) Stock ISIN (j) Quantity (k) Debit Party Stock ID (l) Credit Party Stock ID (m) Trade System of Origin (LIFFE or ICE Futures Europe, as applicable) (n) Trade Price (o) Trade Date 	

DAY	TIME	ACTION
		(p) Agent/Principal Indicator ('S' for a principal sale and 'P' for a principal purchase)
	By 16:00	<p>Euroclear</p> <p>Details of the delivery contract resulting from stock contingent trades in all stocks with the exception UK and Irish equities, French, German, Dutch & Swiss must be submitted and matched in Euroclear.</p> <p>France</p> <p>Details of the delivery contract resulting from stock contingent trades in all French stocks must be submitted and matched in ESES.</p> <p>Germany</p> <p>Details of the delivery contract resulting from stock contingent trades in all German stocks must be submitted and matched in Clearstream Frankfurt.</p> <p>Netherlands</p> <p>Details of the delivery contract resulting from stock contingent trades in all Dutch stocks must be submitted and matched in ESES.</p> <p>Switzerland</p> <p>Details of the delivery contract resulting from stock contingent trades in all Swiss stocks must be submitted and matched in SIX SIS.</p> <p>Clearing Members that require the allocation of the Stock Contingent Bargain to be changed must submit an Allocation Change Request form. The form must be completed in full by the members of LIFFE who executed the trade on LIFFE <u>or by the members of ICE Futures Europe who executed the trade on ICE Futures Europe, as applicable</u> (each, an "Originating Member") and the relevant receiving members and communicated to the Clearing House by no later than the 16:00 deadline.</p>
	By 17:00	<p>Clearing Members must have successfully matched all trades with the Clearing House in the relevant settlement system by the times set out in these Delivery Procedures. All matched trades are then available for settlement in the relevant settlement system.</p> <p>It is the responsibility of the Clearing Member to contact the Clearing House and agree any amendments required to achieve matched status.</p> <p>All amendments required to achieve matching must have been submitted prior to the end of the day.</p>
Intended	By the close of Equity Settlement in the Relevant Settlement System	

DAY	TIME	ACTION
Settlement day	By 09:30	<p>Movement of shares complete.</p> <p>Securities will have passed from the Selling Clearing Member's account in the relevant settlement system to the Clearing House's account in the relevant settlement system and then into a Buying Clearing Member's account in the relevant settlement system on the Intended Settlement Day.</p> <p>Clearing Members must ensure that their priority settings and credit facilities permit trades to settle before the close of delivery versus payment (DVP) equity settlement on the Intended Settlement Day. For the purposes of Euroclear and local CSD, the close of DVP equity settlement is the close of "daylight" DVP equity settlement.</p> <p>Following the close of DVP Equity Settlement in the relevant settlement system Clearing Members must notify the Clearing House of any failed deliveries and confirm what measures have been taken to facilitate delivery. Clearing Members are reminded they are responsible for the timely settlement of LIFEE Financials & Softs Contracts subject to delivery obligations.</p> <p>The Clearing House releases Original and non-realised Variation Margin for settled instructions.</p>

2.3 **Partialling**

(a) Automatic partialling

It is a Selling Clearing Member's obligation to ensure full delivery of all securities. When the Clearing House as Buyer does not receive delivery of all the securities to satisfy its position, then the Clearing House may not have sufficient securities to completely fulfil its own delivery obligations. This can result in the Clearing House holding an amount of securities that it cannot pass on.

If the Clearing House's holding is insufficient to fulfil a larger delivery obligation then, in order to reduce the risk associated with corporate actions and costs, the Clearing House may split the fulfilment of that obligation into multiple deliveries. Euroclear, CREST and Local CSD offer an auto-splitting service and the Clearing House may use these services where they are available and suitable to its needs.

(b) Euroclear and local CSD manual partialling

Notwithstanding the above automatic process, the Clearing House may in its absolute discretion decide to accept a partial delivery or a request to do so, provided that the following criteria are fulfilled:

- (i) the partial delivery to the Clearing House enables the Clearing House to fulfil any one or more onward delivery obligations in full and does not result in the Clearing House being in such a position that it cannot deliver the full amount for any onward delivery obligation; and
- (ii) the Clearing House receives the request via e mail followed by a telephone call from the Selling Clearing Member concerned **by 15:00 (London time)** on the intended settlement date.

If in the event that the Clearing House decides to accept such request from a Seller, manual partialling may require the Clearing Member to rematch, and the Clearing House will advise its Clearing Members and agree the relevant details. Both affected Clearing Members will then be required to match the Clearing House's cancellation and rematch the subsequent new instructions as per the Clearing House's advice. Where partialling is possible at either Euroclear or CREST, Clearing Members must match by the relevant Market deadlines to ensure settlement. Any costs incurred due to failure to instruct prior to the deadline after agreeing previously to do so, will be passed onto the relevant Clearing Member.

- (A) where it can be initiated unilaterally in a CSD; or
- (B) where bilateral instructions are required, by prior agreement with the Clearing House.

In the event that the Clearing House decides in its absolute discretion not to accept any partial delivery or request to do so, it shall be under no obligation to provide any reason for such decision.

If the Clearing House decides to accept a request for a partial delivery then it shall use its reasonable endeavours to advise the Selling Clearing Member and agree the cancellations and rematch that are required in order to do so by **15.30 (London Time)** on the day to make such partial delivery.

It is the responsibility of the Buying Clearing Member to ensure that any onward partial delivery is accepted. Such request to make a partial onward delivery will normally be made by the Clearing House by 15:30 (London time). In the event that the Clearing House makes any such request, the Buying Clearing Member shall to match the Clearing House's cancellation and rematch the subsequent new instructions as per the Clearing House's advice.

