

Clearing Procedures
paragraph 2.2

- (vi) create average price groups in order to consolidate trades at various prices into average prices; and
- (vii) view trading history and status of trades.
- (d) Clearing Members should refer to the ICE Systems user guides for more detailed information concerning the ICE Systems' functionality.
- (e) The ICE Systems will allow Clearing Members to perform the following functions, among others:
 - (i) monitor Open Contract Positions;
 - (ii) close out open Contracts by netting off equal and opposite Contracts in its Customer Accounts;
 - (iii) process physical delivery of ~~commodities~~[Deliverables](#) pursuant to Futures Contracts;
 - (iv) review Margin requirements; and,
 - (v) exercise or abandon Option Contracts.
- (f) A number of reports are available in the ICE Systems, the list and details of which are available in the ICE Systems user guide and other supporting Clearing House documentation.
- (g) In the event of any system errors or other systemic issues connected with the ICE Systems, Clearing Members should contact the Clearing House's operations department.
- (h) In the event of any processing errors or error in communications with the Clearing House, Clearing Members should contact the Clearing House's operations department.

2.3 Position keeping

- (a) Position-keeping activities are governed by Market Rules. In the event of any conflict between these Clearing Procedures and Market Rules in relation to position-keeping, Market Rules shall prevail.
- (b) Open Contract Positions can be maintained in several position-keeping accounts within the ICE Systems, identified in the ICE Systems by one letter as follows:

1. Position keeping-accounts linked to a Proprietary Account for purposes of the Rules (all Clearing Members):

- (i) H – house;
- (ii) L - individual trader (not available for FCM Clearing Members);
- (iii) N – gross-maintained sub-account with no automatic contractual netting.
- (iv) G – gas associate (not available for FCM Clearing Members);
- (v) U – unallocated (for intra-day usage only);
- (vi) M – Liquidity Provider (for Financials & Softs Contracts only); and

any desire for separate treatment for Customers that are affiliates; uses a gross margin model;

- (xx) R – maps to a different, separate Segregated Customer Omnibus Account For F&O from that used for S, C, E or F; made available in order to assist in any desire for separate treatment for Customers that are affiliates; uses a net margin model;
- (xxi) 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 which is different and separate from that in R; uses a gross margin model;
- (xxii) K – maps to a different, separate Segregated TTFCA Customer Omnibus Account For F&O from that used in T; uses a net margin model;
- (xxiii) I – maps to Margin-flow Co-mingled Accounts for Segregated Customers;
- (xxiv) J – maps to Margin-flow Co-mingled Accounts for Segregated TTFCA Customers;
- (xxiv) O – maps to an Standard Omnibus Indirect Account For F&O, Standard Omnibus Indirect Account For CDS or Standard Omnibus Indirect Account For FX; uses a gross margin model;
- (xxv) X – maps to a different Standard Omnibus Indirect Account For F&O, ~~Standard Omnibus Indirect Account For CDS~~ or Standard Omnibus Indirect Account For FX from that in O; uses a net margin model;
- (xxvi) P – maps to an Standard TTFCA Omnibus Indirect Account for F&O, Standard TTFCA Omnibus Indirect Account For CDS or Standard TTFCA Omnibus Indirect Account for FX; uses a gross margin model;
- (xxvii) Y – maps to an Standard TTFCA Omnibus Indirect Account For F&O, ~~Standard TTFCA Omnibus Indirect Account For CDS~~ or Standard TTFCA Omnibus Indirect Account For FX; uses a net margin model;
- (xxviii) A – maps to Segregated Gross Indirect Accounts for Segregated Customers; and
- (xxix) B - maps to Segregated Gross Indirect Accounts for Segregated TTFCA Customers.

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

5. 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 (4.) above:

- (xxx) 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 which is different and separate from that in E, F, K, T or R, uses a gross margin model;
- (xxxi) T – as S, but maps to a different, separate Customer Account from that in S, C, E, K, F or R;

- (xxxii) E - maps to a different, separate Segregated Customer Omnibus Account For F&O or Segregated TTFCA Customer Omnibus Account For F&O from that in S, C, T, K, F or R; uses a net margin model;
- (xxxiii) K – as E, but maps to a different, separate Account from that in S, C, T, E, F or R;
- (xxxiv) F – maps to a different, separate 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 from that in S, C, T, E, K or R; made available in order to assist in any desire for separate treatment for Customers that are affiliates; uses a gross margin model;
- (xxxv) R – maps to a different, separate Segregated Customer Omnibus Account For F&O or Segregated TTFCA Customer Omnibus Account For F&O from that in S, C, E, F, T or K; made available in order to assist in any desire for separate treatment for Customers that are affiliates; uses a net margin model;
- (xxxvi) I – maps to Margin-flow Co-mingled Accounts;
- (xxxvii) J – maps to different Margin-flow Co-mingled Accounts to those in I;
- (xxxviii) O – maps to an Standard Omnibus Indirect Account For F&O, Standard TTFCA Omnibus Indirect Account For F&O, Standard Omnibus Indirect Account For CDS, Standard TTFCA Omnibus Indirect Account For CDS, Standard Omnibus Indirect Account For FX or Standard TTFCA Omnibus Indirect Account For FX which is different and separate from that in X, P or Y; uses a gross margin model;
- (xxxix) X – maps to a different, separate Standard Omnibus Indirect Account For F&O, Standard TTFCA Omnibus Indirect Account For F&O, Standard ~~Omnibus Indirect Account For CDS, Standard~~ TTFCA Omnibus Indirect Account For CDS, Standard Omnibus Indirect Account For FX or Standard TTFCA Omnibus Indirect Account For FX from that in O, P or Y; uses a net margin model;
- (xl) P – as O, but maps to a different Standard Omnibus Indirect Account For F&O, Standard TTFCA Omnibus Indirect Account For F&O, Standard Omnibus Indirect Account For CDS, Standard TTFCA Omnibus Indirect Account For CDS, Standard Omnibus Indirect Account For FX or Standard TTFCA Omnibus Indirect Account For FX from that in O, X or Y; uses a gross margin model;
- (xli) Y – as X but maps to a different Standard Omnibus Indirect Account For F&O, Standard TTFCA Omnibus Indirect Account For F&O, Standard ~~Omnibus Indirect Account For CDS, Standard~~ TTFCA Omnibus Indirect Account For CDS, Standard Omnibus Indirect Account For FX or Standard TTFCA Omnibus Indirect Account For FX from that in O, X or P; uses a net margin model;
- (xlii) A – maps to Segregated Gross Indirect Accounts; and
- (xliii) B - maps to different Segregated Gross Indirect Accounts to those in A.

Standard Omnibus Indirect Accounts For CDS, Standard TTFCA Omnibus Indirect Account For CDS and Segregated Gross Indirect Accounts for the CDS Contract Category will only be made available as from such date as is announced by the Clearing House by Circular.

- (c) Clearing Members may maintain separate position-keeping accounts for each Exchange member for whom they provide clearing services. Where this is the case, a series of

additional position-keeping accounts of the Clearing Member that are referable solely to the Exchange member may be established within the Clearing House's systems. These Exchange member specific position-keeping accounts shall exist in addition to the position-keeping accounts of the Clearing Member (of which that Exchange member is a Customer) and may use some of the same terminal codes (e.g. N, H, U, S) or a different three-letter mnemonic from that of the Clearing Member. Notwithstanding paragraph 2.3(b) and even if the terminal codes of such position-keeping accounts would otherwise refer to a Proprietary Account of the Clearing Member under paragraph 2.3(b), such Exchange member-related position-keeping accounts shall all link solely to the relevant Customer Account of the Clearing Member in which the Exchange member is interested and will not link to the Clearing Member's Proprietary Account (unless the Clearing Member is an FCM/BD Clearing Member and the Exchange member is one in respect of which, under the Rules and Clearing Procedures, the Clearing Member may record positions in the Proprietary Account).

