

## PROCEDURES: ICE FUTURES WHITE SUGAR FUTURES CONTRACT

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### SECTION JJJJ - PROCEDURES: ICE FUTURES WHITE SUGAR FUTURES CONTRACT

JJJ.1	Interpretation
JJJ.2	Timetable <sup>1</sup>
JJJ.3	Delivery <sup>2</sup>

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<sup>1</sup> Amended 06 January 2020, 10 May 2021 (to take effect from 1 March 2023 per circular 21066), 13 April 2022

<sup>2</sup> Amended 06 January 2020, 28 December 2020, 10 May 2021 (to take effect from 1 March 2023 per circular 21066), 13 April 2022

### JJJJ.1 INTERPRETATION

All defined terms in Rule IIII shall apply to this Rule JJJJ.

### JJJJ.2 TIMETABLE<sup>3</sup>

Last Trading Day

At 17.55 hours Trading in the Contract delivery month shall cease.

After 17.55 hours The Exchange will publish the EDSP. The EDSP will be determined in accordance with Rule IIII.5. The prices, offers or bids used for the calculation of the EDSP pursuant to Rule IIII.5(a) shall be those during the two-minute period immediately preceding cessation of trading.

**Tender Day (Last Trading Day + 1 business day)**

By 10.30 hours Remaining open positions automatically become delivery contracts.

Each Seller submits the Seller's Delivery Notification via Guardian, instigating delivery, to the Clearing House in accordance with these Administrative Procedures.

By 11.00 hours Where any Delivery Port has been nominated by one or more Insufficient Sellers for delivery of a combined quantity of less than 80 lots, the Clearing House shall take the steps specified in Rule IIII.9(d) and shall notify such Insufficient Seller(s) to take action as outlined in Rule IIII.9(e).

By 13.00 hours All Insufficient Sellers submit a revised Seller's Delivery Notification to the Clearing House in accordance with Rule IIII.9(e). If the Insufficient Sellers have not delivered the revised Seller's Delivery Notification by 13.00 hours, the Clearing House will determine in accordance with Rule IIII.9 and shall notify all Insufficient Sellers of, the Delivery Port from which deliveries will be made.

If any Insufficient Seller submits a revised Seller's Delivery Notification nominating a Delivery Port at which a combined total of less than 80 lots is to be delivered, then such revised Seller's Delivery Notification shall be rejected by the Clearing House and the Insufficient Seller shall be required to submit a further revised Seller's Delivery Notification.

By 14.00 hours Where any Insufficient Seller submits a further revised Seller's Delivery Notification in respect of a Delivery Port at which a combined total of less than 80 lots is to be delivered, the Clearing House will determine in accordance with Rules IIII.9(f) to (g), and shall notify all Insufficient Sellers of, the Delivery Port from which their deliveries will be made.

<sup>3</sup> Amended 06 January 2020, 28 December 2020, 10 May 2021 (to take effect from 1 March 2023 per circular 21066), 13 April 2022

Sugar allocated to Buyers by the Clearing House.

The Clearing House via Guardian makes available to the Seller the identity of the Buyer and to the Buyer the identity of the Seller.

**On any business day from and including the Tender Day to the time immediately before title to the goods would otherwise pass in accordance with Rule III.7(e)**

By 16:00 The Buyer and the Seller shall inform the Clearing House via Guardian that the sugar is to be taken off the market and settled in accordance with Rule III.13.

**Tender Day + 1 business day**

By 9.00 hours All payments required by Rule III.6(a) to be made by the Buyer and the Seller shall have been completed.

By 12.00 hours Buyers may, with the consent of the Clearing House, exchange with one another, via Guardian, the tenders that they have been allocated.

**Delivery Day(s) – 14 calendar days**

By 16.00 hours Buyer informs Seller and the Clearing House via Guardian of the name of the vessel for delivery.

**Delivery Day(s) - 7 calendar days**

By 16:00 hours Seller informs Buyer of the contact details of Seller's nominated representative to whom notice of readiness to load is to be tendered.

If Seller fails to inform Buyer of the contact details of Seller's nominated representative, vessel's agent is deemed Seller's nominated representative.

**Before Completion of Loading**

The Buyer shall provide final documentary instructions to the Seller. No amendments to documentary instructions may be made by the Buyer once loading has been completed.

