

# Emissions Expiry December 2024 & End of Year Processes

## Summary

In this Clearing Circular, ECC provides information regarding the delivery processes for the December 2024 expiry of EEX Emission Futures and regarding the processes over the Christmas and New Year period, specifically:

- Overview of the 2024 Expiry and Delivery days
- Financial settlement of spot market transactions and physical futures
- Holiday adjustment Initial Margin Spot Market 2024/2025
- Reporting procedures on all holidays and at the weekends

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## Emissions expiry

### Overview of the 2024 expiry and delivery days

The expiry and delivery days of the DEC24 contracts for Emissions Futures and Options are as follows:

Contract	Last trading day / Expiry day	Delivery day / Booking day
FEUA (for EUA) FEAA (for EUAA)	16/12/2024	18/12/2024
OEUB (for FEUA DEC24)	11/12/2024	11/12/2024

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 triggers 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 net short positions

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 4:00 pm CET on 17 December 2024 at latest.**

The ECC registry account must be included in your Trusted Account List in order to ensure 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 (ECC Member Area). Please note, that you cannot use EUAA certificates in order to balance your EUA short position and vice versa.

## **Emissions delivery processes for net long positions**

The emission allowances of expired futures positions will be delivered to the internal custody accounts of ECC on 18 December 2024 from 8:30 am CET onwards. The emission allowances may be transferred to a registry account of your choice on the delivery day from 11:30 am 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 service subject to a fee of 500.00 EUR per transaction.

Furthermore, please consider that transactions in the registry have a processing time of up to 26 hours, 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 one business day prior to delivery of the respective futures 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 to apply after expiry until delivery of the futures, for net long and uncovered net short positions. These margins are also reported via standard EUREX reports 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 Emissions Futures contracts with expiry in December 2024 will be reported in ECC Payment Report Summary (PRS) and Payment Report

Detail (PRD). The reports will be distributed at around 6:30 pm CET on 17 December 2024 via ECC FTP or via e-mail. Financial Settlement will be completed on 18 December 2024.

### **Access to the ECC Member Area and functions**

Access to the ECC Member Area can be requested by using the T10s-form. In this context, at least two users with write access (“RTR” function) have to be set up as a matter of necessity since deliveries have to be confirmed in 4-eyes-principle. The fully completed form can be returned to ECC along with the legally binding signatures via 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 Processes**

### **Financial settlement of spot market transactions and physical fulfillment of derivative positions**

Please find below an overview of the financial settlement of spot market transactions (spot transactions until 4:00 pm CET considered) and physical fulfillment of derivatives positions:

<b>Trading day (Spot Market) / Delivery day (Futures)</b>	<b>Provision of payment reports</b>	<b>Financial settlement day</b>
20/12/2024	20/12/2024	23/12/2024
23/12/2024	23/12/2024	24/12/2024
24/12/2024	24/12/2024	27/12/2024
25/12/2024 – 27/12/2024	27/12/2024	30/12/2024
28/12/2024 – 30/12/2024	30/12/2024	31/12/2024
31/12/2024	31/12/2024	02/01/2025
01/01/2025	02/01/2025	03/01/2025

## **Holiday adjustment Initial Margin Spot Market 2024/2025**

The holiday adjustment for Christmas is calculated on 24 December 2024 and effectively called on 27 December 2024. For New Year's Day, there will be no holiday adjustment. The calculation results can be found in the SMSS-MRS report on calculation day or in the CC750 Daily Margin report with the margin class IMSM. Additionally, you can simulate your IMSM requirements over the holiday period using the IMSM sample calculator. The relevant parameter for the IMSM calculation over the holiday (Holiday Adjustment) can be found in the ECC risk parameters file.

## **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 4:50 pm CET.