In the event that a Buying Clearing Member fails or omits to comply with these provisions or settlement instructions are not cancelled and rematched as per the Clearing House's advice, the Clearing House may charge that Buying Clearing Member and the Buying Clearing Member shall pay any costs incurred by the Clearing House as a result of such failure or omission. Such costs will be debited from the Clearing Member's relevant account.

2.4 **Daylight Indicator**

Clearing Members must ensure that their transactions are marked with a Daylight Indicator in Euroclear so that settlement can occur during Daylight Settlement. In the event that a Clearing Member fails to settle during Daylight Settlement the Clearing House may charge for any losses and expenses incurred as a result of non settlement. Such losses and expenses will be debited via the Clearing Member's relevant account.

2.5 **Tolerance Matching**

Although Euroclear applies tolerance matching to internal instructions, Clearing Members must ensure that the Clearing House's settlement amount is perfectly matched in accordance with ~~LHFFE~~the relevant Contract Terms and Administrative Procedures. In the event that a Seller fails perfectly to match the Clearing House's settlement amount, any tolerance applied will be debited from the Selling Clearing Member. Such funds should be paid to the Clearing House as a "cash only" delivery through Euroclear in accordance with Clearing House instructions. In the event that a Clearing Member fails or omits to match the Clearing House's instruction, the Clearing House will debit the relevant funds through the relevant account of the Clearing Member.

3. **FAILED SETTLEMENTS AND NON-DELIVERY OF STOCK**

Under the ~~LHFFE~~relevant Contract Terms, failure to comply with the Clearing House's instructions will constitute a delivery default by the Clearing Member. If the Seller has not made delivery to the Clearing House by close of equity settlement on the intended settlement day the Clearing House shall

take whatever action is appropriate in keeping with its obligation to deliver the securities to the Buyer in accordance with the ~~LIFFE~~relevant Contract Terms.

3.1 **Buying In Summary Timetable**

	TIME	ACTION
Failure to make delivery/payment	Intended Settlement Day + 1 or as soon as reasonable practical	
	Post the close of DVP Equity Settlement in the relevant settlement system.	<p>As soon as reasonably practical, the Clearing House will contact Clearing Members who have failed to deliver to ascertain the reason for non-delivery.</p> <p>The Clearing House will request for Clearing Members to make the share transfer immediately within the settlement timetable as dictated by the relevant settlement system.</p> <p>If this is not achieved, the Clearing House will take steps to acquire shares to fulfil its obligation to make delivery to the Buying Clearing Member by instigating Buying In.</p>
Satisfaction of delivery obligations	Settlement Day plus 2	
	By the close of DVP Equity Settlement in the relevant settlement system	<p>Clearing members inform the Clearing House that a delivery obligation has been met. Failure to do so may result in the purchase of unwanted shares.</p> <p>The Clearing House will inform Clearing Members of any Buying In instructions issued.</p>
"Buying In"	Settlement Day plus 3	
	Post the close of DVP Equity Settlement in the relevant settlement system	<p>In its absolute discretion, the Clearing House may require the Clearing Members to delete the original bargain and match the deletion with the Clearing House.</p> <p>In the event that the Clearing House 'buys in', the Clearing House will deal for T+3 settlement. Clearing Members will be advised of the Buying In details. Associated costs will be for the account of the defaulting Clearing Member and will be debited via the relevant Clearing Member's account.</p> <p>For the purposes of Euroclear and where settlement in local CSD markets, the close of Equity Settlement will be the close of Daylight settlement on the Settlement Day.</p>
Settlement	Settlement Day plus 6	
	By the close of DVP Equity Settlement in the relevant settlement	Settlement effected.

	TIME	ACTION
	system	

3.2 Margining of Failed Settlements

All physically delivered Equity Futures/Options Contracts going in to delivery are placed within UCP (or any successor system) in a pending delivery position at the option strike or delivery price. They are held there until Settlement Day. During this period, they are subject to Original and contingent Margin.

In the event of a failed delivery on the settlement day the contracts will continue to be liable for Margin until the delivery obligations has been satisfied. Margin is calculated independently on UCP (or any successor system).

4. CORPORATE EVENTS

4.1 The Clearing House shall not be responsible for any act with regard to any corporate event relating to any underlying or Deliverable of any LIFFE Financials & Softs Equity Futures or Options Contract, or Stock Contingent Trades other than set out below.

For the purposes of these Delivery Procedures, the term "Corporate Event" is used to refer to a corporate event of any description relating to an underlying LIFFE Financials & Softs Equity Future/Option Contract or, Stock Contingent Contract (for example a rights issue, dividend payment, vote or other corporate entitlement).

While the Clearing House will use reasonable efforts to carry out the steps set out below, it shall have no liability for any loss or damage arising out of or connected with any action or inaction on its part or on its behalf in connection with any corporate event.

The Clearing House shall not be obliged to provide or forward any information, or deliver any notice, document or instruction received by the Clearing House or of which it is aware to any Clearing Member relating to or in connection with any Corporate Event.

In the event that a Clearing Member fails to take delivery of Securities by the final date for delivery of such Securities, due to insufficient funds, failure to match, by not allowing transactions to settle because of priority settings or for any other reason, the Clearing House may charge to that Clearing Member any costs incurred by the Clearing House or of which it is aware as a result thereof. Such charges will be debited to the Clearing Member's relevant account.

4.2 Distributions

(a) Claims

Any claim or distribution in respect of the underlying of a LIFFE Financials & Softs Equity Future/Option Contract or Stock Contingent Contract should be carried out and settled in accordance with the relevant settlement system rules and procedures. All claims should be settled on their intended settlement date (ISD) and Clearing Members should ensure that priority settings allow the settlement of a distribution in the relevant settlement system.

Where claims or distributions are not settled in accordance with the procedures of the relevant settlement system, the Clearing House compensates cash claims on a net of tax basis, in accordance with Part 3 of the Rules.

The cash compensation is not itself a dividend payment and the Clearing House does not provide tax vouchers.