**Completion of Loading + 48 hours**

The Buyer shall ensure that the original bill(s) of lading are released to the relevant party at loading port within 48 hours of the completion of loading of the vessel.

**Document Notice Day**

By 12.00 hours Seller gives notice to the Clearing House via Guardian of presentation of documents.

## PROCEDURES: ICE FUTURES WHITE SUGAR FUTURES CONTRACT

The Seller shall notify the Clearing House by email to [comops-ifeu@ice.com](mailto:comops-ifeu@ice.com) if the Seller intends to lodge the documents at the Clearing House or whether an electronic copy will be sent instead.

### Settlement Day

By 9.00 hours	The Clearing House debits the Buyer's account in ECS.
By 10.00 hours	Seller lodges the delivery documents specified in Rule III.7(a) with the Clearing House or at the agreed alternative address. If presenting the documents at an agreed alternative address, the Seller shall provide an electronic copy of the full set of documents by email to the Clearing House to <a href="mailto:comops-ifeu@ice.com">comops-ifeu@ice.com</a> .
As soon as possible after 10.00 hours	The Clearing House advises Buyer that documents are available to take up. The Buyer collects the delivery documents from the Clearing House.
By 14.00 hours	In the event that the Buyer wishes to reject the delivery documents, he shall inform the Clearing House via Guardian and shall immediately provide a written explanation for the rejection of the documents as required by Rule III.7(d). The Buyer shall return all the original documents to the Clearing House or to the address previously agreed with the Seller at the Buyer's expense by 15.00 hours.
After 14.00 hours	<p>The Clearing House shall notify the Seller in the event that the Buyer has rejected the documents, and shall advise the Seller that the original documents shall be returned by the Buyer to the previously agreed address or held at their disposal at the Clearing House for collection at the Seller's expense after 15.00 hours.</p> <p>The Clearing House credits the Seller's account in ECS unless the documents have been rejected. If the documents have been rejected, the Clearing House credits back to the Buyer the sum debited earlier.</p>

### JJJJ.3 DELIVERY<sup>4</sup>

- (a) Subject to Rule JJJJ.3(c):
- (i) the Seller shall be responsible for all expenses pertaining to delivery and loading of sugar into the vessel, including freight taxes and other taxes of any nature of the country of production and/or loading; and
  - (ii) the Buyer shall be responsible for all expenses pertaining to pilotage, wharfage, customs fees and similar charges pertaining to the entry and exit of the vessel at the Delivery Port.

<sup>4</sup> Amended 06 January 2020, 1 March 2023

- (b) (i) Subject to Rule III.2(b), the Seller shall ensure that the Delivery Port at which the sugar is to be delivered shall:

(A) be capable of providing a berth or anchorage at which the sugar shall be loaded that will enable a vessel drawing 9.2 metres salt water and with length overall (LOA) of 190 metres to proceed to and depart from such berth or anchorage always safely afloat. Notwithstanding the foregoing:

- (1) if the draft and/or the LOA of the vessel nominated to load the sugar so permits, a shallower and/or shorter berth or anchorage may be provided; and
- (2) if the berth or anchorage nominated by the Seller is able to accept a vessel with draft greater than 9.2 metres salt water and/or LOA greater than 190 metres, then the Seller shall be obliged to accept a vessel nominated to load the sugar (whether by original nomination or by substitution, pursuant to Rule 7 of the RSA Rules) up to a maximum size that can be accommodated by the nominated berth or anchorage,

provided in either case that the vessel nominated is able to proceed to and depart from such berth or anchorage always safely afloat;

- (B) have storage close to and/or transport facilities to the loading berth, to allow for uninterrupted loading at the prescribed minimum loading rate;
- (C) have sampling facilities to allow independent supervision companies to operate unimpeded in accordance with these Administrative Procedures; and
- (D) have access for independent supervision companies to ensure compliance with these Administrative Procedures.

