

Chapter 1021

Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month Futures

1021100. SCOPE OF CHAPTER

This chapter is limited in application to Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month Futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all natural gas bought or sold for future delivery on the Exchange with delivery at the Dutch Title Transfer Facility ("TTF"), the virtual trading hub in the Netherlands.

The term **Banking Day** means a day on which major banks are open for banking business including Euro payments in London and New York.

The term **Contract Value** means the amount equal to the delivery price multiplied by 1 MWh per hour multiplied by the number of hours of delivery in the Gas Delivery Day multiplied by the number of contracts to be delivered. Adjustments will be made to the number of MWh for leap years and Dutch daylight savings time to reflect the total number of hours in a contract month.

The term **Designee** means a third party appointed by a Clearing Member to effect the submission of Trade Nominations in its place in respect of an open long position or an open short position and who in each case is permitted to make or take delivery of natural gas to or from the Clearing House.

The term **Dutch Gas Act** means the Dutch Gas Act of 22 June 2000, concerning the rules for transportation and supply of gas, as amended from time to time, or any successor thereof;

The term **Edig@s System** means the electronic facility operated by GTS enabling users to submit Trade Nominations to GTS for the purposes of the disposal or acquisition of rights to natural gas, and any successor facility from time to time.

The term **Gas Delivery Agent** means a third party appointed by the Clearing House to effect the submission of Trade Nominations on its behalf.

The term **Gas Delivery Day** means the period beginning at 06:00 hours Central European time on any day on which the transfer of rights in respect of natural gas to be made under a Dutch TTF Natural Gas Monthly Future applies, and ending at 06:00 hours Central European time on the following calendar day. Deliveries resulting from a Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month Futures contract shall include all Gas Delivery Days in the delivery month.

GTS means Gasunie Transport Services BV, a subsidiary of NV Nederlandse Gasunie, the independent operator of the National Gas Transmission System in the Netherlands.

GTS Rules means the *Gasvoorwaarden*, the rules, regulations, operational manuals and procedures of GTS governing the operation of the national gas transmission system in the Netherlands from time to time under the Dutch Gas Act, including the Transportation Conditions Gas (TCG) and the Transmission Service Conditions (TSC) for gas trading at the TTF and such successor rules and regulations from time to time.

The term **MWh** means megawatt-hour. One MWh is equal to 1,000 kWh.

National Gas Transmission System means the transmission system for natural gas in the Netherlands owned and operated by GTS.

The terms “**seller**” and “**buyer**” means the seller of the physical product and the buyer of the physical product, respectively.

The term **Title Transfer Facility (TTF)** means the virtual point of delivery within the National Gas Transmission System at which the balancing of deliveries into and out of the GTS transmission system is deemed to take place for the purposes of the Transmission Service Conditions.

Trade Nomination means a trade nomination for the purposes of the Transmission Service Conditions, which shall include Acquiring Trade Nominations, being a trade nomination that is made by a person or, if applicable, its Designee or agent to acquire rights in natural gas at the Title Transfer Facility and submitted in the manner required by the GTS Rules and Disposing Trade Nominations, being a trade nomination that is made by a person or, if applicable, its Designee or agent to dispose of rights in natural gas at the Title Transfer Facility and submitted in the manner required by the GTS Rules.

Transmission Code Gas means the Decision of the Dutch Authority for Consumers and Markets, of April 21, 2016, reference ACM/DE/2016/202163, regarding the adoption of the conditions referred to in article 12b of the Dutch Gas Act, or any successor thereof.

1021101. **CONTRACT SPECIFICATIONS**

The contract grade for delivery on futures contracts shall be “natural gas” as defined by GTS as matter that at a temperature of 15°C and at a pressure of 1.01325 bar is in a gaseous state and mainly consists of methane or other matter that due to its properties is equivalent to methane. Deliveries under the contract shall be effected by transferring rights to natural gas in the National Gas Transmission System operated by GTS through the process of making Trade Nominations. Deliveries shall be made in kWh, on a uniform rate of flow and Trade Nominations shall be submitted for each Gas Delivery Day that commences in the contract month.

1021102. **TRADING SPECIFICATIONS**

The number of contract months open for trading at any given time shall be determined by the Exchange.

1021102.A. **Trading Schedule**

The hours for trading shall be determined by the Exchange.

1021102.B. **Trading Unit**

The contract quantity shall be measured in MWh. The contract quantity shall be 1 MWh (megawatt-hour) per hour for each hour in each Gas Delivery Day in the contract month. Each contract shall be valued as the contract quantity multiplied by the settlement price.