The Clearing House does not reclaim Tax on a Clearing Member's behalf. If a Clearing Member is entitled to receive Tax benefit, then it will need itself to deal directly with the relevant Tax authority.

If the Clearing House incurs any liability to pay any Tax (including but not limited to any stamp duty, income tax, withholding tax and corporation tax) in respect of the cash compensation then it will require reimbursement in respect of such Tax liability and any costs and other expenses incurred in relation thereto, from the Clearing Member who is or was party to Contract concerned. The Clearing House will debit such amounts from the relevant account of that Clearing Member.

(b) Scrip Dividends

Where an issuing company announces a Scrip Dividend on an underlying [LIFPE Financials & Softs](#) Equity Future/Option or Stock Contingent contract, Buying Clearing Members will only be permitted to receive the default option as directed by the relevant settlement system.

(c) Settlement of Claims outside of the relevant settlement system

Although Clearing Members are not permitted to delete claims in the relevant settlement system, the Clearing House may, in its discretion at any time, agree with a Clearing Member to co operate with that Clearing Member in order to make a Corporate Event "claim" a claim otherwise than through the relevant settlement system. In such circumstances, and always subject to the Clearing House's prior approval, the Clearing Member concerned may, in accordance with the Clearing House's instructions, thereafter delete the claim within the relevant settlement system and the Clearing House will provide reasonable co-operation with that Clearing Member to facilitate settlement. Without limiting the Clearing House's discretion in this regard, Clearing Members are advised that generally this is only likely to occur when there are, in the Clearing House's opinion, circumstances that would be likely to prevent settlement in the relevant settlement system.

(d) Fractional Entitlements

When an Issuer determines that an amount known as a "fractional entitlement" is payable to a shareholder entitled to the same, the Clearing House will accept a claim from a Buying Clearing Member which must input a cash only transaction in the relevant settlement system against the Clearing House for the total amount due. If the Clearing House agrees the claim it will itself input a cash only transaction against the Selling Clearing Member, which must match the Clearing House's cash only transaction within twenty four hours of the input of such transaction by the Clearing House. Following settlement of the Selling Clearing Member's cash only transaction, the Clearing House will match the cash only transaction of the Buying Clearing Member and that transaction will settle. If the Selling Clearing Member fails to match the Clearing House's cash only transaction within the time period set out above, then the Clearing House will debit the total amount of the claim via the Selling Clearing Member's account. Where a Buying Clearing Member issues a claim for a 'fractional entitlement' more than one month after the Issuer determines that such entitlements are payable, such claim will be treated as invalid by the Clearing House, and the Clearing House will be under no obligation whatsoever to make any payment to the Buying Clearing Member with regard to the fractional entitlement associated therewith.

(e) Lapsed Rights Proceeds

Where a Buying Clearing Member issues a rights claim more than one month after the appropriate deadline nominated by the Issuer for acceptance of an offer in respect thereof, such claim shall be treated as invalid by the Clearing House, and the Clearing House shall be under no obligation whatsoever to make any payment to the Buying Clearing Member with regard to the lapsed rights premium associated therewith.

4.3 Elective Corporate Events

The Clearing House will not accept any instructions from Buying Clearing Members in relation to any corporate event. The Clearing House will allow the Corporate Event to default to the 'default option' as directed by the relevant settlement system.

Where a Selling Clearing Member does not make an election (where applicable) in accordance with the default option as directed by the relevant settlement system, that Clearing Member will be responsible for reimbursing the Clearing House for any costs, expenses and other losses suffered by the Clearing House in connection with that failure or omission.

4.4 Transformations

(a) Transformation Skip

Clearing Members are not permitted to skip a transformation with regard to any [LHFE Financials & Softs](#) physically delivered Equity Future/Option Contract or Stock Contingent Contract. In the event that a Clearing Member does skip a transformation, that Clearing Member will be responsible for reimbursing the Clearing House for any costs, expenses and other losses suffered by the Clearing House as a result of skipping such transformation. Such costs will be debited from the Clearing Member's account.

(b) Last Time for Delivery

Where a Corporate Event occurs, Selling Clearing Members may only deliver the original securities providing the delivery occurs prior to the Last Time for Delivery. (The Last Time for Delivery is the close of delivery versus payment equity settlement in the relevant settlement system, one relevant settlement system business day prior to the call payment or registration date.)

Thereafter, such a Selling Clearing Member must deliver the new securities. In the event that a Selling Clearing Member does deliver the original securities, and the Buying Clearing Member declines to accept delivery of such original securities, then the Clearing House will return the original securities to the Selling Clearing Member and the Selling Clearing Member is obliged to deliver to the Clearing House the new securities in accordance with such directions as may be given by the Clearing House.

(c) Non Transformation

Where the relevant settlement system does not perform a transformation, the Clearing House will manually enter the particulars of the physically delivered Equity Future/Option Contract or Stock Contingent Contract, which will include particulars of the new securities. Clearing Members must immediately input matching instructions in order to match with those new particulars.

5. DELIVERY DOCUMENTATION SUMMARY

5.1 Summary Clearing Member Delivery Details Report (MDD)

This report is made available to members upon early exercise or expiry of a physically delivered Equity Future or Option Contract and informs Clearing Members of the following:

- (a) the Contract mnemonic of the shares to be delivered or received;
- (b) the settlement day on which delivery will occur; and
- (c) the quantity of shares to be delivered or received and the delivery price.

It will be available on UCP [\(or any successor system\)](#) to all Clearing Members by 07:00 every Business Day.

Clearing Members are advised to print this report on a daily basis and retain it as a record of their Contracts which are subject to delivery obligations.

This report is specific to each day of exercise/delivery, it is not cumulative. Clearing Members should refer to UCP Delivery Pending Report (DPR) which gives details of all contracts pending delivery and the HIT report.

