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► **ECC Clearing Circular 25/2017 | 2017-07-26**

Introduction of EEX Industrial Wood Pellets Futures

Summary

From **19 September 2017** onwards ECC will offer clearing services for EEX Industrial Wood Pellets CIF ARA (Argus®) Futures.

This Clearing Circular contains information regarding the product setup, the settlement processes and the preconditions for participation.

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Product Setup

The EEX Industrial Wood Pellets CIF ARA (Argus®) Futures offered at EEX for order book trading and trade registration will be setup as follows within the ECC clearing system:

ISIN Code	Product ID	Name	SMSS Product Group
DE000A11RMF0	FTIM	Industrial Wood Pellets CIF ARA (Argus®) Future	EEX_FT_BIOMASS_CIF_ARA

Detailed information on the product setup is provided in the ECC Clearing Specification and in the ECC Contract Detail File, which are available for download on the [ECC website](#).

Clearing Process

Registration of transactions for clearing

The transactions concluded on EEX will be imported into the EUREX clearing system and integrated into the standard clearing processes for derivative contracts. Transactions are included in the EUREX data streams and in the EUREX reports as usual. In addition, the transactions can be retrieved via ECC Member Area after 9:30 am CET on the next ECC business day.

The transactions are processed in the ECC settlement system SMSS for invoicing purposes using the product groups mentioned above.

Financial settlement

The product is settled financially in USD. For open positions and new transactions a variation margin is calculated on every ECC business day. The settlement prices required to this end are determined by EEX in the product currency USD and published in the EUREX system at approximately 7:00 pm CET.

Margining

For open positions in all new products Initial Margin will be calculated daily according to ECC's standard methodology. Open positions in the new products will be excluded from ECC's Cross Margining¹. Margin parameters are updated and published daily in the SPAN² parameter file on the [ECC website](#). The margin requirements will be reported in the SPAN margin class in the EUREX Report CC050 Daily Margin.

Fees

The following fees will be charged:

Transaction	ECC Clearing Fee	ECC Cash Settlement upon expiry of a future
Derivative trades in Wood Pellet Futures in USD	0.06 \$/t	0.10 \$/t

¹ <http://www.ecc.de/ecc-en/risk-management/margining>

² SPAN® is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no liability in connection with the use of SPAN by any person or entity.

Reporting

EMIR

Please note that EEX Industrial Wood Pellets CIF ARA (Argus[®]) Futures have to be reported according to EMIR Article 9. Therefore ECC's EMIR Trade Reporting Service will automatically be extended to these products.

Preconditions for Participation

Clearing Member

The ECC clearing licence for Clearing Members already covers the clearing of EEX Industrial Wood Pellets CIF ARA (Argus[®]) Futures.

Non-Clearing Member

Participation in trading of EEX Industrial Wood Pellets CIF ARA (Argus[®]) Futures requires an extension of the licence to a new market (admission form A1a, please choose the checkbox "Biomass Products"). The admission form is available for downloading on the [EEX website](#).

Clearing Members are requested to check the product assignments and quantity limits for their NCMs accordingly.