1021102.C. **Price Increments**

Prices shall be quoted in Euros per MWh. The minimum price fluctuation shall be €0.005 per MWh on CME Globex and CME ClearPort. There shall be no maximum price fluctuation.

Prices shall be exclusive of any taxes or duties that may be applied to a transaction.

1021102.D. **Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1021102.E. Termination of Trading

In respect of a contract month, trading shall cease on the second London business day immediately preceding the first calendar day of the contract month, unless such day is not also a NYMEX business day, in which case trading shall cease on the first preceding NYMEX business day that is also a London business day. On the last trading day, trading shall terminate at 17:00 hours London prevailing time. Any contracts remaining open after the last day of trading must be either:

- (a) settled by delivery which shall take place on each calendar day in the contract month per the delivery process described below; or
- (b) Liquidated by means of a bona fide Exchange for Related Position (“EFRP”) pursuant to Rule 538. An EFRP is permitted in an expired futures contract until 20:00 hours London prevailing time on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

1021103.

DELIVERY

1021103.A. Delivery principles

Delivery is effected by transferring title to natural gas at the TTF, through the process of making Trade Nominations in the Edig@s System between the accounts of Clearing Members (or their appointed Designee) and the Clearing House.

1021103.B. Delivery requirements

The Clearing Member shall be responsible for fulfilling the delivery requirements of every Contract that it has entered into. If it is so able, a Clearing Member may directly make the required Trade Nominations in order to fulfil delivery requirements. Where a Clearing Member chooses not to make Trade Nominations itself, it must appoint a third party to act as Designee in its place. The Clearing Member must notify the Clearing House of the appointment of each relevant Designee through submission of a completed Designee Notification Form (signed by an authorized signatory of each of the Clearing Member and the Designee) to the Clearing House. A Clearing Member may appoint a different Designee in respect of any account or customer account, provided that only a single Designee may be appointed to effect the submission of Trade Nominations in respect of any single account.

The Clearing Member must ensure that:

1. It notifies the Clearing House of third parties acting as Designee relating to any account by submission to the Clearing House of a completed Designee Notification Form by no later than 17:30 hours London prevailing time three NYMEX business days prior to the first Gas Delivery Day of the contract month; and
2. The Designee acknowledges its appointment no later than 17:30 hours London prevailing time three NYMEX business days prior to the first Gas Delivery Day of the contract month in writing by email to the Clearing House.

The Clearing Member is responsible for the accuracy of information provided in any Designee Notification Form and for ensuring that the person signing the Designee Notification Form on behalf of the Clearing Member and the Designee is authorized to do so.

Each Clearing Member must ensure that it, or any Designee that it may appoint, has the right to make Trade Nominations under the GTS Rules and has access to the Edig@s System. Each Clearing Member must ensure that it, or where appointed, its Designee, will at all times comply with the terms of any applicable licence or registration it holds, the GTS Rules and any other applicable law and that the Designee meets the conditions on electronic messaging and expertise and care set out in clause 3.2.0(b) and 3.2.0(c) of the Transmission Code Gas. Each Clearing Member, or any Designee appointed by the Clearing Member, must obtain and

adequately maintain at all times such systems and technology as may be necessary in order to comply with such requirements.

All payments relating to Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month Futures contracts shall be made between the Clearing House and the Clearing Member.

Unless a third party is appointed by a Clearing Member to act as Designee, the Clearing House will deliver natural gas under any contract to, and will receive the delivery of natural gas from, the Clearing Member. The Clearing House may accept delivery from, and make delivery to, third parties acting in the capacity of Designee notified by the Clearing Member to the Clearing House in accordance with this Rule.

For the avoidance of doubt, the Clearing Member shall at all times remain responsible for the satisfactory performance of the contract including completion of its delivery, payment and other obligations under the Rules and also for the delivery obligations of any Designee appointed by the Clearing Member.

1021104. DELIVERY PROCEDURES

1021104.A. Delivery Process

Delivery of natural gas shall occur on each Gas Delivery Day that commences in the contract month.

Delivery under these contracts is effected by the transfer of rights to natural gas through the process of making Trade Nominations such that the seller of natural gas (or its Designee) makes a Disposing Trade Nomination that corresponds to an Acquiring Trade Nomination made by the Clearing House, and the buyer of natural gas (or its Designee) makes an Acquiring Trade Nomination that corresponds to a Disposing Trade Nomination made by the Clearing House. Trade Nominations must be made through the Edig@s System.