5.2 Clearing Member Stock Contingent Position Report (SCTM)

This report is made available to Clearing Members who execute stock contingent trades and informs Clearing Members of the following:

- (a) the Clearing Member's sub account;
- (b) the "underlying mnemonic" of the [LIFPE Financials & Softs](#) contract to be delivered or received;
- (c) the "derivative mnemonic" of the [LIFPE Financials & Softs](#) contract;
- (d) the settlement day on which delivery will occur;
- (e) the trade reference number;
- (f) a buy/sell indicator;
- (g) the quantity of shares to be delivered or received and the delivery price;
- (h) the total consideration;

It will be available on UCP [\(or any successor system\)](#) to all Clearing Members by 07:00 on the Business Day following trade.

Clearing Members are advised to print this report and retain it as a record of their Contracts subject to delivery obligations.

This report is cumulative until trades have been settled.

5.3 Stock Contingent Trade Reconciliation Report (SCTR)

This report is made available to Clearing Members who execute Stock Contingent Trades and provides details of the Volatility Trades. The report enables Clearing Members to reconcile Stock Contingent Bargains against the related individual Volatility Trades. The report should be used in conjunction with the Clearing Member Stock Contingent Trade Report and provides Clearing Members with the following information:

- (a) the Clearing Member's sub account;
- (b) the trade date;
- (c) the settlement date;
- (d) the UCP [\(or any successor system\)](#) slip number;
- (e) the CONNECT reference number;
- (f) the EMS reference number;

- (g) the trader mnemonic;
- (h) the NCM mnemonic;
- (i) the expiry date;
- (j) the underlying contract mnemonic;
- (k) the derivative contract mnemonic;
- (l) the exercise price;
- (m) the volume traded;
- (n) buy/sell details;
- (o) contract type;
- (p) account; and
- (q) account reference.

It will be available on UCP (or any successor system) to all Clearing Members by 07:00 on the Business Day following trade.

Clearing Members are advised to print this report and retain it as a record of their Contracts subject to delivery obligations.

This report is cumulative until trades have been settled.

5.4 LIFFEFinancials & Softs Physically Delivered Equity Option Settlement Details Form

This form must be completed by each Clearing Member wishing to clear LIFFEFinancials & Softs Equity Option Contracts. The form must be signed by an authorised signatory of the Clearing Member.

Clearing Members must give a minimum of five Business Days' notice of amendments or updates to settlement details. A new form fully completed must be provided for each change.

5.5 LIFFEFinancials & Softs Equity Futures Contracts Settlement Details Form

This form must be completed by each Clearing Member wishing to clear the LIFFEFinancials & Softs Physically Delivered Equity Future Contracts. The form must be signed by an authorised signatory of the Clearing Member.

Clearing Members must give a minimum of five Business Days' notice of amendments or updates to settlement details. A new form must be completed and provided for each change.

5.6 LIFFEFinancials & Softs Stock Contingent Trades Settlement Details Form

This form must be completed by each Clearing Member wishing to clear LIFFEFinancials & Softs Stock Contingent Trades. The form must be signed by an authorised signatory of the Clearing Member.

Clearing Members must give a minimum of five Business Days' notice of amendments or updates to settlement details. A new form must be completed and provided for each change.

5.7 ~~LIFFE~~[Financials & Softs](#) Stock Contingent Allocation Change Request Form

Clearing Members requiring the allocation of the stock leg of a stock contingent trade on trade day plus 1 must complete this form. The form must be completed in full by all Originating Members and relevant receiving Clearing Members involved in the allocation and submitted by no later than 16:00 on trade day plus 1. The Clearing House will charge a fee of £6.00 per Originating Member and Receiving Member per bargain. Charges will be included in each months general fee invoice.

DELIVERY PROCEDURES: SCHEDULE OF FORMS AND REPORTS**SCHEDULE OF FORMS AND REPORTS**

1	Notice to Cash Settle ICE Brent Futures
2	Standing Notice to Cash Settle ICE Brent Futures
3	ICE Gasoil Futures Delivery Day Nomination Table
4	ICE Gasoil Futures: Seller's Tender Notice
5	ICE Gasoil Futures: Buyer's Preference Notice
6	ICE Gasoil Futures: Notice to Buyer
7	ICE Gasoil Futures: Notice to Seller
8	ICE Gasoil Futures: Delivery Range Nomination
9	ICE Gasoil Futures: Installation Nomination
10	ICE Gasoil Futures: Delivery Day Nomination-Vessel
11	ICE Gasoil Futures: Delivery Day Nomination-In Tank/Inter Tank
12	ICE Gasoil Futures: Notification of Amicable Agreement Period
13	ICE Gasoil Futures: Confirmation of Agreed ADP
14	Referral Form
15	ICE UK Natural Gas Futures Daily Summary Report
16	ICE UK Natural Gas Futures Delivery Confirmation Form
17	ICE UK Natural Gas Futures: Transferee Form
18	ICE UK Natural Gas Futures: Transferor Form
19	ICE UK Natural Gas Futures: Blanket Transferee Form
20	ICE UK Natural Gas Futures: Blanket Transferor Form
21	ICE UK Natural Gas Futures Conversion and Confirmation Report
22	ICE UK Natural Gas Futures Invoice
23	ICE UK Natural Gas Futures Account Sale
24	Invoice Report (Failed Deliveries)
25	Credit Note Report (Failed Deliveries)
26	ICE Futures UK Electricity Futures: Base/Peak Position Report
27	ECVNA Authorisation Request