- (d) Where a Clearing Member holds accounts of Exchange members who are not Clearing Members, the mapping of these accounts to a Customer Account or Proprietary Account will be determined by the Clearing Member in conjunction with the relevant Market.
- (e) For Individually Segregated Sponsored Principal Accounts, it is assumed that only H, N, and U sub-accounts are needed and only these are made available in the absence of any written request for additional sub-accounts. Sponsored Principals wishing to clear for Customers through indirect clearing arrangements may request establishment of additional sub-accounts similar to those used for Customer Accounts of Clearing Members, according to their regulatory status.
- (f) In paragraph 2.3(b)(2), the term "affiliate" with respect to an FCM/BD Clearing Member means a Person (other than the FCM/BD Clearing Member) that is an owner or holder of a "proprietary account" (as defined in CFTC Rule 1.3) or "cleared swaps proprietary account" (as defined in CFTC Rule 22.1) carried by such FCM/BD Clearing Member. In paragraphs 2.3(b)(4) and 2.3(b)(5), the term "affiliate" means an undertaking that is in the same "group" (as defined in EMIR) as the Clearing Member.

2.4 Open Contract Positions and Close-outs

- (a) The H, L, M and G sub-accounts will only reflect net Open Contract Positions. Systematic netting will take place before any Option exercise or delivery allocation.
- (b) The N sub-account and all Customer Accounts hold gross Contracts, showing all sell and all buy positions that have not been netted or closed out (in the case of position-keeping sub-accounts linked to Customer Accounts to the extent that there is more than one Customer interested in the Account). The ICE Systems and Rule 406 allow Clearing Members to close out opposite Contracts that are held gross in certain circumstances. In order to ensure a true representation of Open Contract Positions, Clearing Members and Sponsored Principals may be required to perform manual close-outs (netting) in the sub-accounts where gross Open Contract Positions are maintained. Clearing Members and Sponsored Principals are responsible for inputting any required manual netting or close-out instructions in relation to such sub-accounts.
- (c) Any close-outs should be performed in a fashion and at a time in accordance with [ExchangeMarket](#) Rules and in any event before Options expire or delivery processes commence. Position transfers between sub-accounts in the ICE Systems must be complete at or before 10:00 am in order to be reflected in Open Contract Positions and Margin calls calculated at the end of that day.

- (d) For Non-FCM/BD Clearing Members, Customer-CM Transactions arise only in respect of transactions recorded in a position-keeping ~~sub-account~~account linked to a Customer Account.

2.5 Invoicing Back, Void Contracts, etc.

- (a) Any Contracts which are subject to Invoicing Back will be reflected by the entry into by the Clearing House through the ICE Systems of a new Contract of opposite effect to the original Contract (or pursuant to such other terms or prices as are determined by the Clearing House pursuant to the Rules). Clearing Members will be notified of Contracts subject to Invoicing Back or amendment by the Clearing House's operations department. Each such event will be confirmed in writing.
- (b) Any Contracts which are void or voided will be deleted from the ICE Systems by the Clearing House. Clearing Members will be notified of Contracts which are void or voided by the Clearing House's operations department. Each such event will be confirmed in writing.
- (c) The Clearing House may make other trade or Open Contract Position adjustments as directed by the relevant Market. In each such event, the Clearing House's operations department will contact the Clearing Member and confirm such adjustment in writing.

3. FINANCIAL ACCOUNTS

3.1 Margining accounts

- (a) While Open Contract Positions are held in several different sub-accounts through the ICE Systems, the margining of Open Contract Positions will take place as follows:
 - (i) H, L, G, M, N and U will be margined together via the house account (referred to as a "Proprietary Account" under the Rules), with F and R for FCM/BD Clearing Members margined via a separate Proprietary Account;
 - (ii) S, C and O (for F&O) will be margined via a General Customer Account or Non-DCM/Swap Customer Account of FCM/BD Clearing Members; or in the case of S and C only, to the relevant Customer Account for Non-FCM/BD Clearing Members; and for FCM/BD Clearing Members, E will be margined via the same Accounts as that used for S, C and O (for F&O);
 - (iii) for Non-FCM/BD Clearing Members, E, F, K, T, R, O, X, P and Y will each be margined separately via the relevant Customer Account, which is a separate Customer Account in each case;
 - (iv) payments and collections on I and J will be margined on a net or gross basis across all Margin-flow Co-mingled Accounts in the relevant sub-account of the Clearing Member or on an Account by Account basis, in accordance with Rule 302;
 - (v) payments and collections on A and B will be margined on a net or gross basis across all Segregated Gross Indirect Accounts in the relevant sub-account of the Clearing Member or on an Account by Account basis, in accordance with Rule 302;
 - (vi) W and P will be margined via a "DCM Customer Account" under the Rules (this may also be referred to as CSEGW); and
 - (vii) Z and O (for CDS) will be margined via a "Swap Customer Account" under the Rules (this may also be referred to as CSEGZ).

needed to be paid to, or received from, the relevant Clearing Member. Any required payments will be effected through Approved Financial Institutions that participate in the assured payment system (APS), as described in the Finance Procedures.

4.2 Original Margin, Initial Margin and FX Original Margin

- (a) Original Margin, Initial Margin and FX Original Margin calculations are made separately in respect of each of a Clearing Member's Proprietary Accounts and Customer Accounts. No Margin offset is possible between any of these accounts. Original Margin, Initial Margin and FX Original Margin calculations for each Proprietary Account will be ~~applied to~~based on the net positions for each Contract Set, rather than the sum of the gross positions for a Set. Customer Accounts are margined either on the basis of the net risk position across all Customers with related positions in the Account or on the basis of the gross positions of each Customer with related positions in the Account, in each case based on the records submitted by the relevant Clearing Member under Rule 401 and in the way set out in paragraph 2.3(b).
- (b) Original Margin, Initial Margin and FX Original Margin parameters are set by the Clearing House within the framework of the policy reviewed by the relevant ~~Risk Committee~~product risk committee.
- (c) The Clearing House will notify Clearing Members of any change to Original Margin, Initial Margin or FX Original Margin parameters by Circular no later than the day before calls are made based on the new parameters. For routine changes, the Clearing House will provide five Business Days' advance notice of changes to Margin parameters, unless another period is specified in the relevant Circular.
- (d) Original Margin, Initial Margin and FX Original Margin requirements will be calculated at close of business on a daily basis, for both Proprietary Accounts and Customer Accounts. Original Margin is calculated using the ICE® Risk Model.

4.3 Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin

With the exception of Premium Up-Front Options (discussed in paragraph 4.4(c) below), all open Contracts are marked to market daily in accordance with the Contract Terms (which includes any applicable Market Rules). Profits and losses are credited to or debited from the relevant Nominated Customer Bank Account or Nominated Proprietary Bank Account of each Clearing Member as set out in the Finance Procedures.

4.4 Options Premium

- (a) The Clearing House clears two types of Options, both of which are types of F&O Contracts, with different margining methodology, "**Premium Up-Front**" and "**Future-Style**".
- (b) Future-Style Options (e.g. Brent) are marked to market and subject to Variation Margin calls daily in the same way as for Future Contracts.
- (c) Premium Up-Front Options (e.g. emissions) are subject to a full premium charge or credit on the day on which the Option Contract first arises under the Rules (i.e. the day of trading) as part of the overnight margining process. After the premium has been paid, Margin is calculated on an ongoing basis with reference to the difference between the Strike Price and the relevant daily Exchange Delivery Settlement Price (net liquidating value).
- (d) Clearing Members are referred to the applicable Contract Terms for details on the premium types for the Options currently cleared by the Clearing House as well as their exercise style (discussed further in paragraph 5).

