

LONDON NOTICE No. 3015

ISSUE DATE: 1 April 2008
EFFECTIVE DATE: 2 April 2008

WHITE SUGAR FUTURES CONTRACT (EXCHANGE CONTRACT NO. 407)

CLARIFICATIONS TO THE DELIVERY PROCEDURES

Executive Summary

This Notice informs Members of the following clarifications to the Contract Specification of the White Sugar Futures Contract in respect of: (a) the Seller's rights and obligations in respect of providing a berth or anchorage that can accept a vessel nominated by the Buyer; (b) the obligation of the Buyer to provide the Seller with relevant details of the charterparty pursuant to which the sugar is carried; and (c) the Buyer's right to request that, where sugar is loaded pre-slung, slings are cut to ensure a stowage factor equal to that of loose bags. Furthermore, this Notice informs Members that the clarifications outlined above will apply with immediate effect, from the May 2008 delivery month onwards.

1. Introduction

- 1.1 The Exchange has determined, in conjunction with market users, to introduce, with immediate effect, a number of clarifications to the Contract Specification of the White Sugar Futures Contract ("the Contract") in respect of the following:
- (a) the Seller's rights and obligations in respect of providing a berth or anchorage that can accept a vessel nominated by the Buyer;
 - (b) the obligation of the Buyer to provide the Seller with relevant details of the charterparty pursuant to which the sugar is carried; and
 - (c) the Buyer's right to request that, where sugar is loaded pre-slung, slings are cut to ensure a stowage factor equal to that of loose bags.

Web site: www.euronext.com/derivatives

The **Euronext Derivatives Markets ("Liffe")** comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

2. Details of the Clarifications

- 2.1 The Attachment to this Notice sets out the necessary revisions and additions to the Contract Specification of the Contract. These can be summarised as follows:
- (a) revisions to Administrative Procedure 3.02(a)(i) that clarify the Seller's rights and obligations in respect of providing a berth or anchorage that can accept a vessel nominated by the Buyer;
 - (b) additional wording in Administrative Procedure 3.02(b)(iv) that confirms the requirement for the Buyer to provide the Seller with relevant details of the charterparty pursuant to which the sugar is carried; and
 - (c) the introduction of new Administrative Procedure 3.02(a)(v) confirming that the Buyer has the right to request that, where sugar is loaded pre-slung, slings are cut to ensure a stowage factor equal to that of loose bags.
- 2.2 The clarifications detailed in this Notice shall apply, with immediate effect, to the May 2008 and all subsequent delivery months.
- 2.3 The updated Contract Specification will be published on the Liffe website (www.nyseuronext.com) in due course.

For further information in relation to this Notice, Members should contact:

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White Sugar Futures Contract Administrative Procedures
(Additions are shown underlined and deletions ~~struckthrough~~)

3. Delivery

3.01 Subject to Administrative Procedure 3.03:

- (a) 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 origin or loading; and
- (b) 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 loading port.

3.02 (a) Subject to Contract term 2.02, the Seller shall ensure that the port at which the sugar is to be delivered shall:

~~(i) be capable of providing a berth or anchorage at which the sugar shall be loaded that will enable vessels drawing 9.2 metres salt water and with length overall (LOA) of up to 190 metres to proceed to and depart from such berth or anchorage always safely afloat. If the draft of the vessel nominated to load the sugar so permits, a berth of less than 9.2 metres salt water and/or length overall of up to 190 metres may be provided.~~

(i) 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:

(aa) 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

(bb) 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 the 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;

- (ii) have storage close to and/or transport facilities to the loading berth, to allow for uninterrupted loading at the prescribed minimum loading rate;
 - (iii) have sampling facilities to allow independent supervision companies to operate unimpeded in accordance with these terms; and
 - (iv) have access for independent supervision companies to ensure compliance with these terms.
- (b) The sugar, whatever its origin or destination, shall be loaded in accordance with the following provisions:
- (i) vessels presented may be geared or gearless;
 - (ii) at each loading port, even if loading commences earlier, laytime for loading to begin at 1400 hours if written/cabled/telexed notice of readiness to load is tendered to agents before noon and at 0800 hours next working day if written/cabled/telexed notice of readiness to load is tendered to agents after noon. Notice of readiness to load to be tendered to agents in ordinary office hours, Saturdays afternoon, Sundays (or local equivalents) and holidays excepted, whether in berth or not;
 - (iii) 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 0800 hours Mondays (or local equivalents) and from 1700 hours day preceding a holiday until 0800 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 within the same port or its jurisdiction not to count as laytime. At loading port(s) 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 agents 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;
 - (iv) 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;

- (v) 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
- ~~(v)~~(vi) all other terms pertaining to loading to be in accordance with the Sugar Charter Party.