DELIVERY PROCEDURES: SCHEDULE OF FORMS AND REPORTS

28	ICE UK Base/Peak Electricity Delivery Summary Report
29	Invoice Report
30	Account Sale Report
31	Invoice Report: Failed Deliveries
32	Credit Note Report: Failed Deliveries
33	ICE UK Base/Peak Electricity: Delivery Confirmation Form
34	ICE UK Base/Peak Electricity: Transferee Form
35	ICE UK Base/Peak Electricity: Transferor Form
36	Confirmation Report
37	Emissions Position Report
38	ICE Registry Account Notification Form
39	ICE Monthly Futures Delivery Confirmation Form
40	ICE Auction Delivery Confirmation Form
41	ICE Daily Futures Delivery Confirmation Form
42	LIFPE Financials & Softs Cocoa Contract: Seller's Delivery Notice
43	LIFPE Financials & Softs Cocoa Contract: Buyer's Position Notice
44	LIFPE Financials & Softs Cocoa Contract: Buyer's Invoice
45	LIFPE Financials & Softs Cocoa Contract: Seller's Account Sales
46	LIFPE Financials & Softs Cocoa Contract: Provisional Buyer's Invoice
47	LIFPE Financials & Softs Cocoa Contract: Provisional Seller's Account Sales
48	LIFPE Financials & Softs Cocoa Contract: Conversion Notice
49	LIFPE Financials & Softs Cocoa Contract: Seller's LDU Conversion Notice
50	LIFPE Financials & Softs Cocoa Contract: Seller's BDU Conversion Notice
51	LIFPE Financials & Softs Coffee-10 Tonne: Seller's Delivery Notice
52	LIFPE Financials & Softs Coffee-10 Tonne: Buyer's Invoice
53	LIFPE Financials & Softs Coffee-10 Tonne: Seller's Account Sales
54	LIFPE Financials & Softs Coffee-10 Tonne: Substitution Invoice
55	LIFPE Financials & Softs Coffee-10 Tonne: Substitution Account Sale

DELIVERY PROCEDURES: SCHEDULE OF FORMS AND REPORTS

56	LIFFEFinancials & Softs Coffee-10 Tonne: Adjustment Invoice
57	LIFFEFinancials & Softs Coffee-10 Tonne: Adjustment Account Sale
58	LIFFEFinancials & Softs White Sugar Contract: Seller's Notice of Tender
59	LIFFEFinancials & Softs White Sugar Contract: Seller's Delivery Notice
60	LIFFEFinancials & Softs White Sugar Contract: Seller's Account Sales
61	LIFFEFinancials & Softs White Sugar Contract: Buyer's Invoice
62	LIFFEFinancials & Softs Wheat Contract: Seller's Account Sales
63	LIFFEFinancials & Softs Wheat Contract: Buyer's Invoice
64	LIFFEFinancials & Softs Wheat Contract: Seller's Delivery Notice
65	LIFFEFinancials & Softs GILTS: Seller's Delivery Notice
66	LIFFEFinancials & Softs GILTS: Buyer's Notification
67	LIFFEFinancials & Softs GILTS: Buyer's Delivery Invoice
68	LIFFEFinancials & Softs GILTS: Seller's Delivery Account Sale
69	LIFFEFinancials & Softs GILTS: Delivery Instructions for Sellers
70	LIFFEFinancials & Softs GILTS: Delivery Instructions for Buyers
71	LIFFEFinancials & Softs Equity Futures/Options Contracts: Summary Clearing Member Delivery Details Report (MDD)
72	LIFFEFinancials & Softs Equity Futures/Options Contracts: Clearing Member Stock Contingent Position Report (SCTM)
73	LIFFEFinancials & Softs Equity Futures/Options Contracts: Stock Contingent Trade Reconciliation Report (SCTR)
74	LIFFEFinancials & Softs Physically Delivered Equity Option: Settlement Details Form
75	LIFFEFinancials & Softs Equity Futures Contracts: Settlement Details Form
76	LIFFEFinancials & Softs Stock Contingent Trades: Trades Settlement Details Form
77	LIFFEFinancials & Softs Stock Contingent Trades: Allocation Change Request Form

(VII) GENERAL CONTRACT TERMS

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INTRODUCTION

These Contract Terms Procedures set out certain terms and conditions of Contracts. The terms described in Part I (General Contract Terms) below apply to Contracts as part of their Contract Terms. Part I of these Contract Terms Procedures applies: (i) in relation to all F&O Contracts; and (ii) in relation to CDS Contracts and FX Contracts to the extent specified in the CDS Procedures and FX Procedures respectively.

Certain other Contract Terms; (i) for ICE Endex Contracts are set out in the ICE Endex Rules; (ii) for ICE Futures Europe Contracts are set out in the ICE Futures Europe Rules; (iii) for ICE Futures US Contracts are set out in the ICE Futures US Rules; (iv) for ~~LIFFE~~[Financials & Softs](#) Contracts are set out in the LIFFE Rules or the ICE Futures Europe Rules, as applicable; (v) for CDS Contracts are set out in the CDS Procedures; and (vi) for FX Contracts are set out in the FX Procedures. See the definition of "Contract Terms" for further details.

PART I: GENERAL CONTRACT TERMS

1. INTERPRETATION

1.1 Words and expressions used in this Part shall have the same meaning as in the Rules, unless otherwise expressly defined in this Part.

2. ECONOMIC TERMS

2.1 The economic terms of a Contract ("Economic Terms") shall be derived from the information presented to the Clearing House in relation to the corresponding Transaction in accordance with the Rules.

2.2 The Economic Terms comprise:

- (a) proposed Selling ~~Clearing Member~~[Counterparty](#) (or fixed rate payer) (but excluding the identity of the Clearing House as Seller pursuant to any Contract) or proposed Buying ~~Clearing Member~~[Counterparty](#) (or floating rate payer) (but excluding the identity of the Clearing House as Buyer pursuant to any Contract);
- (b) Contract Set;
- (c) quantity;
- (d) delivery date or period (where applicable);
- (e) settlement date (where applicable);
- (f) exercise date (where applicable);
- (g) fixed price or traded price (as the case may be); and
- (h) floating price (where applicable).

2.3 The Clearing House and Clearing ~~Member~~[Counterparty](#) shall pay when due all amounts that fall due for payment pursuant to the Economic Terms or otherwise pursuant to the Contract Terms.