- (ii) The sugar, whatever its country of production or destination, shall be loaded in accordance with the following provisions:

- (A) vessels presented may be geared or gearless;
- (B) at each Delivery Port, even if loading commences earlier, laytime for loading to begin at 14.00 hours if written/cabled/telexed notice of readiness to load is tendered to seller's nominated representative before noon and at 08.00 hours next working day if written/cabled/telexed notice of readiness to load is tendered to seller's nominated representative after noon. Notice of readiness to load is to be tendered to seller's nominated representative in ordinary office hours, Saturdays afternoon, Sundays (or local equivalents) and holidays excepted, whether in berth or not;
- (C) laydays at the average rate of 1,500 metric tonnes calculated on gross weight provided vessel can receive at this rate, basis 4 or more hatches (if less than 4, pro-rata), per weather working day of 24 consecutive hours, time from noon Saturdays to 08.00 hours Mondays (or local equivalents) and from 17.00 hours day preceding a holiday until 08.00 hours next working day excepted, even if used, shall be allowed to the Seller for loading. Vessels having less than 4 hatches but with any hatch exceeding 15 metres in length and able to work 2 gangs simultaneously shall have such hatch counted as 2 hatches. Time employed in shifting anchorages and/or loading places

## PROCEDURES: ICE FUTURES WHITE SUGAR FUTURES CONTRACT

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within the same Delivery Port or its jurisdiction not to count as laytime. At Delivery Port in the event of congestion Master has the right to tender notice of readiness to load at the customary waiting place in ordinary office hours by cable/telex to seller's nominated representative whether in berth or not, whether in port or not, whether in free pratique or not, whether customs cleared or not. Time proceeding from customary waiting place to loading berth/anchorage not to count as laytime;

- (D) the demurrage rate shall be the rate specified in the charterparty pursuant to which the sugar is carried, and despatch shall be half of the demurrage rate. Such rates shall be declared by the Buyer to the Seller latest on tendering notice of readiness to load and to be in line with the prevailing market rate for like type and size of vessel as at the first day of the delivery month. The Buyer shall give the Seller a copy of the actual charterparty pursuant to which the sugar is carried or the details thereof pertaining to loading, prior to vessel(s) commencing to load;
- (E) following the expiration of laytime for the declared vessel, the Seller shall pay (in addition to demurrage) a daily fee to the Buyer equal to a percentage of demurrage at the charterparty rate while the vessel remains on demurrage in accordance with the following schedule:
  - The 1st period of 21 calendar days: 0% of the daily demurrage rate
  - The 2nd period of 14 calendar days: 25% of the daily demurrage rate
  - The 3rd period of 14 calendars days: 50% of the daily demurrage rate
  - For all calendar days thereafter: 100% of the daily demurrage rate
- (F) the Seller and the Buyer shall make settlement in US dollars for demurrage, despatch (and any daily fee) incurred at the Delivery Port within sixty (60) calendar days from the date of issue of the Bill of Lading.
- (G) where the sugar is loaded pre-slung, the Buyer has the right to request that the slings are broken in the hold of the vessel to ensure a stowage factor equivalent to that available when loose bags are stowed is achieved, in order that the called for tonnage can be loaded in accordance with the Sugar Charter Party. The Seller is obliged to comply with any such request, with all time and cost (including any labour) associated therewith for Seller's account; and
- (H) all other terms pertaining to loading to be in accordance with the Sugar Charter Party.

- (c) Rule 5 of the RSA Rules shall not apply to Contracts, except where express provision is made for its application in Rule IIII and these Administrative Procedures. In the event of a conflict between Rules JJJJ.3(d) to (h) inclusive and Rule 6 of the RSA Rules, Rules JJJJ.3(d) to (h) inclusive shall prevail.
- (d) (i) The Seller shall, at his own expense, appoint an internationally recognised independent or, with the written consent of the Buyer, a state supervision firm ("the Seller's Supervisor") to supervise and inspect the loading of the sugar to be delivered to the Buyer. Such appointment shall be made not less than 48 hours prior

to the Seller commencing loading of the sugar. The Seller shall upon the appointment of the Seller's Supervisor notify the Buyer of such appointment.

- (ii) The Buyer may, at his own expense, appoint an internationally recognised independent or, with the written consent of the Seller, a state supervision firm ("the Buyer's Supervisor") to supervise and inspect the loading of the sugar to be delivered to the Buyer in conjunction with the Seller's Supervisor. The Buyer shall notify the Seller of the appointment of the Buyer's Supervisor prior to the Seller commencing to load the sugar.
- (iii) (A) If the Buyer has appointed a supervisor in accordance with Rule JJJ.3(d)(ii), the Buyer's Supervisor and the Seller's Supervisor shall conjointly supervise and inspect the loading of the sugar in accordance with Rule JJJ.3(e).  
  
