

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 18-079

SUBJECT: **NYMEX Physically Delivered UK NBP and Dutch TTF Natural Gas Futures Contracts - VAT and Registration Reminder**

DATE: 22 February 2018

This is a reminder pursuant to [SER- 8065](#)¹, Clearing Members or their customers intending on trading the following NYMEX Physically Delivered Natural Gas Futures Contracts must provide Clearing Deliveries with VAT registration information before they begin trading:

Contract Title	Commodity Code	NYMEX Rulebook Chapter
UK NBP Natural Gas Calendar Month Futures	UKG	1157
UK NBP Natural Gas Daily Futures	NBD	1158
Dutch TTF Natural Gas Calendar Month Futures	TTF	1159
Dutch TTF Natural Gas Daily Futures	TTD	1160

The VAT information is necessary to determine the applicable VAT treatment.

To obtain a VAT form, please send an email to Clearinghousedelivteam@cmegroup.com.

Pursuant to NYMEX Rules 1157109 and 1158109 in respect of UK NBP Natural Gas Daily and Calendar Month Futures:

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on UK NBP Natural Gas Calendar Month or Daily Futures contract, the relevant buyer shall be responsible for ensuring that it accounts for such VAT to the relevant tax authority under the reverse charge procedure where applicable, provided that the Clearing House issues it with a valid VAT invoice for the purchase. Where VAT is due and payable and the reverse charge procedure does not apply, the buyer must make payment of such VAT to the Clearing House as seller at the same time as the payment of the purchase price and the Clearing House shall issue it with a valid VAT invoice for the purchase.

¹ <http://www.cmegroup.com/notices/ser/2017/12/SER-8065.pdf>

Where the reverse charge procedure applies, the Clearing Member warrants and represents that the relevant buyer has a valid VAT registration and will account for any applicable VAT to the relevant tax authority under the reverse charge procedure. Clearing Members must ensure that the buyer of natural gas provides the Clearing House with its valid VAT registration details prior to entry into any of the NBP Natural Gas Calendar Month or Daily Futures contract, and the Clearing Member is deemed to represent and warrant that the information it has provided with respect to the buyer under the relevant Rule is complete and accurate each time a contract is entered into.

Where the reverse charge procedure does not apply, the Clearing Member must notify the Clearing House prior to the entry into any NBP Natural Gas Calendar Month or Daily Futures contract and the Clearing Member shall provide such information reasonably requested by the Clearing House for the purposes of accounting for any applicable VAT to a tax authority. The Clearing Member agrees to indemnify the Clearing House in respect of any VAT, interest, penalties and associated costs of the Clearing House in the event that the Clearing House does not receive any applicable VAT from the relevant buyer when due under the relevant rule.

Pursuant to Rules 1159109 and 1160109 VAT in respect of Dutch TTF Natural Gas Daily and Calendar Month Futures:

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on Dutch TTF Natural Gas Calendar Month or Daily Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT to the relevant tax authority under the reverse charge procedure where applicable, provided that the Clearing House issues it with a valid VAT invoice for the purchase. Where VAT is due and payable and the reverse charge procedure does not apply, including where VAT must be declared by the buyer under the rules for the place of supply for natural gas delivered within networks, the buyer must make payment of such VAT to the Clearing House as seller at the same time as the payment of the purchase price and the Clearing House shall issue it with a valid VAT invoice for the purchase.

Where the reverse charge procedure applies, the Clearing Member warrants and represents that the relevant buyer has a valid VAT registration and will account for any applicable VAT to the relevant tax authority under the reverse charge procedure. Clearing Members must ensure that the buyer of natural gas provides the Clearing House with its valid VAT registration details prior to entry into any Dutch TTF Natural Gas Calendar Month or Daily Futures Contract, and the Clearing Member is deemed to represent and warrant that the information it has provided with respect to the buyer under the relevant Rule is complete and accurate each time a contract is entered into.

Where

(a) the reverse charge procedure is not applicable; or
(b) the relevant buyer under a Dutch TTF Natural Gas Daily or Calendar Month Futures contract:

- (i) is not domiciled and has no VAT registration within the Netherlands; and
- (ii) is not a “trader” within the meaning of the rules for the place of supply for natural gas delivered within networks; and
- (iii) uses Dutch TTF Natural Gas within the Netherlands,

the Clearing Member must notify the Clearing House prior to entry into any Dutch TTF Natural Gas Calendar Month or Daily Futures contract and the Clearing Member shall provide such information reasonably requested by the Clearing House for the purposes of accounting for any applicable VAT to a tax authority. The Clearing Member agrees to indemnify the Clearing House in respect of any VAT, interest, penalties and associated costs of the Clearing House in the event that the Clearing House does not receive any applicable VAT from the relevant buyer when due under the relevant rule.

For questions please contact:

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