3. STANDARD TERMS

3.1 The following standard terms ("Standard Terms") shall apply to all Contracts:

(a) **Payment of stamp duty and other taxes**

- (i) All payments due under a Contract shall be made by the Clearing ~~Member~~Counterparty free and clear and without deduction or withholding for or on account of any tax, unless required by Applicable Law. If such a deduction or withholding is required by Applicable Law to be made by a Clearing ~~Member~~Counterparty, the amount due from the Clearing ~~Member~~Counterparty shall be increased to an amount which (after making such deduction or withholding) leaves an amount equal to the payment which would have been due had no deduction or withholding been required.
- (ii) The Clearing ~~Member~~Counterparty will be responsible for ensuring that any stamp duty or other similar tax levied or imposed upon it or its Customer in respect of any Contract to which it is a party that is applicable in any jurisdiction is duly paid.
- (iii) The Clearing House shall make any payments due to a Clearing ~~Member~~Counterparty net of any deduction or withholding for or on account of any tax it is required to make from such payments.
- (iv) The Clearing ~~Member~~Counterparty shall indemnify the Clearing House against any stamp duty or other tax levied or imposed upon the Clearing House in any jurisdiction in respect of the Clearing House's entry into, execution or performance of, or payment or delivery pursuant to, any Contract.

(b) **Payments**

- (i) The Clearing House shall effect daily settlement to market of Contracts and shall calculate Open Contract Positions in accordance with the Rules. The Market Delivery Settlement Price, Settlement Price, Reference Price and Strike Price and other reference prices (where applicable) shall be determined in accordance with the Rules and Market Rules.
- (ii) Payments under, and in respect of, each Contract shall be calculated by the Clearing House and shall be made by, or to, the Clearing ~~Member~~Counterparty in accordance with the Rules.
- (iii) Each instruction made by the Clearing House to an Approved Financial Institution pursuant to Rule 302 shall be deemed to be made pursuant to the Contract Terms for each Contract of a Set for which a Clearing ~~Member~~Counterparty has an Open Contract Position. In respect of each Contract and instruction under Rule 302, the Clearing ~~Member~~Counterparty shall be deemed to make instructions to the Clearing House to place at the disposal of the Clearing House, by way of book entry on the accounts of the Clearing House or an Approved Financial Institution, all amounts as are or become payable pursuant to the Contract, all amounts due in respect of Margin for Contracts of the relevant Set and all amounts as are instructed by the Clearing House in connection with the Contract or Contract Set pursuant to Rule 302.

(c) **Rules**

- (i) Each Contract shall be subject to the Rules, which shall form a part of and be incorporated by reference into, the Contract Terms. In the event of any conflict between the Contract Terms and the Rules or any other document, Rule 102(f) shall apply.
- (ii) In particular, in respect of each Contract, the Clearing ~~Member~~Counterparty and Clearing House shall:

- (A) observe, comply with and be bound by the Rules (as amended in accordance with the Rules from time to time);
- (B) be subject to and bound by all of the provisions, dispositions, transfers and requirements of the Rules in relation to payment, title, rights, obligations, liabilities, property (whether tangible or intangible) and Margin;
- (C) be subject to and bound by all representations, warranties, agreements and acknowledgements that arise pursuant to the Rules from time to time;
- (D) be subject to any requirement imposed as a result of a request, decision, determination, direction, sanction, requirement, award or discretion that the Clearing House is entitled to make, exercise or impose pursuant to the Rules;
- (E) be responsible for the actions and omissions of its Representatives as set out in the Rules; and
- (F) if an Event of Default is declared in respect of it, to be bound by the Rules as a Defaulter.

(d) **Customers and Third Party Rights**

- (i) Except as otherwise provided in the Rules for FCM Clearing Members, each party will act as principal and not as agent in respect of each Contract (in the case of the Clearing Member, whether such Contract is for the Clearing Member's own account or is undertaken as a result of an order from another member of a Market or from a Customer or from any other person or arises as a result of a pre-existing contract of, or obligation of the Clearing Member towards, any third party).
- (ii) Clearing Member represents and warrants that a contractually binding agreement is in place with any Customer in respect of whom it acts as Clearing Member in relation to any Contract, pursuant to which such Customer agrees that: (i) (only if the Clearing Member is not an FCM Clearing Member), the Clearing Member acts as principal in respect of the Contract; and (ii) the Customer has no recourse, whether under contract, tort or otherwise under Applicable Laws, against the Clearing House in respect of the Contract or pursuant to the Rules.
- (iii) The Clearing ~~Member~~Counterparty acknowledges and agrees that the Clearing House does not have any obligations to Persons other than Clearing ~~Members~~Counterparties, as set out further in Rule 111. Contractual and other provision for any consequences for a Customer or counterparty (other than the Clearing House) of the Clearing Member of any Contract arising, existing or being settled or subject to delivery between the Clearing House and the Clearing Member (including, without limitation, effective and enforceable arrangements for any Corresponding Contract or Agency Relationship with any Customer and Transferor/Transferee arrangements) shall not be the responsibility of the Clearing House.
- (iv) A person who is not a party to a Contract shall have no rights under or in respect of such Contract. Rights of third parties to enforce any term of any Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise are expressly excluded.

(e) **Offer, Acceptance and Formalities**

- (i) The parties agree that each Contract that is not void *ab initio* shall be deemed to have been subject to an offer by the Clearing House accepted by the Clearing ~~Member~~Counterparty immediately upon its formation pursuant to the Rules. No Contract shall require any written instrument or document be signed, delivered or executed or electronic or other entry to be made in any record or book in order for it to arise and become binding on the parties, save as specified in Part 4 of the Rules.
- (ii) Notwithstanding (i) above, if at any time, it is necessary or desirable to better implement or protect the rights and obligations of any party to a Contract, each party shall, at its own expense, use all reasonable endeavours to enter into and execute all documents reasonably required to so implement or protect. In such circumstances, each party shall also procure that any necessary third party shall promptly execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to any Contract.