4.5 Cash Settlement

- (a) When it reaches maturity, a Contract can give rise either to cash settlement (if determined by the Contract Terms or, where permitted by the Contract Terms for F&O Contracts, if the Clearing Member opts out of the delivery via EFP) or delivery obligations.
- (b) Cash settlement for F&O Contracts entered into prior to the last day of trading, will be determined by the difference between the Exchange Delivery Settlement Price and the previous day's Exchange Delivery Settlement Price, as determined in accordance with Part 7 of the Rules.
- (c) Cash settlement for F&O Contracts entered into on the last day of trading, will be determined by the difference between the trade price and the Exchange Delivery Settlement Price, as determined in accordance with Part 7 of the Rules.
- (d) Details relating to deliveries for F&O Contracts are set out in the Delivery Procedures.

4.6 Contingent Variation Margin

- (a) A contingent Variation Margin amount will be calculated and called daily for certain Contracts under tender, for example, Gasoil Futures, Soft Commodities. This contingent Variation Margin will result from the difference between the Exchange Delivery Settlement Price for the Contract under tender and the Exchange Delivery Settlement Price for the next maturing Contract Set of otherwise equivalent specifications, or by other method prescribed by the Clearing House from time to time.
- (b) Clearing Members will not receive repayment in respect of any credit contingent Variation Margin in cash. However, they will be able to use any excess against Margin requirements on the Contracts in respect of which contingent Variation Margin is called and other Contracts. If contingent Variation Margin is a debit, it will be possible for Clearing Members to use assets, as permitted by these Procedures and updated by Circular, as Permitted Cover.
- (c) Contingent Variation Margin will be released:
 - (i) for the Buyer, on payment of the Buyer's [Securitysecurity](#); and
 - (ii) for the Seller, once all relevant deliveries are completed,as detailed [or as otherwise specified](#) in the Delivery Procedures.

4.7 Contingent Credit

When a Seller satisfies its daily delivery obligations under Market Rules for Natural Gas Futures and Electricity Futures Contracts, the Clearing House will take into account a "Contingent Credit" equivalent to the amount or number of underlying Commodities already delivered in respect of which payment has not been made to the Seller. This credit will not be made available to the Seller in cash but may be used to cover Original Margin requirements on the Contracts in respect of which the contingent credit is applicable and other Contracts.

4.8 Buyer's [Securitysecurity](#) and Seller's [Securitysecurity](#)

In accordance with Market Rules and [where specified in](#) the Delivery Procedures, Clearing Members will be liable for Buyer's [Securitysecurity](#) and Seller's [Securitysecurity](#) in respect of Contracts undergoing deliveries. Such amounts will be included in the Margin call process.

4.9 Intra-day or *ad hoc* margin calls

Total	111	71	69	2	2.00	2	71
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6. CUSTOMER CLEARING

6.1 Open Contract Positions and accounts:

- (a) Provided that no Event of Default has been declared with respect to the Clearing Member or Sponsor, in the event of the termination of a Customer-CM Transaction (including but not limited to as a result of a default by a Segregated Customer or Sponsored Principal under the terms of a Cleared Transactions Master Agreement), the Clearing Member or Sponsor may, to the extent permitted under Applicable Law:
- (i) request of the Clearing House that a Customer Account Position or any part thereof be converted into a Contract in one of its Proprietary Accounts (in which case, for the avoidance of doubt, the Proprietary ~~Account~~ Position Account will reflect, and Rule 406 will apply to, such converted Contracts); or
 - (ii) submit to the Clearing House particulars in respect of offsetting Transactions, one leg of which is to be recorded in a Customer Position Account (in which case, for the avoidance of doubt, the resultant Contract may be offset against Contracts in the same sub-account which relate to such Customer, pursuant to Rule 406).

For the avoidance of doubt, Rule 302 and the Finance Procedures apply in relation to the return of any Surplus Collateral at the Clearing House resulting from the termination of any Contract.

6.2 Transfer of Contracts absent an Event of Default:

- (a) Each Clearing Member (other than a Defaulter) with a Customer Account and Sponsor (the "**Transferor Clearing Member**") shall be required, upon request of a Customer or Sponsored Principal to transfer such Clearing Member's or Sponsor's rights and obligations with respect to Contracts recorded in a Customer Account or Individually Segregated Sponsored Account (and, in the case of Non-FCM/BD Clearing Members, any related Customer-CM Transactions) to one or more other Clearing Member or Sponsor (the "**Transferee Clearing Member**") designated by such Customer or Sponsored Principal subject to the provisions of this paragraph 6.2 and, to the extent not inconsistent with this paragraph 6.2, to any terms agreed between the Transferor Clearing Member and Customer. Such transfer shall be effected as soon as practicable following satisfaction of the conditions set forth in paragraph 6.2(b).
- (b) A transfer pursuant to paragraph 6.2(a) shall be subject to the following conditions:
- (i) the Transferor Clearing Member shall have no obligation to locate or identify a Transferee Clearing Member (which shall be the responsibility of the Customer or Sponsored Principal);
 - (ii) the transfer must be in accordance with Applicable Laws, including any applicable Market Rules, and, to the extent permitted thereunder, any applicable agreement between the Transferor Clearing Member and Customer or Sponsored Principal;
 - (iii) the Transferor Clearing Member, Transferee Clearing Member and Customer or Sponsored Principal shall, through a CDS Trade Processing Platform, FX Trade Processing Platform, ExchangeMarket or the ICE Systems, have agreed and executed and submitted to the Clearing House an electronic transfer confirmation

- (d) Notwithstanding anything to the contrary herein, no Clearing Member or Sponsor shall be required to accept a transfer of any Transferred Contracts as a Transferee Clearing Member without such Clearing Member's or Sponsor's consent.
- (e) Following the Transfer Time, the Clearing House may, in accordance with the Procedures, make submissions of data to, or amendments or terminations of data at, the relevant Repository to reflect the adjustments to Open Contract Positions in the affected Accounts. The Clearing House may require each of the Transferor Clearing Member and Transferee Clearing Member (and may also require any affected Customers or Sponsored Principals) to make appropriate such submissions, amendments and terminations to reflect such transfer.
- (f) Notwithstanding anything to the contrary herein or in any Transfer Confirmation, if an Event of Default occurs with respect to a Transferor Clearing Member prior to the transfer becoming irrevocable pursuant to Part 12 of the Rules, such transfer (and any related Transfer Confirmation) will be cancelled and of no effect and the Clearing House will not adjust the related Open Contract Positions pursuant to this paragraph 6.2.
- (g) In relation only to Non-FCM/BD Clearing Members, unless otherwise agreed between the Transferor Clearing Member and the Customer and subject to any applicable legal or regulatory requirements, the Customer must satisfy in full, at or prior to the proposed Transfer Time, any margin requirements ("**Pre-Transfer Margin Requirements**") imposed by the Transferor Clearing Member with respect to:
 - (i) any remaining Customer-CM Transactions; and
 - (ii) if the Customer and Transferor Clearing Member have expressly agreed (whether orally or in writing) to determine the margin requirements for contracts, transactions or positions of that Customer other than Customer-CM Transactions or Contracts (collectively, "**Non-cleared Positions**") by taking into account the margin requirements for the Customer-CM Transactions being transferred, such Non-cleared Positions;

in each case calculated after giving effect to such transfer. If there is an express agreement (whether written or oral) between the Transferor Clearing Member and the Customer with respect to the margining that will be imposed on Customer Transactions or Non-cleared Positions, the Transferor Clearing Member shall determine the Pre-Transfer Margin Requirements in accordance with the terms of such agreement. So long as (x) the Pre-Transfer Margin Requirements specified in this paragraph 6.2(g) are satisfied and (y) no event of default has occurred with respect to the Customer under the applicable Cleared Transactions Master Agreement, no consent of the Transferor Clearing Member shall be required for such transfer.