Physical delivery requirements resulting from a position in the Dutch TTF Natural Gas Calendar Month Future will be nominated on the basis of individual Gas Delivery Days, which shall result in Trade Nominations being submitted individually for each Gas Delivery Day in the contract month. The Clearing House will follow a two-stage nomination process in respect of such nominations, whereby:

- (a) the Clearing House will provide Clearing Members with initial net physical delivery requirements by 09:00 hours Central European time on the business day prior to the relevant Gas Delivery Day in order to enable Clearing Members or their Designee (as applicable) to provide initial Trade Nominations to GTS by 14:00 Central European time on such day; and
- (b) the Clearing House shall subsequently provide Clearing Members with final net physical delivery requirements in respect of their total delivery obligation for the relevant period by 18:45 Central European time on the business day prior to the relevant Gas Delivery Day(s) in order that final Trade Nominations may be submitted to GTS by 21:00 hours Central European time on such day.

Clearing Members shall notify the Clearing House of any discrepancies in the preliminary and final reports as soon as possible and in any event within one hour of the provision of the relevant report by the Clearing House to the Clearing Member.

The Clearing House, or the Gas Delivery Agent if such an agent has been appointed, shall submit initial and final delivery instructions to the Edig@s System by the times specified in Rule 1021105. The Clearing Member, or its Designee as applicable, must submit initial and final delivery instructions to the Edig@s System by times specified in Rule 1021105. All Trade Nominations in respect of deliveries of natural gas must be matched by no later than two hours prior to the start of the Gas Delivery Day.

1021104.B. Notices of Intention to Deliver and Notices of Intention to Accept Delivery

1. Exchange Clearing Members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. Notices of Intention to Deliver must be submitted to the Clearing House no later than 20:30 hours London prevailing time on the last trading day of a contract month.
2. Exchange Clearing Members having open long positions shall provide the Clearing House with a Notice of Intention to Accept Delivery including the following information: Clearing Member firm, trading member firm, origin (customer/house), quantity, shipper code and any other information required by the Clearing House. Notices of Intention to Accept Delivery must be submitted to the Clearing House no later than 20:30 London prevailing time on the last trading day of a contract month.

1021104.C. Delivery Price

The delivery price for each Gas Delivery Day in the contract month shall be equal to the midpoint between the published bid and offer quotation for the corresponding TTF Day-Ahead or Weekend price, as applicable, as published by ICIS Heren in the European Spot Gas Market report for that Gas Delivery Day.

1021105.**TIMING OF DELIVERY**

The detailed delivery timings set out below detail the process that will be followed in respect of each Gas Delivery Day within the contract month. These timings are subject to any amendment to the operational arrangements of GTS.

1. The Clearing House will calculate preliminary net gas delivery requirements for each account for every Gas Delivery Day of the contract month. The Clearing House shall provide a report to each Clearing Member detailing preliminary gas delivery obligations for each of the relevant accounts of that Clearing Member by 09:00 hours Central European time on the business day prior to the relevant Gas Delivery Day. The report shall describe the net flows of natural gas for each relevant account for the Gas Delivery Day. Gas deliveries shall be expressed in whole kWh. The Clearing House may adjust the delivery obligation of an account in order to express the delivery obligation in whole kWh, and to ensure a balanced delivery for the Gas Delivery Day. Clearing Members should report any discrepancies in this report to the Clearing House as soon as possible and in any event by 13:00 hours Central European time on the day on which the report is provided.
2. The Clearing House, or the Gas Delivery Agent if such an agent has been appointed, shall submit Trade Nominations to the Edig@s System by 14:00 hours Central European time on the business day prior to the relevant Gas Delivery Day, reflecting the preliminary delivery requirements. The Clearing Member (or its Designee, as applicable) must also submit Trade Nominations to the Edig@s System by 14:00 hours Central European time on the business day prior to the relevant Gas Delivery Day, reflecting the preliminary delivery requirements.
3. The Clearing House shall calculate the final net delivery requirements for each account. The Clearing House shall provide a report to each Clearing Member detailing final delivery obligations for each of the relevant accounts of that Clearing Member by 18:45 Central European time. The report shall describe net flows of cash and natural gas relating to Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month Futures contracts of the Clearing Member for each account, as of the date of the report. Clearing Members should notify the Clearing House of any discrepancies in this report as soon as possible and in any event within one hour of the provision of the report by the Clearing House to the Clearing Member.
4. The Clearing House, or where appointed, its Gas Delivery Agent, shall aim to submit Trade Nominations to the Edig@s System by 21:00 hours Central European time on the day prior to each Gas Delivery Day in the delivery period, reflecting the final delivery requirements. The Clearing Member (or its Designee, as applicable) must submit Trade Nominations to the

Edig@s System by 21:00 hours Central European time on the day before each Gas Delivery Day in the delivery period, reflecting the final delivery requirements.