(f) **Warranties**

The Clearing ~~Member~~Counterparty represents and warrants that:

- (i) neither the execution nor performance of the Contract by or on behalf of the Clearing ~~Member~~Counterparty or the Clearing House will breach or conflict with any provision of the memorandum of incorporation, articles of association, by-laws, partnership agreement, limited liability company agreement or any other organisational document of the Clearing ~~Member~~Counterparty, or with any agreement or Applicable Law which is binding upon or affects the Clearing ~~Member~~Counterparty;
- (ii) the Clearing ~~Member~~Counterparty and signatories acting on its behalf each have full power and all necessary authority to enter into the Contract and perform any act that may be required pursuant to the Contract and pursuant to the Rules in respect of the Contract; and
- (iii) the Clearing ~~Member~~Counterparty has complied with its obligations as a Clearing ~~Member~~Counterparty, is duly organised and validly existing under Applicable Laws of the jurisdiction of its incorporation and is in good standing under such Applicable Laws.

The Clearing ~~Member~~Counterparty acknowledges that the Clearing House will not review nor be responsible for reviewing any provision of the Clearing ~~Member~~Counterparty's memorandum of incorporation, articles of association, by-laws, partnership agreement, limited liability company agreement or any other organisational document of the Clearing ~~Member~~Counterparty, any agreement to which the Clearing ~~Member~~Counterparty is party or any Applicable Law which is binding upon or affects the Clearing ~~Member~~Counterparty with a view to determining the authority of the Clearing ~~Member~~Counterparty to enter into any Contract.

(g) **Assignment and transfer**

No Clearing ~~Member~~Counterparty may, at any time, assign any of its rights or transfer by novation any of its rights and obligations under any Contract to a third party unless (i) such transfer occurs pursuant to the Rules; or (ii) the Clearing House provides its prior written consent. Each Contract shall bind, and enure to the benefit of, the parties and their authorised successors and assignees.

(h) **Default Interest**

Interest shall be charged to the Clearing ~~Member~~Counterparty on any unpaid but due amount from the date on which the amount becomes due and payable until the date of payment at 1% above the rate per annum which is the cost (without proof or evidence of any actual cost) to the Clearing House if it were to fund or itself funded the relevant amount, compounded daily.

(i) **No Partnership or Agency**

Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent or principal of another party, nor authorise any party to make or enter into any commitments for or on behalf of any other party. This does not affect the relationship of agency between a Disclosed Principal Member and a Clearing Member which has appointed it or any relationship of agency between an FCM Clearing Member and its Customer.

(j) **Severance**

If any provision of a Contract (or part of any provision) is found by any Court or other Governmental Authority to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of that Contract, and the validity and enforceability of the other provisions of that Contract shall not be affected.

(k) **Liability**

The Clearing ~~Member~~Counterparty shall indemnify and hold harmless the Clearing House in respect of any Contract in accordance with the provisions of the Rules relating to indemnity and liability. The liability of the Clearing House and its Representatives under any Contract shall be subject to all the exclusions on liability set out in the Rules.

(l) **Disputes**

Any and all disputes arising out of or in connection with a Contract, including any dispute as to the existence, validity or termination of any Contract, shall be resolved pursuant to the dispute resolution procedures set out in Rule 117. In the event of any conflict between a provision of these Contract Terms and Rule 117, the provisions of Rule 117 shall prevail.

(m) **Termination**

The Contract shall terminate automatically, and Rule 209(c) shall apply, upon the Insolvency of the Clearing House. In the event of Rule 209(c) applying, the price at which Contracts are terminated for purposes of Rule 905(h) shall be the same price for all Contracts of the same Set.

(n) **Governing Law**

These Contract Terms, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law and any Dispute under these Contract Terms will be subject to arbitration under Rule 117.

(o) **Waiver**

Any waiver of any right or consent under a Contract is only effective if it is in writing and signed by the waiving or consenting party, and applies only in the circumstances for which it is given and to the Contract concerned and shall not prevent the party who is giving it from subsequently relying on the relevant provision. No delay or failure to exercise any right under a Contract shall operate as a waiver. No single or partial exercise of any right under a

Contract shall prevent any further exercise of the same or any other right under that Contract or any other Contract.

(p) **Entire Agreement**

The Clearing Counterparty warrants to the Exchange and Clearing House that, in entering into each Contract, it does not rely on any statement, representation, assurance or warranty of the Exchange or Clearing House or any other party other than as expressly set out in the Contract Terms. The Clearing Counterparty agrees and undertakes to the Clearing House that its only rights and remedies available arising out of or in connection with a Contract or their subject matters shall be solely for breach of contract, in accordance with the Contract Rules. Nothing in this clause or elsewhere in the Contract Rules shall limit or exclude any liability for fraud, death or personal injury or for any other liability which by law cannot be excluded.