6.3 Margin

- (a) If Customer-CM Collateral is not in the form of Permitted Cover, the relevant Clearing Member shall remain obliged to transfer only Permitted Cover to the Clearing House and to account accordingly for any transformation of assets with its Customer (without prejudice to arrangements under which fees or rates of return may be determined) in accordance with the relevant Standard Terms.
- (b) Any additional Customer-CM Collateral (beyond the Clearing House's requirement) required by a Clearing Member of a Customer may be held in any lawful manner as agreed between a Customer and Clearing Member. Subject to such agreement, such ~~Collateral~~collateral may, but is not required hereunder to, be transferred to a Customer Margin Account of the Clearing Member or Individually Segregated Sponsored Account and will, if so transferred, be treated as Surplus Collateral to the extent that a greater value of Permitted Cover is credited to the

relevant Customer Margin Account than the ~~Initial~~ Margin requirement for that Customer Margin Account.

6.4 Data in relation to Customer Clearing

- (a) Each Clearing Member shall keep and maintain written or electronic records showing, with respect to each of its Customer Accounts:
 - (i) the identity of each of its Customers (and, where it acts as a Sponsor, Sponsored Principals);
 - (ii) all Default Portability Preferences of each of its Customers (and, where it acts as a Sponsor, Sponsored Principals); and
 - (iii) such other information as may be requested by the Clearing House in accordance with the Rules or these Procedures from time to time.
- (b) Each Clearing Member shall provide any data of a nature described in paragraph 6.4(a) to the Clearing House promptly upon demand. Data relating to the identity of Customers or Default Portability Preferences may be requested by the Clearing House with reference to anonymous customer serial codes. Each Clearing Member shall provide accurate information to any CDS Trade Processing Platform, FX Trade Processing Platform or [ExchangeMarket](#) for purposes of identifying its Customers. Each Clearing Member and Customer consents to a CDS Trade Processing Platform, FX Trade Processing Platform or [ExchangeMarket](#) providing all such information as is referred to in paragraph 6.4(a) to the Clearing House.
- (c) Each Clearing Member that has a Customer Account shall request each of its Customers and to specify a Default Portability Preference or confirm that it has not specified a Default Portability Preference. Clearing Members and the Clearing House acknowledge that a Customer may designate permitted Transferee Clearing Members at any time prior to or after an Event of Default being declared in relation to a Clearing Member.
- (d) Each Sponsor shall request each of its Sponsored Principals to specify a Default Portability Preference or confirm that it has not specified a Default Portability Preference. Clearing Members and the Clearing House acknowledge that a Sponsored Principal may designate permitted Transferee Clearing Members at any time prior to or after an Event of Default being declared in relation to a Sponsor.

7. TERMS APPLICABLE TO POSITION TRANSFERS

7.1 Additional defined terms

In this paragraph 7 only:

- (a) The term "**Novation**" or "**Position Transfer**" means a transfer by way of novation of Novating Contracts from a Position Transferor to a Position Transferee pursuant to Rule 408(a)(i), Part 12 of the Rules or paragraph 6 of these Clearing Procedures and this paragraph 7 of the Clearing Procedures.
- (b) The term "**Novation Time**" means the novation time specified by the Clearing House for a Novation of particular Novating Contracts which will be communicated to the Position Transferor and Position Transferee by the Clearing House.
- (c) The term "**Novating Contract**" means a Contract between a Position Transferor and the Clearing House which is open immediately prior to the Novation Time and which has not, as at the Novation Time, been cash settled or otherwise performed, discharged or closed out, void, voided, terminated or rescinded in full, and which is to be subject to a Novation, or a

- (i) *Evidence of Loss.* For the purpose of this paragraph 8.2(f), it will be sufficient for a Party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

(g) Part 7: Miscellaneous

Characterisation Notice. If, subject always to the representations given by each Party in relation to any CDS Contract (including without limitation those in Section 9.1(b)(i) of the 2003 Credit Derivatives Definitions and in Section 11.1(b)(i) of the 2014 Credit Derivatives Definitions), as applicable and to the legal, tax, financial accounting and regulatory treatment of any CDS Contract as a derivative as a matter of English law or regulation, either Party elects to treat a CDS Contract for any other tax, financial accounting or regulatory purpose as other than a derivative financial instrument or loan, such Party shall use reasonable efforts promptly to notify the other Party in writing of such election. For this purpose, a notice that contains information that identifies which types of CDS Contracts between the parties are subject to such election shall be sufficient.

(h) Part 8: General Terms

Each CDS Contract shall include the following terms and conditions set out in the General Contract Terms Procedures as part of its Contract Terms as if the same were set out herein and applied to CDS Contracts, *mutatis mutandis*: paragraphs 3.3, 3.4(d), 3.5, 3.9, 3.10, 3.15 and 3.16. In the event of any conflict or inconsistency between any two provisions of the terms set out or referred to herein, the following order of priority shall apply:

- (i) first, these CDS Procedures other than the portion of these CDS Procedures referred to in (ii) below; and
- (ii) second, the relevant ~~section~~[paragraph](#) of the General Contract Terms Procedures.

9. CONTRACT TERMS FOR ITRAXX EUROPE CONTRACTS

9.1 This paragraph 9.1 specifies the additional Contract Terms applicable to all iTraxx Contracts cleared by the Clearing House of a nature described in paragraph 7.1:

- (a) The provisions of paragraph 9.2 will apply in respect of all such CDS Contracts for which the Original Annex Date falls on or after the Protocol Effective Date.
- (b) The provisions of paragraph 9.3 will apply in respect of all such CDS Contracts for which the Acceptance Time falls on or after the Protocol Effective Date but for which the Original Annex Date falls before the Protocol Effective Date.
- (c) The provisions of paragraph 9.4 will apply in respect of all such CDS Contracts for which the Acceptance Time falls on or after the MCA/STS Changeover Time and before the Protocol Effective Date, for the period up to the Protocol Effective Date.
- (d) The provisions of paragraph 9.5 will apply in respect of all such CDS Contracts for which the Acceptance Time falls before the MCA/STS Changeover Time, for the period up to the MCS/STS Changeover Time.
- (e) The provisions of paragraph 9.6 will apply in respect of all such CDS Contracts for which the Acceptance Time falls before the MCA/STS Changeover Time, for the period on and after the MCA/STS Changeover Time up to the Protocol Effective Date.

1.11 The following terms shall have the meaning specified below where they are used in these Procedures:

- (a) “CZK” means the lawful currency from time to time of the Czech Republic;
- (b) “DKK” means the lawful currency from time to time of the Kingdom of Denmark;
- (c) “HUF” means the lawful currency from time to time of Hungary;
- (d) “JPY” means the lawful currency from time to time of Japan;
- (e) “NOK” means the lawful currency from time to time of the Kingdom of Norway;
- (f) “PLN” means the lawful currency from time to time of the Republic of Poland;
- (g) “TRY” means the lawful currency from time to time of the Republic of Turkey; and
- (h) “ZAR” means the lawful currency from time to time of the Republic of South Africa.

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~~ Other currencies 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. AUD, CHF, CZK, DKK, HUF, JPY, NOK, PLN, SEK TRY and ZAR may also be used for Variation Margin and settlement payments only for 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~~ paragraph 13.7 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 the following Triparty Collateral Service Providers:

Euroclear Bank

Clearstream Banking.

- (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~~that 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~~the currency of such coupon, interest or redemption; and.
 - (vii) an F&O Clearing Member that is a Financials & Softs Clearing Member and is party to Financials & Softs Contracts which settle in AUD, CAD, CHF, CZK, DKK, HUF, JPY, NOK, PLN, SEK, TRY or ZAR 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, AUD, CAD, CHF, SEK, CZK, DKK, HUF, JPY, NOK, PLN, SEK, TRY and ZAR, 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, AUD, CAD, CHF, SEK, CZK, DKK, HUF, JPY, NOK, PLN, SEK, TRY and ZAR, 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);
 - (e) for CDS Clearing Members, a Guaranty Fund account, denominated in EUR for CDS (which may be the same account as a EUR Nominated Proprietary Bank Account);
 - (f) if a CDS Clearing Member is approved to become party to Sovereign Contracts, an additional Guaranty Fund account denominated in USD (which may be the same account as a USD Nominated Proprietary Bank Account or the USD Guaranty Fund account for F&O Guaranty Fund Contributions or FX Guaranty Fund Contributions); and
 - (g) for FX Clearing Members, a Guaranty Fund account, denominated in USD (which may be the same account as a USD Nominated Proprietary Bank Account or the USD Guaranty Fund account for CDS Guaranty Fund Contributions or FX Guaranty Fund Contributions);
 - (h) if a Non-FCM/BD Clearing Member is a Sponsor in respect of an Individually Segregated Sponsored Account and is appointed by the Sponsored Principal and agrees to operate Nominated Bank Accounts for the Individually Segregated Sponsored Account, such further accounts as would be required of each such Sponsored Principal pursuant to paragraph 4.4.