1021106. DELIVERY MARGIN AND PAYMENTS

1021106.A. Definitions

For the purposes of this Rule, "Payment Date" shall mean the second Banking Day following the start of a Gas Delivery Day unless such day is not also a NYMEX business day, in which case the Payment Date shall be the next following NYMEX business day that is also a Banking Day.

1021106.B. Margin

On the first NYMEX business day following the last day of trading, the Clearing Member shall obtain from any buyer margin equal to the full value of the product to be delivered for such Gas Delivery Days as directed by the Clearing House, and the Clearing Member shall obtain from any seller margin in an amount fixed, from time to time, by the Clearing House. The buyer's Clearing Member and the seller's Clearing Member shall deposit with the Clearing House margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the second Banking Day following notification to the Exchange that delivery and payment have been completed for the Gas Delivery Day.

1021106.C. Payment

On the Payment Date relating to each Gas Delivery Day, the payment made on the required Payment Date shall be based on the Contract Value for that Gas Delivery Day. The Contract Value shall be rounded to the nearest €0.01, or in the case of an exact uneven multiple of €0.005, to the nearest higher €0.01.

Delivery payment will be made during the 07:45 hours Eastern prevailing time collection cycle, or such other time as designated by the Clearing House. Thus, the cost of delivery will be debited or credited to the Clearing Member's settlement account. Long clearing members obligated to accept delivery must take delivery and will make delivery payment and short clearing members obligated to make delivery will receive delivery payment during the 07:45 hours Eastern prevailing time settlement process, or at such other time designated by the Clearing House, on the Payment Date. Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with Exchange Rules, policies and procedures.

1021107. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity, or accuracy of any Notice of Intention to Deliver, Notice of Intention to Accept Delivery, check or any document or instrument delivered pursuant to these Rules.

1021108. IMBALANCE CHARGES

Without prejudice to Chapter 7, where a buyer or seller fails to submit a valid Trade Nomination for the Gas Delivery Day, such that the Clearing House experiences an imbalance within the National Gas Transmission System, the Clearing Member shall make a compensation payment to the Clearing House for the full amount of any imbalance charges imposed on the Clearing House by GTS. The Clearing House may also require an additional compensation payment from a Clearing Member that fails to submit a valid Trade Nomination to cover any additional costs, express or implied, experienced by the Clearing House in the course of remedying the failed submission and failure to deliver.

1021109. VAT

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month 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.

Prior to entry into any Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month Futures Contract, Clearing Members must provide such information reasonably requested by the Clearing House for the purposes of determining the applicability of VAT or other taxes, including but not limited to valid VAT registration details, and for the purposes of accounting for any applicable taxes to a tax authority. The Clearing Member is deemed to represent and warrant that the information it has provided under this Rule is complete and accurate each time a contract is entered into.

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.

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.

Where

- (a) the reverse charge procedure is not applicable; or
- (b) the relevant buyer under a Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month Futures contract:
 - (i) is not domiciled and has no VAT registration within the Netherlands; and
 - (ii) is not a “trader” or “dealer” 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, or
- (c) the buyer intends to take physical delivery of Dutch TTF Natural Gas and such gas is not acquired for trading purposes.

The Clearing Member must notify the Clearing House prior to entry into any Dutch TTF Natural Gas Physical Day-Ahead/Weekend (ICIS Heren) Calendar Month Futures contract.

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 this rule.

1021110.

LIABILITY

Without prejudice to the generality of the rules of the Exchange, neither the Exchange, the Clearing House nor any of its Affiliates shall be liable for any losses, liabilities, damages, claims, costs or expenses arising from or in connection with the availability or unavailability or performance or failure to perform of GTS, the Edig@s System or the National Gas Transmission System or any other part of the infrastructure for physical delivery of Dutch natural gas under the GTS Rules.

Notwithstanding the appointment of a Designee by a Clearing Member, the relevant Clearing Member shall continue to be liable and responsible for discharging its obligations and liabilities under the Rules of the Exchange.

1021111.

DISCLAIMER

See [NYMEX/COMEX Chapter iv. \(“DISCLAIMERS”\)](#) incorporated herein by reference.