(VI) COMPLAINT RESOLUTION PROCEDURES

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1. GENERAL INTRODUCTION⁴

- 1.1 As a recognised clearing house under the Financial Services and Markets Act 2000, the Clearing House must put in place effective arrangements for the investigation and resolution of complaints arising in connection with the performance of, or its failure to perform, any of its regulatory functions (any such matter, a “**Complaint**”). These arrangements must include procedures for a Complaint to be fairly and impartially investigated by a person independent of the Clearing House and for that person to report on the result of his investigation to both the Clearing House and the person making the Complaint (“**Complainant**”). The arrangements must also confer on the person investigating the Complaint the power to recommend, if appropriate, that the Clearing House: (i) makes a compensatory payment to the Complainant; and/or (ii) remedies the matter complained of.
- 1.2 The Clearing House has adopted these Complaint Resolution Procedures. A Complaint which runs its full course will consist of the following key stages:
- (a) an Eligible Complaint (as defined in paragraph 2.1) must be submitted in writing;
 - (b) at first instance, the Clearing House will investigate the Complaint and attempt to resolve it. If the Complainant is dissatisfied with the Clearing House’s response or proposals to redress the Complaint, the Complainant may refer the Complaint to the Independent Complaints Commissioner (the “**Commissioner**”) or request that the Clearing House refers the Complaint to the Commissioner;
 - (c) the Commissioner, if he determines that the referral is of an Eligible Complaint, will investigate the matter in accordance with the Commissioner’s Terms of Reference;
 - (d) following due consideration, the Commissioner will produce a report outlining his recommendations which will be copied to the Clearing House and the Complainant; and
 - (e) if the Commissioner recommends a compensatory payment and/or remedial action, the Clearing House will consider and may act upon such recommendation.
- 1.3 There is no restriction on who can bring a Complaint, although a Complaint must be an Eligible Complaint in order to be capable of being handled in accordance with these Complaint Resolution Procedures. These Complaint Resolution Procedures do not limit the Clearing House from considering or refraining from considering any Complaint which is not an Eligible Complaint pursuant to such procedures as it may determine.
- 1.4 In referring any Eligible Complaint (or by asking the Clearing House to refer such a Complaint) to the Commissioner, the Complainant shall be deemed to agree to be bound by and be subject to these Complaint Resolution Procedures and, as a result, accepts that any recommendation made by the Commissioner to the Clearing House, if adopted by the Clearing House, shall be in full and final resolution and settlement of the Complaint and all associated rights and claims.
- 1.5 These Complaint Resolution Procedures apply in relation to ~~both~~ [Financials & Softs Clearing Members](#), Energy [Clearing Members](#), [FX](#) Clearing Members and CDS Clearing Members.
- 1.6 These Complaint Resolution Procedures are 'Procedures' as defined in the ICE Clear Europe rules (the “**Rules**”) and are subject to the Rules, including, without limitation, Rule 102. These Complaint Resolution Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law and any Dispute under these Complaint Resolution Procedures will be subject to arbitration under Rule 117.

⁴ Amended 27 July 2009

(X) FX PROCEDURES

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- 1.29 The term "**Reference Currency Notional Amount**" means: (a) in relation to a Financially-Settled FX Contract, the quantity of Reference Currency to which the Forward Rate applies under such Financially-Settled FX Contract, as specified in the Clearing House's records; and (b) in relation to FX Trade Particulars submitted for Clearing, the quantity of the Reference Currency specified as such in the relevant FX Trade Particulars or, if such amount is not specified, the quantity of the Reference Currency equal to the Notional Amount multiplied by the Forward Rate.
- 1.30 The term "**Relevant FX Default Committee Period**" has the meaning set out in paragraph 9.3.
- 1.31 The term "**Revocation Right**" will apply in respect of FX Trade Particulars submitted for Clearing: (a) if one of the FX Clearing Members or Sponsored Principals who clear FX for whose account the submission or confirmation for Clearing is made is a Defaulter; or (b) if and to the extent that either FX Contract which would arise on Clearing would have been void under Rule 403 (if Rule 403 applied to FX Contracts in addition to [EnergyF&O](#) Contracts) or capable of being treated as voidable under Rule 404(a) (if Rule 404(a) applied to FX Contracts in addition to [EnergyF&O](#) Contracts and the latter being read for purposes of this definition as if the words "in relation only to [EnergyF&O](#) Contracts," were not set out in any part of Rule 404(a) and "Energy Clearing Members" were read as "FX Clearing Members" and included Sponsored Principals) or Rule 404(b).
- 1.32 The term "**Rounding Convention**" in respect of a particular Currency Pair means the maximum number of decimal places that may be specified by an FX Clearing Member or a Sponsored Principal who clears FX for the Forward Rate specified in the FX Trade Particulars submitted for Clearing, as specified in the Published Terms.
- 1.33 The term "**Settlement Currency Amount**" means, in relation to a Financially-Settled FX Contract, an amount expressed in the Settlement Currency calculated on a formula basis as follows:
- $$\text{Settlement Currency Amount} = \text{Notional Amount} \times [1 - (\text{Forward Rate}/\text{Settlement Rate})].$$
- 1.34 The term "**Settlement Rate Option**" means: (a) in relation to a Financially-Settled FX Contract, the settlement rate option applicable, pursuant to the Published Terms, to the Currency Pair of such FX Contract; and (b) in relation to FX Trade Particulars submitted for Clearing, the settlement rate option specified in the relevant FX Confirmation.
- 1.35 The term "**Trade Date**" means: (a) in relation to a Financially-Settled FX Contract, the date specified in the Clearing House's records as the trade date of such FX Contract; and (b) in relation to FX Trade Particulars submitted for Clearing, the date specified in the relevant FX Confirmation.
- 1.36 The term "**Unscheduled Holiday**" in relation to a Financially-Settled FX Contract for a Currency Pair, has the meaning set out in the Published Terms for the relevant Currency Pair, by reference to the relevant EMTA Template.
- 1.37 The term "**US FX Clearing Member**" means an FX Clearing Member or applicant that would become an FX Clearing Member that is: (i) an FCM/BD; or (ii) any other Person organised or incorporated under the laws of the United States of America or a state thereof.
- 1.38 The term "**Valuation Postponement**" in relation to a Financially-Settled FX Contract for a Currency Pair, has the meaning set out in the Published Terms for the relevant Currency Pair, by reference to the relevant EMTA Template.
- 1.39 These FX Procedures are 'Procedures' as defined in the ICE Clear Europe rules (the "**Rules**") and are subject to the Rules, including, without limitation, Rule 102. Capitalised terms used in these FX Procedures but not defined in this paragraph 1 shall have the meaning given to such terms in the Rules, these FX Procedures or elsewhere in the Procedures (in that order of priority in the event of any conflict).