(B) If the Buyer has not appointed a supervisor, the Seller's Supervisor shall supervise and inspect the loading of the sugar in accordance with Rule JJJ.3(f).
- (e) The Buyer's Supervisor (where one has been appointed) and the Seller's Supervisor (jointly referred to as "the Supervisors") shall comply with the following procedures:
  - (i) the Supervisors shall comply with Rules 5(i) to (iv) of the RSA Rules;
  - (ii) the Supervisors shall conjointly take a composite sample of the sugar to be delivered under a Contract part of which shall be divided into three equal parts with any remaining part of the sample being utilised or disposed of as may be agreed between the Supervisors. Each of the three equal parts shall be placed in a separate, new, clean and suitable container, with a seal which only breaks upon opening and which ensures that such container remains airtight until re-opened. Each container shall, in the presence of the Supervisors, be sealed and marked with the name of the vessel, Delivery Port, date of sampling, shipping marks and names of each of the Supervisors. The Seller's Supervisor shall retain one such part of the sample and the Buyer's Supervisor shall retain the other two such parts. Each container shall remain sealed;
  - (iii) prior to the sugar being loaded on board the vessel, either Supervisor may object to the condition of the sugar and/or packing or weight of the bags, provided that he shall immediately notify the other Supervisor and each Supervisor shall notify his Buyer or Seller, as the case may be, of the objection. The Buyer shall promptly notify the Clearing House of such objection;
  - (iv) upon the vessel having been loaded with sugar to be delivered under a Contract, the Seller's Supervisor shall issue a certificate of weight, packing and quality (including, without limit, the polarisation, moisture and colour of the sugar) ("the Supervisors' Certificate") in respect of such sugar, provided that the weight, packing or quality of the sugar is either not disputed by the Buyer or if disputed by the Buyer, such dispute has been resolved prior to the issue of the Supervisors' Certificate. A copy of the Supervisors' Certificate shall be promptly provided by the Seller to the Buyer. If the Buyer does not notify the Seller and the Clearing House of a dispute under either Rule JJJ.3(e)(iii) or (v) or, if a dispute is notified by the Buyer, such dispute has been resolved prior to the issue of the Supervisors' Certificate, the Supervisors' Certificate shall be conclusive evidence as to the weight, packing and quality of the sugar, in the absence of fraud or manifest error. If the Buyer disputes:

## PROCEDURES: ICE FUTURES WHITE SUGAR FUTURES CONTRACT

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- (A) the weight or packing of the sugar under Rule JJJJ.3(e)(iii) and such dispute remains unresolved, then the Supervisors' Certificate shall be prima facie evidence, and not conclusive evidence, as to the weight or packing of the sugar which is in dispute; or
  - (B) the quality of the sugar under Rule JJJJ.3(e)(iii) or (v) and such dispute remains unresolved, then the Supervisors' Certificate shall be disregarded as conclusive evidence as to the quality of such sugar and any Chemist's Certificate issued under Rule JJJJ.3(e)(x) shall apply, provided that if a Chemist's Certificate is not issued under Rule JJJJ.3(e)(x), the Supervisors' Certificate shall be regarded as prima facie evidence of the quality of such sugar;
- (v) the Buyer may dispute the quality of the sugar to be delivered under a Contract no later than two working days after either such sugar has been loaded on board the vessel or receipt of the Supervisors' Certificate, whichever is the later, provided that he has notified the Seller, of the objection. The Buyer shall promptly notify the Clearing House of such dispute, providing details of the name of the vessel, Delivery Port, date of sampling, shipping marks and the name of the Buyer, Seller and each Supervisor;
  - (vi) if the Buyer has notified the Clearing House of a dispute in respect of the quality of the sugar in accordance with Rule JJJJ.3(e)(v), the Buyer shall instruct the Buyer's Supervisor to send promptly by air courier the part of the sample held by the Buyer's Supervisor, as defined in Rule JJJJ.3(e)(ii), directly to the Clearing House. The Buyer shall be responsible for ensuring that a sample is cleared by HM Revenue and Customs;
  - (vii) subject to Rule JJJJ.3(e)(viii), the Clearing House shall deliver the sample which it receives at its premises from either Supervisor to an analytical chemist approved by the Clearing House and contained in a list published by the Clearing House from time to time by notice. The Clearing House shall provide the analytical chemist with details of the name of the vessel, Delivery Port, date of sampling, shipping marks and the name of the Buyer, Seller and each Supervisor, as notified to the Clearing House under Rule JJJJ.3(e)(v). The analytical chemist shall analyse the sample in accordance with Rule JJJJ.3(e)(x);
  - (viii) if the Clearing House receives a sample which has a broken seal then the Clearing House shall, in its absolute discretion, determine whether to deliver such sample to the analytical chemist for analysis. If the Clearing House, in its absolute discretion, rejects the sample, it will notify the Buyer and the Seller that the sample arrived with a broken seal;
  - (ix) immediately upon receiving a notification from the Clearing House under Rule JJJJ.3(e)(viii):
    - (A) if the sample is the first sample sent by the Buyer's Supervisor, the Seller shall instruct the Seller's Supervisor to send promptly by air courier the part of the sample held by it, as defined in Rule JJJJ.3(e)(ii), directly to the Clearing House on the same terms as Rule JJJJ.3(e)(vi) and the Clearing House shall deliver such further sample to the analytical chemist in accordance with Rule JJJJ.3(e)(vii) and (viii);



