Chapter 116
Brent Crude Oil American Style Option

11601. Description
11601.1 The Brent Crude Oil American Style Option is an option on the Brent Crude Oil (ICE) Last Day Swap contract (CME Clearing Europe commodity code: EBZ). It is an American Style option which delivers a swap position on exercise, and may be exercised on any business day.
11601.2 The CME Clearing Europe commodity code shall be EOS.

11602. Contract Size
11602.1 The contract size shall be 1 lot of the Brent Crude Oil (ICE) Last Day Swap contract, which has a contract size of 1,000 barrels.

11603. Contract Months
11603.1 Brent Crude Oil American Style Options shall be available for consecutive calendar months for the balance of the current calendar year and monthly for a further 7 consecutive calendar years.

11604. Prices
11604.1 Prices shall be quoted in U.S. dollars and cents per barrel.
11604.2 The minimum price fluctuation shall be $0.01 per barrel.
11604.3 There shall be no maximum price fluctuation.
11604.4 A cabinet trade may occur at the price of $.001 per barrel or $1.00 per contract.

11605. Daily Settlement Prices
11605.1 The Clearing House shall establish settlement prices in respect of open positions for the purposes of position valuation and variation margin calculation, as described in the Clearing Procedures.

11606. Premium Payment
11606.1 Option premium shall be paid by the buyer to the Clearing House, and received by the seller from the Clearing House in full following the trade. Payments shall be made as directed by the Clearing House.
11607. **Strike Prices**
11607.1 Transactions in Brent Crude Oil American Style Options may be submitted to the Clearing House with strike prices in increments of $0.50 per barrel, subject to any limits on the range of available strike prices published by the Clearing House.

11608. **Option Exercise**
11608.1 Brent Crude Oil American Style Options may be exercised only on any business day.

11609. **Termination of Trading**
11609.1 Trade submission shall cease three business days prior to the last trading day of the Brent Crude Oil (ICE) Last Day Swap contract for the same contract month.
11609.2 On the last trading day, as described in 11609.1, the final time for trade submission shall be 7:30pm London time.

11610. **Expiry**
11610.1 A Brent Crude Oil American Style Option Contract shall expire on the last trading day as described in 11609.1.
11610.2 On the Expiry Day, as described in 11609.1, the Brent Crude Oil American Style Option Contract shall expire at 4.30pm New York time. Where an option is to be exercised by the buyer, such exercise must be notified to the Clearing House by the expiration time. Any Brent Crude Oil American Style Option for which the Clearing House has not been notified of exercise by the expiration time shall be deemed to be abandoned.
11610.3 The Clearing House shall confirm the assignment of a Brent Crude Oil American Style Option Contract to the seller as soon as reasonably practicable following the expiration time.

11611. **Underlying Instrument**
11611.1 The Underlying Instrument for each contract month is the Brent Crude Oil (ICE) Last Day Swap contract for the same contract month.

11612. **Final Settlement**
11612.1 Final settlement for the Brent Crude Oil American Style Option Contract shall be by delivery of a swap position at the exercise price.
11612.2 For call options, on exercise, the buyer shall assume a long position in one Brent Crude Oil (ICE) Last Day Swap contract at the exercise price, as directed by the Clearing House. On assignment, the seller shall assume a short position in one Brent Crude Oil (ICE) Last Day Swap contract at the exercise price, as directed by the Clearing House.
11612.3 For put options, on exercise, the buyer shall assume a short position in one Brent Crude Oil (ICE) Last Day Swap contract at the exercise price, as directed by the Clearing House. On assignment, the seller shall assume a long position in one Brent Crude Oil (ICE) Last Day Swap contract at the exercise price, as directed by the Clearing House.

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