- 4.2 If a Clearing Member is ~~both~~ more than one of: (i) an F&O Clearing Member and; or (ii) a CDS Clearing Member, that Clearing Member is treated for the purposes of the Clearing House's banking systems as if it were two Clearing Members. Such a Clearing Member may specify the same-~~accounts~~ Nominated Bank Accounts for a particular ~~account~~ Nominated Bank Account for both CDS and F&O or may use different ~~accounts~~ Nominated Bank Accounts for the different product classes. Accordingly, it may have up to twelve Nominated Proprietary Bank Accounts, one for each currency for each of CDS and F&O. Where a Clearing Member requests more than one Proprietary Account or more than one Customer Account of the same Customer Account Category (other than Individually Segregated Sponsored Accounts, Margin-flow Co-mingled Accounts or by using "F" for an additional omnibus Customer Account), the Clearing Member will be set up on the Clearing House's systems as if it were two Clearing Members and each account of the same Customer Account Category will use the same account code but with a different Clearing Member mnemonic. Any such additional Customer Account may be dedicated for purposes of indirect clearing of positions relating to the indirect clients of a Customer of the Clearing Member.
- 4.3 Nominated Proprietary Bank Accounts, Nominated Customer Bank Accounts and Guaranty Fund accounts must be accounts at Approved Financial Institutions but need not all be at the same Approved Financial Institution.
- 4.4 Each Sponsored Principal must as a minimum maintain (or procure that its Sponsor, if it is a Non-FCM/BD Clearing Member maintains) the following accounts at one or more Approved Financial Institutions:
- (a) up to six Nominated Bank Accounts linked to the Individually Segregated Sponsored Account, denominated in up to one each of USD, GBP, EUR, CAD, CHF and SEK as follows, subject to paragraph 4.2:
 - (i) all Sponsored Principals that clear F&O or FX must have an account denominated in USD;
 - (ii) all Sponsored Principals that clear CDS must have an account denominated in EUR;
 - (iii) all Sponsored Principals that clear F&O or FX must additionally have at least one further account denominated in either GBP or EUR;
 - (iv) all Sponsored Principals that clear CDS additionally have at least one further account denominated in either GBP or USD;
 - (v) all Sponsored Principals that have 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 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 Financials & Softs Contracts which settle in AUD, CAD, CHF, CZK, DKK, HUF, JPY, NOK, PLN, SEK, TRY or ZAR 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~~[paragraph](#) 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~~[Banks](#) 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~~[same](#) 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, which will occur if an Approved Financial

GBP	Same day 10.00 a.m.
EUR	Same day 10.00 a.m.
USD	Same day 16:45 p.m.

- (f) No withdrawal will be possible after these deadlines. Clearing Members are able to enter cash deposits for value next day. These requests need to be entered and approved by Clearing Members prior to end of day, but will only be accepted by the Clearing House on the following morning. Following acceptance by the Clearing House, the changes will take effect immediately. The Clearing House may require any Clearing Member to reduce excess cash on account with the Clearing House or may specify that excess cash on account above a certain threshold does not receive interest.
- (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](#) [ECS graphical user interface \(“GUI”\)](#). After execution, the status of an instruction within ECS will change from ‘pending’ to ‘processed’.
- (i) The following [sections](#) [sub-paragraphs](#) 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 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.

payments will be included together with overnight calls and details will be included in daily reports provided to Clearing Members through ECS.

(iv) *Interest*

The Clearing House will notify Clearing Members of its interest rate in each currency on the Business Day following the day to which the rate applies. The Clearing House rates payable on Original Margin, Initial Margin and FX Original Margin are referred to as the ICE Deposit Rate (IDR). Interest rates are payable on Mark-to-Market Margin for CDS Contracts by Clearing Members and the Clearing House. FX Mark-to-Market Interest is payable by Clearing Members and the Clearing House as set out in the FX Procedures.

Payments in respect of interest will be made to Clearing Members in respect of cash, assets and securities held by the Clearing House as Margin, Guaranty Fund Contributions or Permitted Cover. The rate of return may vary for different cash and asset classes and between types of cover. The IDR and accumulated interest over each month will be available to Clearing Members through the ECS-GUI.

Interest will be calculated on a simple daily basis and will become available for payment to Clearing Members, subject to any required deduction or withholding tax, monthly, ~~on~~by the fourth Business Day after the end of each month. Once credited, the interest is available to meet Margin payments or may be withdrawn by Clearing Members. If used to meet Margin payments, the interest then itself becomes eligible to accrue interest.

(v) *Income (interest and collateral) and ~~Redemption~~redemption*

The Clearing House will make payment to Clearing Members in respect of income and redemptions on non-cash assets transferred to the Clearing House as Margin, Guaranty Fund Contributions or Permitted Cover. Distributions will be executed direct to the Clearing Member by the relevant custodian pursuant to a standing instruction made by the Clearing House based on account information provided by the Clearing Member. Clearing Members are required to provide account details in relation to accounts in all applicable currencies to the Clearing House. Changes in account details must be notified at least five Business Days in advance.

Payments in respect of income on non-cash assets will be paid to Clearing Members in the same currency as the income is distributed by the relevant issuer or payment agent to the Clearing House. Any required foreign exchange transaction following payment must be arranged by the Clearing Member and the costs of the same must be met by the Clearing Member. No currency exchange will be arranged by the Clearing House or its custodian.

If there is a failed payment in respect of income or redemption (e.g. as a result of account details being unavailable or incorrect), income may be retained by the Clearing House or custodian but will not be treated by the Clearing House as Permitted Cover. The Clearing House makes no representation or warranty to Clearing Members in respect of the promptness of payment by any issuer or payment agent, the custodian or any of its sub-custodians or agents (save for any liability which by ~~law~~Applicable Law may not be excluded).

(vi) *Fees and rebates*

All Market fees, Clearing House fees, delivery fees and other fees payable to the Clearing House or a Market will be calculated and charged to each Clearing Member as such fees accrue (typically on a monthly basis).

Rebates, fee discounts and incentive ~~program~~programme payments which have been directed by the payee or beneficiary to be paid to the account of a Clearing Member will be calculated and credited to the relevant account of the Clearing Member as such rebates, fee discounts and incentive ~~program~~programme payments accrue (typically on a monthly basis) and may include payments for which the payer is a Market, payments for which the payer is the Clearing House or both.

The following additional provisions apply in respect of rebate, fee discount or incentive ~~program~~programme payments except to the extent agreed or notified otherwise by the Clearing House from time to time. Terms, conditions and amounts of rebate, fee discount or incentive ~~programs~~programmes may be periodically modified by the Clearing House at its sole discretion. In certain circumstances, the Clearing House may make the availability of a rebate, fee discount or incentive ~~program~~programme contingent on certain cleared volume levels. Rebate, fee discount and incentive ~~programs~~programmes may be withdrawn by the Clearing House or any relevant Market at any time. Persons may be required to meet participation criteria, conditions and obligations applicable to participants in this scheme as the same may be amended or added to from time to time, in order to be able to continue to ~~be able to~~ participate in any such ~~program~~programme. Where a rebate, fee discount or incentive ~~program~~programme relates to a service for which both Market trading, clearing or other fees or Clearing House clearing fees are applicable, the payer of the rebate, fee discount or incentive ~~program~~programme payment is the Clearing House as to the total amount of the Market and Clearing House rebate, fee discount or incentive ~~program~~programme 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~~programme payment. Where only Clearing House fees are charged or a rebate, fee discount or incentive programme payment, the payer of the entire rebate, fee discount or incentive ~~program~~programme 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~~programmes on the payer's behalf. The payee in respect of a rebate, fee discount or incentive ~~program~~programme is the person who participates in the ~~program~~programme, 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~~programme 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~~programme participant. Rebate, fee discount or incentive ~~program~~programme 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~~programme 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~~programme payment.

