

**Notice 2016-088 – Approved terminals – Performance procedures of approved delivery terminals for the delivery of nitrogen fertiliser solution UAN 30**

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**Subject** **Approved terminals – Performance procedures of approved delivery terminals for the delivery of nitrogen fertiliser solution UAN 30**

**Market** Derivatives (commodities)

## **CHAPTER 1 – CONDITIONS OF APPROVAL**

### **Article 1**

LCH SA approves the terminals for the delivery of the nitrogen fertiliser solution UAN 30 futures contract in Euros if the financial standing of the terminal is deemed satisfactory.

The terminal undertakes to annually provide to LCH SA its balance sheets and income statements.

## **CHAPTER 2 – SERVICES**

### **Article 2**

Pursuant to Instruction III.4-4, this Notice specifies the reciprocal commitments of the terminal and LCH SA in the process of delivery of the nitrogen fertiliser solution UAN 30 future contract.

LCH SA undertakes to provide the terminals with all the aforementioned documents as well as any amendments that might be made to them.

Unless explicitly stated to the contrary, all the services described in this Notice are performed according to the terminal's general terms and conditions applicable to the nitrogen fertiliser solution UAN 30 future contract.

When the services provided by the terminal are performed on Trading Days, such Trading Days shall correspond to working days in the meaning of the provisions of Instruction III.4.4.

### **Section 2.1 - Storage certificate**

### **Article 3**

The terminal issues one or more storage certificates, at the request of the Selling clearing member order giver and according to the information provided by the latter and under the responsibility of the selling Clearing Member. This responsibility includes the information contained in the document as well as the deadlines for submitting the document to LCH SA.

### **Article 4**

To be valid, the storage certificate must contain the information mentioned in the model established by LCH SA as annexed to the Notice related to the delivery procedure applied to nitrogen fertiliser solution UAN 30 future contract.

### **Article 5**

The terminal represents and warrants in the certificate:

- that goods belonging to the order-givers of the selling Clearing Member are present in its stores for the quantity specified by the Selling Clearing Member's order-giver;
- that those goods correspond to the deliverable quality specified in the Notice relating to the delivery procedure applied to nitrogen fertiliser solution UAN 30 future contract.

In the certificate, the terminal must also state:

- the issue date of the certificate;
- a specific reference number allotted to the certificate by the terminal;
- the expiry of the contract as communicated by the order-giver of the selling Clearing Member;
- the name of the issuing terminal;
- the identity, address and contact details of the selling Clearing Member's order-giver, owner of the goods;
- the identity of the selling Clearing Member, as communicated by the selling Clearing Member's order-giver; and
- the quantity of goods to which the certificate relates.

### **Article 6**

The terminal shall issue the storage certificate before 5:00 p.m. CET on the Trading Day of the request by the order giver of the selling Clearing Member, provided that the request occurred before 1:30 p.m. CET on the same Trading Day. If not, the terminal will issue the storage certificate on the next Trading Day.

For selling Open Positions equal or greater than 100 lots, the selling Clearing Member's order giver may request the issuance of an initial storage certificate until 1:30 p.m. CET on the fifth Trading Day before the Expiry (D-5) at the latest.

For selling Open Positions smaller than 100 lots, the selling Clearing Member's order giver may request the issuance of an initial storage certificate until 1:30 p.m. CET on the Trading Day before the Expiry (D-1) at the latest.

The terminal issues the storage certificate to the benefit of the order-giver of the selling Clearing Member with mention of the selling Clearing Member's identity and emails it simultaneously to LCH SA and to the selling Clearing Member's order-giver.

The storage certificate is nominative. It cannot be transferred, endorsed or assigned.

### **Article 7**

The terminal undertakes to have an internal management system in order to track the issuance and possible modifications of each issued storage certificate.

### **Article 8**

When a selling Clearing Member modifies his commitments to deliver the nitrogen fertiliser solution UAN 30 futures contract (modification of the quantity of the goods), and if this affects the information contained in the storage certificate(s) issued, the procedure to update the information provided to LCH SA shall be as follows:

- First, the selling Clearing Member's order giver requests, in writing, to the terminal the cancellation of a specific certificate, indicating the number allotted to the certificate to be cancelled;

- Second, the terminal undertakes to promptly cancel the corresponding storage certificate(s), by sending an email to LCH SA, and the selling Clearing Member's order giver , stating notably the identity of the selling Clearing Member's order-giver, the identity of the selling Clearing Member and the number(s) of the corresponding certificates;
- Thirdly, the terminal may, on the same Trading Day, at the request of the selling Clearing Member's order-giver, issue one or more new certificates relating to the goods actually stored for the selling order-giver.

