

Circular No. 1 of 2020

2 January 2020

Announcement on Listing of Revised APEX 380cst Fuel Oil Futures Contract

Further to Circular No. 36 of 2019, which notified Members and participants on, *inter alia*, the impending revisions to the APEX 380cst Fuel Oil Futures Contract (“FO Futures”), Asia Pacific Exchange Pte. Ltd. and Asia Pacific Clear Pte. Ltd. would like to inform that the revisions to the FO Futures contract described below will take effect from the Night Session of 13 January 2020 (i.e. 1st Session of the trading day of 14 January 2020).

(1) CONTRACT LISTING OF REVISED FO FUTURES

The following revised contracts, FO2002 to FO2101, will be available for trading from the Night Session of 13 January 2020.

(2) CHANGES TO FO FUTURES CONTRACT SPECIFICATIONS

(a) Removal of clauses

With the revised delivery method for FO Futures from the APEX Approved Fuel Oil Warehouse Receipts to Free On Board (“FOB”) or inter-Tank transfer, the following Clauses relating to the physical delivery at APEX Approved Fuel Oil Warehouses will be removed as they are no longer applicable.

Clause 3.4.3	AFOWR Allocation Procedures
Clause 3.5	Delivery Day
Clause 4.1	Minimum Load-In/Load-Out Quantity
Clause 4.2	APEX Fuel Oil Warehouse Receipt Management
Clause 4.3	Load-Out of Product
Clause 4.4	Weighing, Sampling, Analysis and Reports
Clause 4.5	Risk and Responsibility for Vessel Movement
Clause 4.6	Insurance

(b) Addition of clauses

With the implementation of the new physical delivery at Recognised Warehouses by FOB or inter-Tank transfer, the following Clauses will be added.

Clause 2.1	Additional wordings: “Additionally, the Product shall be free from any material at a concentration that causes the Product to be unacceptable for use in accordance with Clause 5.2 of ISO 8217:2017 (E).”
Clause 3.3	Deliverable Quantity
Clause 3.4	Odd Lots Liquidation and Penalty
Clause 3.6	Method of Delivery
Clause 3.7.1	Notice of Delivery
Clause 3.7.2	Nomination of Recognised Warehouse, Method of Delivery and Initial Loading Window
Clause 3.7.3	Matching Procedures
Clause 4.2	Vessel/Barge/Tank Nomination
Clause 4.3	Prior to Delivery
Clause 4.4	Determination of Quality and Quantity
Clause 4.5	Taxes and Other Charges
Clause 4.6	Demurrage
Clause 4.7	Extension of Shipment
Clause 4.8	Delivery of Final Documents and Payment
Clause 4.9	Risk and Property
Clause 7	Alternative Delivery Procedure
Clause 8.10	Recognised Warehouses
Clause 8.11	Exclusion of Liability in Respect of APEX Recognised Fuel Oil 380cst Warehouses

(c) Revision of existing clauses

Clause	Subject	Current Specifications	Revised Specifications
Clause 2.2 APEX Recognised Fuel Oil 380cst Warehouse	Revision from Approved Warehouse to Recognised Warehouse	The following is a list of Approved Fuel Oil Warehouses: (i) UT Singapore Services Pte Ltd (ii) PetroSeraya Pte. Ltd. (iii) CSSC Energy (Singapore) Pte. Ltd.	The following is a list of Recognised Fuel Oil Warehouses: (i) UT Singapore Services Pte. Ltd (ii) PetroSeraya Pte. Ltd. (iii) CSSC Energy (Singapore) Pte. Ltd. (iv) Nathalin Shipping Pte. Ltd. (v) Grandeur Pioneer (Singapore) Pte. Ltd.
Clause 2.3 Trading Specifications	Delivery Method	Physically delivered at APEX Approved Fuel Oil Warehouses	Physically delivered at Recognised Warehouses by FOB or inter-Tank transfer
	Last Delivery Day	-	The last Calendar Day of Contract Month
	Minimum Deliverable Size	1 lot i.e. 10MT	100 lots i.e. 1,000MT
Clause 3.2 Margin Requirements	Margin Requirements	(i) Payment of total delivery margin: 1 st Business Day following the Last Trading Day. (ii) Release of total delivery margin and special margin: The total delivery margin and special margin will be released on the delivery day after transferring the title of the relevant AFOWR to the Buyer.	(i) Payment of total delivery margin: 2 nd Business Day following the Last Trading Day. (ii) Release of total delivery margin and special margin: The total delivery margin and special margin will be released upon the satisfactory completion of the physical delivery process (FOB delivery/inter-Tank transfer), or as

			<p>directed by an Award, or when the Buyer and Seller elected ADP.</p>
<p>Clause 5.1 Events of Delivery Default</p>	<p>Events of Delivery Default</p>	<p>The following are a list of events that will constitute to a Delivery Default:</p> <ul style="list-style-type: none"> (i) Failure to post the Total Delivery Margin or Special Margin with the Clearing House when due. (ii) The Seller's failure to present to the Clearing House a valid AFOWR of required quantity. (iii) The Buyer's failure to post payment to the Clearing House. 	<p>The following are a list of events that will constitute to a Delivery Default:</p> <ul style="list-style-type: none"> (i) Failure to notify and submit Intentions to the Clearing House. (ii) Failure to post the Total Delivery Margin or Special Margin with the Clearing House when due. (iii) The Buyer's failure to post payment to the Clearing House. (iv) Failure to deliver the Product in accordance with the Quality Specifications and/or Delivery Obligations. (v) Failure to deliver the Deliverable Quantity within the permissible tolerances. (vi) Failure to deliver the Final Documents to the designated Parties after the lapse of 5 Business Days from the time such documents are due. (vii) The Seller's failure to make delivery of the Deliverable Quantity by the Last Delivery Day or the Extended Loading Window. (viii) The Buyer's failure to take delivery of the Deliverable

			Quantity by the Last Delivery Day or the Extended Loading Window.
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For more information regarding the amendments, please refer to the revised contract specifications at https://www.asiapacificex.com/?p=fuel_oil_futures

Please ensure the appropriate members of staff within your organisation are advised of the contents of the circular.

FOR MORE INFORMATION, PLEASE CONTACT

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