- (B) if the sample is the second sample, sent by the Seller's Supervisor, the Buyer shall instruct the Buyer's Supervisor to send promptly by air courier the other part of the sample held by it directly to the Clearing House on the same terms as Rule JJJ.3(e)(vi) and the Clearing House shall deliver such further sample to the analytical chemist in accordance with Rule JJJ.3(e)(vii) and (viii); and
  - (C) if the sample is the third sample, sent by the Buyer's Supervisor, the Supervisors' Certificate shall be prima facie evidence as to the quality of the sugar;
- (x) the analytical chemist shall analyse the sample in accordance with internationally recognised methods for sugar analysis and any methods established from time to time by ICUMSA to establish whether such sample meets the quality requirements of the sugar under Rule III.2(a). The analytical chemist shall issue a certificate as to the quality of the sugar a copy of which shall be immediately provided to each of the Seller and the Buyer ("the Chemist's Certificate"). The Chemist's Certificate shall be conclusive evidence as to the quality of the sugar, in the absence of fraud or manifest error; and
- (xi) the Buyer shall pay all costs and expenses relating to or arising out of any sample sent by a Supervisor, and the analysis of a sample by an analytical chemist, in accordance with this Rule JJJ.3(e), (including, but not limited to, transportation, excise duty, import duty or other charges levied by customs at the Delivery Port or the port of import, analysis and certification costs in relation to such sample). If the Chemist's Certificate is in favour of the Buyer, then the Seller shall indemnify the Buyer in relation to any such costs and expenses.
- (f) The Seller's Supervisor shall comply with the following procedures:
  - (i) the Supervisors shall comply with Rules 5(i) to (iv) of the RSA Rules; and
  - (ii) the Seller's Supervisor shall issue a certificate of weight, packing and quality (including, without limit, the polarisation, moisture and colour of the sugar) a copy of which shall be promptly provided to the Seller ("the Seller's Certificate"). The Seller's Certificate shall be prima facie evidence as to the weight, packing and quality of the sugar.
- (g) The Exchange or Clearing House shall not be liable in respect of any cost, loss, damage, claim or expense of any nature suffered or incurred by any person for: the performance or non-performance of any analytical chemist which the Clearing House approves; any determination, act or omission of the Exchange or Clearing House, their officers, employees, agents or representatives in respect of a delivery or failure to deliver any sample, or the details relating to a sample, to the analytical chemist; or from any other act or omission of the Exchange or Clearing House, their officers, employees, agents or representatives in respect of the Seller, Buyer or a Supervisor performing or failing to perform its obligations at any Delivery Port.
- (h) If either party has a claim, or wishes to bring a claim, as to the quality, weight or packing of the sugar arising out of any provision of Rules JJJ.3(c) to (f), it may refer such claim to arbitration in accordance with Rule III and these Administrative Procedures.