Any request of cancellation and/or issuance of a certificate shall be received by the Terminal before 1:30 pm CET in order to be completed in due time.

This procedure for cancelling storage certificates is applicable until the Trading Day preceding the Expiry.

#### **Article 9**

The storage certificates, that have not been cancelled by the issuing terminal, become null and void on the day on which the goods are physically transferred to the buying Clearing Member's order giver or as soon as a notice of performance is submitted to LCH SA when such submission precedes physical transfer date.

### **Section 2.2 - Customer management**

#### **Article 10**

On the fourth Trading Day following the Expiry, LCH SA undertakes to provide the terminal with the detailed program of transfers relating to the Expiry. This information is sent to the terminal by email.

#### **Article 11**

The detailed program of transfers specifies, inter alia, the identity of the Clearing Members, the identity of the order-givers of the buying and selling Clearing Members, the quantity to be transferred per buying/selling order-giver pair, and the reference numbers of the corresponding storage certificates.

### **Section 2.3 – Physical Transfer**

The provisions of this Section 2.3 apply to the Clearing Members opting for the CCP delivery procedure only.

#### **Article 12**

On the basis of the detailed program of transfers provided by LCH SA, on the fourth Trading Day following the close of the expiry, the terminal undertakes, without additional notice, to take all steps necessary to prepare the physical transfers of the goods and to perform them in timely fashion.

LCH SA undertakes to inform the terminal of the provisional delivery schedule (closing date of the expiries, goods transfer date) and of any change which might affect such schedule.

#### **Article 13**

The goods to be transferred are stored in the capacity of the selling Clearing Member's order giver and made available to the buying Clearing Member's order giver until the last working day of the Delivery Period.

The physical transfer takes place when goods are:

- loaded on a truck by the buyer selling Member 's order-giver, or,
- loaded on a train by the buyer selling Member 's order-giver, or,
- transferred from the selling Clearing Member's order giver storage capacity into the terminal book-entry to the buying Clearing Member's order giver storage capacity into the terminal book-entry, if any.

#### **Article 14**

Goods physical transfers must be performed from the sixth Trading Day following the Expiry (D+6) until the last working day of the Delivery Period.

The terminal undertakes to allow the physical transfers of goods only after having received by email the transfer order from the selling Clearing Member's order giver specifying the reference certificate to which it corresponds, in accordance with the provisions mentioned into the Notice relating to the delivery procedure applied to nitrogen fertiliser solution UAN 30 future contract.

#### **Article 15**

When the terminal receives a transfer order from a selling Clearing Member's order giver after the authorised time limit mentioned in the Notice relating to the delivery procedure applied to nitrogen fertiliser solution UAN 30 future contract, the terminal has the possibility not to perform the physical transfer and shall in this case inform LCH SA as soon as possible.

#### **Article 16**

The terminal undertakes to perform a documentary control of the goods when they are stored by the selling Clearing Member's order giver, in order to ensure that the specifications of the goods as stated in the documents provided by the selling Clearing Member's order giver, correspond to those specified in the delivery Notice dedicated to nitrogen fertiliser solution UAN 30 future contract and in the nitrogen fertiliser solution UAN 30 futures contract's specifications issued by Euronext Paris SA.

It is recalled that the Terminal does not proceed to analysis of the goods.

#### **Article 17**

For each executed transfer, the terminal is responsible for providing the buying Clearing Member's order giver with goods that conform in quantity to the information given on the bill of delivery if the goods are loaded on truck and on the Weigh Sheet ("Feuille de Pesée") if the goods are loaded on rail tank car.

#### **Article 18**

For each executed transfer, and in the case of loading on truck or train, the terminal undertakes to issue a document which shall contain:

- the identity of the terminal ;
- the issue date of the document;
- the identity of the selling Clearing Member's order giver;
- the reference number of the storage certificate involved, as communicated by the carrier of the Buying Clearing Member's order giver ;
- the quantity of goods transferred.