Fee invoices will be made available via ECS ~~on~~by 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~~by 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~~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, Surplus Collateral, 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 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/public 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.

If there is a Currency Holiday, the Clearing House will call and Clearing Members shall pay (or receive as applicable) Margin in another currency specified by the Clearing House. The sequence of alternative currencies to be used for F&O Contracts and FX Contracts in respect of Currency Holidays (in the absence of a Clearing Member specifying an alternative sequence for these three currencies in writing to the Clearing House) is as follows: USD, GBP and EUR. The sequence of alternative currencies to be used for CDS Contracts (in the absence of a Clearing Member specifying an alternative sequence for these three currencies in writing to the Clearing House) is as follows: EUR, USD and GBP.

If, due to a Force Majeure Event, Financial Emergency or otherwise, a transfer of funds of a currency is not possible or advisable, the Clearing House may call and Clearing Members shall pay (or receive as applicable) Margin, Guaranty Fund Contributions, fees, fines, interest, incentive payments, fee discount, rebates and all other payments (excluding final settlement payments under Contracts) in another currency specified by the Clearing House. If payments are to take place in a currency other than the contractual currency in circumstances other than a Currency Holiday, the Clearing House will issue a Circular or notify affected Clearing Members, specifying the currency to be used and the exchange rate to be applied.

Payments of Margin in a different currency on a Currency Holiday will not be netted against obligations in a currency other than that of the underlying Contract, nor paid in another currency. For Variation Margin, Mark-to-Market Margin and FX Mark-to-Market Margin, payment in a different currency from the contractual currency due

to a Currency Holiday will result in a delay of payments to the next day on which payment may be made in the contractual currency. Any obligation to pay Variation Margin, Mark-to-Market Margin or FX Mark-to-Market Margin in a currency other than the contractual currency will result in an additional Original Margin, Initial Margin or FX Original Margin requirement, which must be covered with cash or non-cash collateral (which may be of, or be denominated in, a different currency). Any obligation to pay any other amount in a currency other than the contractual currency may result in an additional Original Margin, Initial Margin or FX Original Margin requirement, which must be covered with cash or non-cash collateral (which may be of, or be denominated in, a different currency). In the case of payment in a currency other than the contractual currency being required in instances other than a Currency Holiday, the Clearing House will specify in the relevant Circular how applicable obligations will be margined or netted.

Transactions in collateral on bank/[public](#) holidays in a relevant jurisdiction will not necessarily be rejected upon instruction but will be cancelled at the end of day and must be re-instructed by Clearing Members on a day which is not a bank/[public](#) holiday in the relevant jurisdiction.

(j) Clearing Members are required to provide any information to the Clearing House and complete any forms provided by the Clearing House as may be required by the Clearing House to comply with its obligations relating to FATCA. For the purposes of this Rule, FATCA means:

(a) sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended, and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted in any jurisdiction which seeks to implement similar tax reporting and/or withholding tax regimes;

(b) any intergovernmental agreement, treaty, regulation, guidance or any other agreement between the United Kingdom (or any UK governmental authority) and the United States or any other jurisdiction (including any governmental authority in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described in paragraph (a) above;

(c) any agreement pursuant to the implementation of any intergovernmental agreement, treaty, regulation, guidance or other agreement referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental authority in any other jurisdiction; and

(d) any legislation, regulations or guidance in the United Kingdom that give effect to the matters outlined in the preceding paragraphs.

The Clearing House's status under FATCA (and registration for any applicable Global Intermediary Identification Number, including on a protective basis) is not intended to have any effect on the Clearing House's status for the purposes of any other Applicable Law. The Clearing House's registration under FATCA shall not affect any of the rights or obligations of the Clearing House or any Clearing Member or Sponsored Principal (including, without limitation, relating to transfers of title over collateral, pledged collateral or other property rights) provided for under the Rules, Procedures, Clearing Membership Agreements, Sponsor Agreements, Sponsored Principal Clearing Agreements, Applicable Laws or otherwise, nor does it put the Clearing House on notice of any Encumbrance.

8. PERMITTED COVER: SECURITIES

- 8.1 The Clearing House will publish by Circular a list from time to time setting out all security classes acceptable as non-cash Permitted Cover, specifying any restrictions for such Permitted Cover applicable by way of class or status of Clearing Member or Sponsored Principal, account or Contract. Applicable ‘haircuts’ will also be published and amended by Circular. The amount of recognised Permitted Cover at the Clearing House attributable to a particular security is the market value of the relevant security multiplied by the applicable haircut. Within ECS, details of international security identification numbers (ISINs) for all acceptable Permitted Cover will be provided. New issues are automatically added to the list and can be selected for settlement and coverage. The Clearing House is entitled to remove securities from the list of accepted Permitted Cover or to vary haircuts at any time.
- 8.2 Clearing Members and Sponsored Principals may suggest to the Clearing House’s risk department that a new class or series of permitted cover be included within the list of acceptable Permitted Cover. New classes will only be added after approval by the ~~Risk~~risk department. A limited sub-set of the acceptable securities are accepted by the Clearing House in respect of required Guaranty Fund Contributions. The Clearing House will set out and amend the list of acceptable Permitted Cover by a Circular.
- 8.3 The Clearing House does not recognise any value for non-cash collateral as from the day falling one full Business Day prior to redemption or maturity for non-cash collateral other than UK government bonds and seven full Business Days prior to redemption or maturity for non-cash collateral consisting of UK government bonds. Clearing Members and Sponsored Principals must arrange for substitute Permitted Cover on or prior to such time. The Clearing House will use endeavours (but shall not be required) to contact Clearing Members and Sponsored Principals or their Sponsors who have securities nearing maturity in order to assist with the timely lodgement of alternative Permitted Cover.
- 8.4 Notwithstanding paragraph 8.1, a Clearing Member, Sponsor or Sponsored Principal may not use any financial instrument otherwise agreed by the Clearing House to be eligible as Permitted Cover where such financial instrument is issued by such Clearing Member, Sponsor or Sponsored Principal or one of its Affiliates except in the case of a covered bond and only where the assets backing that bond are appropriately segregated within a robust legal framework which the Clearing House determines to satisfy applicable requirements under Applicable Law.

9. INTENTIONALLY OMITTED.

10. PERMITTED COVER: GOLD BULLION

General

- 10.1 This paragraph 10 applies to each Sponsored Principal (or, if a Sponsor has been appointed as responsible for making and receiving transfers in respect of Permitted Cover in the form of Gold Bullion on an Individually Segregated Sponsored Account, the Sponsor) in the same way as it applies to a Clearing Member, subject to Part 19 of the Rules. The following definitions apply to this part of the Finance Procedures:
- (a) The term “**Gold Bullion**” shall have the same meaning as “London Good Delivery Bars” as set by London Bullion and Metals Association (“**LBMA**”).
 - (b) “**AURUM**” means the electronic matching and settlement system operated by London Precious Metal Clearing Limited (“**LPMCL**”).
 - (c) “**Market Rules**” means the rules, regulations, practices and customs of the LBMA, LPMCL, the Financial Conduct Authority, the Prudential Regulatory Authority, the Bank of England and such other regulatory authority or other body, relevant to the transfer and safekeeping of Gold Bullion.

