

**Emissions Expiry 12/2018 |
Settlement Process End of Year |
Opening Hours 24.12. / 31.12.**

Summary

In this Clearing Circular, ECC would like to provide information regarding the delivery processes in the framework of this year's expiry of the EEX Emissions (EUA) Futures and provide information regarding settlement processes over the Christmas and New Year period.

Contact

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Overview of the 2018 Expiry and Delivery days

The expiry and delivery days of the DEC18 contracts for EUA Futures and Options are shown in the overview below:

Contract	Last Trading day / Expiry day	Delivery day / Booking Day
FEUA (for EUA)	17/12/2018	19/12/2018
OEUA (for FEUA DEC18)	12/12/2018	13/12/2018

EUA Options will be exercised into the underlying EUA futures contract and booked in the system with the respective strike price of the option.

The change in the EUA Futures position leads to an update of the ECC internal delivery account forecast for EUAs in the ECC Member Area the following day at around 11:00 am CET.

Emissions delivery processes for trading participants with a net short position

All trading participants with a net short position (i.e. sellers) in the respective contracts have to transfer the EUAs to the ECC registry account **EU-100-5016813-0-69 by 16:00 CET on 18 December 2018 at latest.**

The ECC registry account should be included on your Trusted Account List in order to ensure the instant transfer of the certificates.

If the ECC registry account is included in your Trusted Account List, this status is set immediately after a transaction has been entered, in all other cases a period of 26 hours applies. Please consider the opening hours of the Union Registry for the transfers. The current holdings of EUAs in the internal delivery account at ECC can be retrieved by every trading participant via the ECC Member Area (www.ecc.de/en/member-section/ecc-member-area).

Emissions Delivery processes for trading participants with a net long position

The emission allowances of expired futures positions will be delivered to the internal delivery accounts at ECC on 19 December 2018 from 8:30 CET onwards. The emission allowances will be transferred to a registry account of your choice on the delivery day from 12:00 CET onwards, if required according to your registry transfer requests.

Please remember that Registry Transfer Requests for delivery have to be recorded via the ECC Member Area at least one business day before the desired transaction should take place in the registry for a free of charge processing, otherwise you have the option to use the fast track delivery subject to a fee of 500€ per transaction.

Furthermore, please consider that transactions in the registry have a processing time of up to 26 hours in the registry if your account is not included in the ECC Trusted Account List.

Financial settlement

Financial settlement takes place on the delivery day in line with the daily EUREX cash settlement.

Margining

In case a net short position is not covered with a respective delivery of certificates by 4:00 pm CET two business days before the expiry of the respective future contract, ECC collects a Delivery Margin for the short position which is not covered.

Moreover, ECC will cover the risk of a price change resulting from open deliveries or payments with an Additional Margin after expiry of the futures for net long positions and uncovered net short positions after the contract expiry until delivery. These margins are also reported via the standard EUREX reporting under the margin class AMEM (Additional Margin Emissions) on the expiry day and will be released once the financial and/or physical settlement has been conducted.

Reporting

Financial Settlement of EEX Emission Future Contracts F2CR, FEAA and FEUA with Expiry in December 2018 will be reported in CE120 report available at Common Report Engine. The report will be distributed at the End-of-Day on 15 December 2018. Financial Settlement will be completed at 19 December 2018.

Access to the ECC Member Area and functions

Access to the ECC Member Area can be requested by using the T10-form. In this context, at least two users with write access (“TP” function) have to be set up as a matter of necessity since deliveries have to be confirmed in 4-eyes-principle. The fully filled in form can be returned to ECC along with the legally binding signatures preferably via fax or e-mail to the Member Readiness (memberreadiness@ecc.de) department of ECC. Please remember that a processing time of at least one business day is necessary for setting up the access. In addition to retrieving your holdings and requesting deliveries, the ECC Member Area also enables you to subscribe to Delivery Reports. More details regarding the ECC Member Area are provided in the User Guide on ECC’s website.

End of Year Settlement Processes

Financial Settlement of Spot Market Transactions and Physical Futures without BoM settlement

An overview of the financial settlement of spot market transactions and physical futures in delivery without BoM settlement is provided below.

Trading day (Spot Market) / Delivery day (Futures)	Provision of payment reports	Financial settlement day
21.12.2018 – 24.12.2018	24.12.2018	27.12.2018
25.12.2018 – 27.12.2018	27.12.2018	28.12.2018
28.12.2018	28.12.2018	31.12.2018
29.12.2018 – 31.12.2018	31.12.2018	02.01.2019
01.01 – 02.01.2019	02.01.2019	03.01.2019

Business Processes on 24.12.2018 and 31.12.2018

Please note that 24th and 31st of December 2018 are regular business days at ECC. Daily cash settlement (variation margin, financial settlement of physical futures, financial settlement for the spot market, margin calls etc.) will therefore take place as usual on these days.

Contrary to regular settlement days the derivative market will close earlier on these days. ECC will record the settlement prices for derivatives contracts, which will then be contained in the Intraday-Theoretical-Price-File in the Eurex system by approximately 3:00 p.m. CET (for many products, earlier in the day).

The payment and trade reports for the spot market transactions and products in delivery will be provided by ECC as usual around 05:00 p.m. CET on these days.

Reporting Procedures on all holidays and at the weekends

ECC will continue to generate and send the daily trade reports on all holidays and at the weekends at the usual time of 04:30 p.m. CET.

Settlement Hours of the Derivatives Markets Powernext, NXE, HUDEX and PXE

On 24th and on 31st of December 2018 markets may operate with reduced trading and settlement hours or they will be open for trading but not settlement. For trading details, please refer to the appropriate exchange calendar.

Appointment of a Contact Person

At this point, we would like to ask our clearing members to appoint a contact person for financial settlement on 24th and 31st of December 2018 by sending an e-mail to clearing@ecc.de latest by Friday, 18th December 2018.