This document shall be:

- The bill of delivery if the goods are loaded on truck;
- The Weigh Sheet ("Feuille de pesée") if the goods are loaded on rail tank car.

#### **Article 19**

The terminal issues copies of the above-mentioned document as follows:

- If the goods are loaded on truck : one original copy of the bill of delivery for the carrier of the Buying Clearing Member's order giver and three copies: one for the selling Clearing Member, one for LCH SA, and a third one to be kept by the terminal.
- If the goods are loaded on rail car, the terminal issues four copies of the "Feuille de pesée": one for the carrier of the Buying Clearing Member's order giver, one for the selling Clearing Member, one for LCH SA, and a third one to be kept by the terminal.

On the day of the physical transfer of the goods, or, at the latest, on the next working day if the transfer takes place after 5:00 p.m. CET, the terminal undertakes to send by e-mail a copy of the relevant issued document (bill of delivery or Feuille de Pesée) to the selling clearing member's order giver and to LCH SA.

### **Section 2.4 – Information to market participants**

#### **Article 20**

The Terminal undertakes to inform Euronext and LCH SA each time the filling level of the storage capacity dedicated to UAN-30 is lower than 5% or higher than 95%. The Terminal will inform Euronext and LCH SA when the filling level reaches again 5% or returns below 95%.

The filling level is defined as: volume of UAN-30 (in the form of UAN-30 or UAN-32 and water) in tank / volume of storage capacity dedicated to liquid nitrogen fertilizers.

Euronext and LCH SA may circulate this information to the relevant Trading Members and Clearing Members as they deem necessary.

## **Section 2.5- Fees and payment of expenses**

The provisions of this Section 2.4 apply to the Clearing Members opting for the CCP delivery procedure only.

### **Article 21**

The terminal undertakes to communicate to LCH SA all of the fees relating to the services mentioned in this Notice. Amendments to the terminal's general conditions do not apply to LCH SA, Clearing Members and order-givers unless they are communicated to these parties before the services are performed.

### **Article 22**

The fees for services specific to delivery of the nitrogen fertiliser solution UAN 30 futures contract (issuance of storage certificates, storage of the goods during the Delivery Period, physical transfer of the goods) are revisable annually by the terminal and apply to LCH SA only if they are communicated before services are performed.

The expenses related to delivery of the nitrogen fertiliser solution UAN 30 futures contract in Euros (storage, storage certificate, physical transfer) are paid by the buying Clearing Member and/or the selling Clearing Member according to the principles described hereafter.

### **Article 23**

Pursuant to the delivery of the nitrogen fertiliser solution UAN 30 futures contract according to the General conditions of the terminal and in addition to expenses relating to services it might have received elsewhere, the selling Clearing Member owes the terminal the expenses relating to the following services:

- issuance of the storage certificate;
- storage of the goods for the period extending from the day of issuance of the storage certificate until the physical transfer is completed or the end of the Delivery Period whichever occurs first;
- management of the physical transfer of the goods.

For the avoidance of doubt, the fees owed by the selling Clearing Member are billed by the terminal to the selling Clearing Member's order giver and shall be paid by the latter according to the terminal standard payment terms.

## **CHAPTER 3 – LIST OF TERMINALS APPROVED BY LCH SA FOR THE DELIVERY OF NITROGEN FERTILISER SOLUTION UAN 30 FUTURE CONTRACT**

### **Article 24**

The approved terminals are the following:

RUBIS TERMINAL,  
33 avenue de Wagram  
75017 Paris

**Site of Rouen (Please refer to the terminal general terms and conditions for exact location)**

These terms and conditions are available here:

[http://www.rubis-terminal.com/sites/default/files/documents/conditions\\_generales\\_d\\_utilisation\\_du\\_terminal\\_par\\_les\\_acheteurs\\_et\\_vendeurs\\_du\\_contrat\\_future\\_uan\\_30.pdf](http://www.rubis-terminal.com/sites/default/files/documents/conditions_generales_d_utilisation_du_terminal_par_les_acheteurs_et_vendeurs_du_contrat_future_uan_30.pdf)

**Article 25**

Euronext Paris SA and LCH SA may from time to time list or de-list a terminal for contract months for which there are no open positions.

If you have any questions and/or remarks,

**Please contact:** [Legal.SA@LCH.com](mailto:Legal.SA@LCH.com)

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