- (d) **“Unallocated Account”** established at the custodian for the purpose of transferring Gold Bullion between the Clearing House and the Clearing Member. Gold Bullion in the Unallocated Account will be unidentifiable, and present the contractual obligations from the custodian to the Clearing House.
 - (e) **“Allocated Account”** established at the custodian for the purpose of safekeeping Gold Bullion. Gold Bullion on the Allocated Account is physically held in the custodian’s vaults and identifiable by serial numbers.
 - (f) **“Business Day”** means a day (excluding Saturdays, Sundays and public holidays) on which AURUM, the settlement system operated by LPMCL, is open for the transfer of Gold Bullion.
- 10.2 Clearing Members may use Gold Bullion to satisfy Original Margin, Initial Margin and FX Original Margin requirements (unless agreed otherwise by the Clearing House at its discretion). The Clearing House has set a Collateral limit of the lower of 250 million US Dollar or 30% of total Initial Margin or FX Original Margin requirement, per Clearing Member.
 - 10.3 Gold Bullion to be used as Permitted Cover shall conform to the eligibility criteria described by the LBMA and transfers shall be in conformance with the Market Rules. Clearing Members will be liable to the Clearing House in the event that the Clearing House incurs any loss as a result of Gold Bullion being delivered to the Clearing House as Original Margin, Initial Margin or FX Original Margin which does not comply with these Procedures
 - 10.4 The Clearing House limits its liabilities for loss or damage of all Gold Bullion on deposit. Prior to the first deposit the Clearing House must have received a signed copy of the “Gold Supplement” to the Clearing Member Agreement or Sponsored Principal Clearing Agreement. A template of this agreement will be provided by the Clearing House.
 - 10.5 Deposits and withdrawals of Gold Bullion must be made in increments of 1 Troy Ounce.
 - 10.6 Gold Bullion received before 16:00 hours (London time) on a Business Day will be reflected in Permitted Cover on the same Business Day. Gold Bullion received after 16:00 hours (London time) will be treated as having been not received until the next Business Day.
 - 10.7 Transfer of Gold Bullion to the Unallocated Account of the Clearing House, must be done in accordance with the provisions of the LBMA and LPMCL. The Clearing House is not responsible for, and/or shall have no liability whatsoever as a result of, the performance or non-performance of any settlement system or settlement party.
 - 10.8 Management of the Gold Bullion as margin is only possible on Business Days as set by LPMCL. Additionally the Clearing House is not able to transfer assets on non-Clearing days or UK bank holidays in case they differ from the non-Business Days.
 - 10.9 The Gold Bullion will be priced ~~daily using the 15:00 fixing of the London Gold Fixing price by Gold Market Fixing Ltd~~ in accordance with the rules, policies and processes of ICE Benchmark Administration Limited, with price reports available at <https://www.theice.com/marketdata/reports/178>. The Gold Bullion will be quoted in US Dollars. The Clearing House retains the right to adjust the price if the Risk Department regards this as necessary.
 - 10.10 Gold Bullion will be held in physical form in the vaults of our custodian JPMorgan Chase Bank NA.
- Transfer procedure**
- 10.11 Prior to transferring Gold Bullion the Clearing Member must provide details of the standard counterparty account and the contact details of the persons authorised to instruct on behalf of the

11.8 **Status settlement transaction**

The Clearing House will provide updated information on the settlement status of transactions through ECS. Clearing Members are responsible for monitoring the status of settlements. The status of a transaction as matched or not matched is not reported upon by the Clearing House and must be confirmed by Clearing Members directly with the relevant settlement system or depository.

12. **INTENTIONALLY OMITTED.**

13. **RISK MANAGEMENT**

13.1 **Contacting Risk Management**

Clearing Members, Sponsors and Sponsored Principals should contact the Clearing House's Risk department to discuss any special issues relating to Margin, Permitted Cover, Guaranty Fund Contributions, Position Limits or any unusual circumstances or events.

13.2 **Specific information request**

Clearing Members, Sponsors and Sponsored Principals may be required from time to time to respond to an information request made by the Clearing House. Such a request may include (but shall not be limited to) information concerning:

- (a) the nature and extent of Open Contract Positions;
- (b) identification of a Customer or Customers for whom Open Contract Positions are held;
- (c) explanation of the commercial strategy or rationale relating to Open Contract Positions;
- (d) any economically similar positions at other Clearing Organisations or Exchanges or in over-the-counter instruments; and/or
- (e) details around plans to close out or reduce any Open Contract Positions.

13.3 The Clearing House shall be entitled to require written responses and may make further or follow-up requests and visits and inspections. This ~~section~~[paragraph 13](#) is without prejudice to the Clearing House's rights under the Rules, including in relation to the provision of information, audit and disciplinary proceedings.

13.4 **Staff Availability**

Clearing Members, Sponsors and Sponsored Principals may be required from time to time to make staff of suitable seniority available to attend meetings, called by the Clearing House at reasonable notice, in order to assess:

- (a) the Clearing Member's, Sponsor's or Sponsored Principal's compliance with the Rules and these Procedures;
- (b) risks to which the Clearing House, Clearing Member, Sponsor or Sponsored Principal is exposed; or
- (c) any related purposes.

13.5 **Default Procedure**

The following provisions apply to each of the Clearing House CDS Initial Contribution, Clearing House F&O Initial Contribution and the Clearing House FX Initial Contribution:

- (a) The Clearing House shall keep, and indicate separately in its balance sheet, an amount of dedicated own resources as the Clearing House Initial Contributions. No resources other than capital, including retained earnings and reserves as referred to in Article 16 of EMIR, shall qualify as Clearing House Initial Contributions.
- (b) The Clearing House CDS Initial Contribution, Clearing House F&O Initial Contribution and the Clearing House FX Initial Contribution shall each be constituted by two parts: (i) a minimum contribution of own resources for purposes of article 35(2) of Commission Delegated Regulation No 153/2013 (as calculated under paragraphs 15.1(c)-(d)); and (ii) an additional voluntary contribution constituted by the remainder of the Clearing House Initial Contribution in question, as calculated in accordance with this paragraph 15.
- (c) The Clearing House shall calculate the minimum sum of Clearing House Initial Contributions by multiplying its minimum required capital (including retained earnings and reserves) to be maintained by it in accordance with article 16 of EMIR, by 25%.
- (d) The minimum sum calculated in accordance with paragraph 15.1(c) shall be allocated to the Clearing House CDS Initial Contribution, Clearing House F&O Initial Contribution and Clearing House FX Initial Contribution in proportion to the sizes of the CDS Guaranty Fund, F&O Guaranty Fund and FX Guaranty Fund respectively, and shall be separately indicated in the Clearing House's balance sheet.
- (e) The Clearing House shall revise the minimum sum of Clearing House Initial Contributions and breakdown of the same between the Clearing House CDS Initial Contribution, Clearing House F&O Initial Contribution and Clearing House FX Initial Contribution on a yearly basis.
- (f) The Clearing House may use such exchange rates as it sees fit for purposes of calculating the relative sizes of the CDS Guaranty Fund, F&O Guaranty Fund and FX Guaranty Fund.

15.2 Clearing House CDS Contributions

- (a) The Clearing House CDS Initial Contribution shall be at least the higher of: (i) the EUR equivalent of USD 10 million, calculated at the exchange rate specified in paragraph 2.2 of the Finance Procedures on 28 July 2009; and (ii) the minimum required under ~~Paragraph~~[paragraph](#) 15.1. The Clearing House may increase the Clearing House CDS Initial Contribution from time to time and shall be obliged on or prior to the first anniversary of the first date on which the Clearing of CDS Contracts recorded in CDS Customer Accounts becomes operationally available ("**Customer Integration Date**") to have made an aggregate Clearing House CDS Initial Contribution (including the initial USD 10 million equivalent) of at least the higher of: (A) the EUR equivalent of USD 25 million, calculated at the exchange rate specified in paragraph 2.2 of the Finance Procedures on the first anniversary of the Customer Integration Date; and (B) the minimum required under ~~Paragraph~~[paragraph](#) 15.1. The amount of the Clearing House CDS Initial Contribution may be further increased by the Clearing House redesignating all or part of any of the Clearing House CDS GF Contributions as Clearing House CDS Initial Contributions. Any such redesignation shall be notified by Circular. Such amounts are subject to any reduction following the application of any amount of Clearing House CDS Initial Contribution pursuant to Rule 1103.
- (b) If on or after the first anniversary of the Customer Integration Date, the value, determined in the same way in which the value of Guaranty Fund Contributions is calculated, of the assets constituting the Clearing House CDS Initial Contribution is below the required amount of the Clearing House CDS Initial Contribution under ~~Paragraph~~[paragraph](#) 15.2(a)(i) or 15.2(a)(A)

required amounts at the time of application shall remain the liability of the Clearing House, notwithstanding anything to the contrary in the Rules or Procedures.

- (f) The Clearing House may make withdrawals from accounts containing the Clearing House CDS Initial Contribution or Clearing House CDS GF Contribution only to the extent the value of the relevant assets exceeds the required EUR requirement.
- (g) Notwithstanding any other provision of this paragraph 15.2, the Clearing House shall not be obliged to top up or redesignate any amount or part of any Clearing House CDS Contribution as a result of fluctuations in currency exchange rates between USD and EUR compared to the rates at which any EUR requirement for any Clearing House CDS Contribution was calculated, whether to ensure that any Clearing House CDS Contribution equals any USD amount specified in this paragraph 15.2 or otherwise (save as required pursuant to paragraph 15.1). Notwithstanding any other provision of this paragraph 15.2 the Clearing House shall not be entitled to withdraw or redesignate any amount or part of any Clearing House CDS Contribution as a result of fluctuations in currency exchange rates between USD and EUR compared to the rates at which any EUR requirement for any Clearing House CDS Contribution was calculated, whether to ensure that any Clearing House CDS Contribution equals any USD amount specified in this paragraph 15.2 or otherwise.

15.3 Clearing House FX Contributions

- (a) The Clearing House FX Contributions are to be determined and allocated from time to time in accordance with the following provisions:
 - (i) the Clearing House FX Initial Contribution shall be at least the higher of: (A) USD 2.5 million; or (B) the minimum required under ~~Paragraph~~[paragraph](#) 15.1;
 - (ii) the Clearing House FX GF Contribution shall be at least USD 2.5 million;
 - (iii) subject to paragraph 15.1, the maximum amount of the Clearing House FX Initial Contribution shall be USD 25 million;
 - (iv) the maximum amount of the Clearing House FX GF Contribution shall be USD 25 million;
 - (v) subject to the minima in paragraphs (i) and (ii) above and any applicable maxima in paragraphs (iii) and (iv) above, the total Clearing House FX Contributions from time to time shall be at least of an amount representing 5% of the total FX Guaranty Fund Contributions required from time to time to be provided to the Clearing House by FX Clearing Members (excluding FX Guaranty Fund Contributions applied under Rule 1103);
 - (vi) subject to paragraph (vii), the amount of the Clearing House FX Initial Contribution and the amount of the Clearing House FX GF Contribution from time to time shall always be identical to one another, provided that the total of the Clearing House FX Initial Contribution and Clearing House FX GF Contribution shall be capped at USD 50 million (subject to paragraph 15.1); and
 - (vii) if the calculations in paragraph (vi) result in a fraction of a USD cent being allocated to the Clearing House FX GF Contribution, that fraction of a cent shall be allocated to the Clearing House FX Initial Contribution so as to round up the Clearing House FX Initial Contribution to the nearest higher USD cent and round down the Clearing House FX GF Contribution to the nearest lower USD cent.
- (b) If the total amount of Clearing House FX Contributions is reduced by any application of any amount of Clearing House FX Contributions pursuant to Rule 1103, the Clearing House shall,

by the open of business on the Business Day following the date of any application of Clearing House FX Contributions, allocate additional Clearing House FX Contributions equal to the amount by which the Clearing House FX Contributions were applied. Such allocations shall be made as Clearing House FX Initial Contribution and Clearing House FX GF Contribution in proportion to the amount by which each such contribution was applied.

- (c) For the purposes of calculating the amount of any application of any amount of Clearing House FX Contributions pursuant to Rule 1103, the value of the Clearing House FX Contribution so applied shall be determined in USD as of the date of such application at the exchange rates used by the Clearing House pursuant to the Finance Procedures at the relevant time, where any exchange rate is required to be applied.

15.4 General Provisions relevant to Clearing House Contributions

- (a) The Clearing House may substitute assets constituting Clearing House Contributions in the same way and to the same extent that assets constituting Guaranty Fund Contributions may be substituted by Clearing Members.
- (b) Without prejudice to Applicable Laws relating to insolvency, the Clearing House shall have no obligation to contribute or allocate any additional Clearing House Contributions in any situation in which either (i) Rule 209(c)(ii) or (iii) or Rule 912 applies or (ii) Rule 209(c)(ii) or (iii), Rule 209(f)(ii) or Rule 912 of the Continuing CDS Rule Provisions applies, except in either case in respect of any due but unallocated amounts at the time of such occurrence.
- (c) There shall not be any breach by the Clearing House of its obligations under this ~~Paragraph~~[paragraph](#) 15 solely as a result of any temporary reduction to any Clearing House Contributions as a result of the application of any amount of Clearing House Contributions pursuant to Rule 1103.

Business Continuity Procedures

1. GENERAL

- 1.1 These Business Continuity Procedures are intended to provide Clearing Members with an outline of possible steps that can be taken in the event of a Force Majeure Event or other business continuity event or the Clearing House or a Clearing Member being unable to access, or being evacuated from, a place of business material to its clearing operations (“**Business Continuity Event**”). Business Continuity Events are by their nature unpredictable. The Clearing House reserves the right to take any other action or not to take action prescribed herein upon a Business Continuity Event occurring.
- 1.2 These Business Continuity 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 Business Continuity 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 Business Continuity Procedures will be subject to arbitration under Rule 117.
- 1.3 These Business Continuity Procedures apply to a Sponsored Principal in the same way as they apply to a Clearing Member, subject to Part 19 of the Rules.

2. BUSINESS CONTINUITY EVENTS AFFECTING A CLEARING MEMBER

2.1 Clearing Members affected by a Business Continuity Event should contact the Clearing House by at least one of the following methods:

- (a) The Clearing House’s Help Desk on +44 (0) 20 7065 7600 or iceuops@theice.com.
- (b) The Help Desk in Atlanta on +1 770 738 2101 or icehd@theice.com.

2.2 A Clearing Member affected by a Business Continuity Event must contact the Clearing House immediately and provide the Clearing House with the following information:

- (a) name of Clearing Member;
- (b) name and contact details of person at Clearing Member authorised to take action and decisions on its behalf;
- (c) details of nature of the problem;
- (d) expected time when problem is expected to be over or mitigated; and
- (e) any assistance or ~~forebearance~~[forbearance](#) requested of the Clearing House.

2.3 When a Clearing Member ceases to be affected by a Business Continuity Event, it must notify the Clearing House of the same.

2.4 The Clearing House shall not be obliged to provide any assistance or give any ~~forebearance~~[forbearance](#) to a Clearing Member affected by a Business Continuity Event.

3. BUSINESS CONTINUITY EVENTS AFFECTING THE CLEARING HOUSE

3.1 If the Clearing House is affected by a Business Continuity Event, the same will be classed as either a “**Partial Business Continuity Event**”, “**Full Business Continuity Event**” or “**Evacuation**”.

3.2 If the Clearing House is affected by a Business Continuity Event, it will use reasonable endeavours to inform Clearing Members of the same through one or more of the following media:

- (a) an announcement on its website www.theice.com;