

## **ECX Customized Forward Trade (CFT) Contract**

### **1. Options of Customized Forward Trade**

Customized forward trade has three major option and five sub option within it.

#### **I. Option One- Full Cycle CFT (Arrival to Delivery)**

##### **1.1. Regular Full Cycle**

- It is similar with existing spot procedure except transaction made by parties pre-arranged agreement and trade execution period (maturity date) i.e. on future date;

##### **1.2. Collateralized Warehouse Receipt Full Cycle**

- It is collateralized based transaction by pledging/unpledging of the collateral as per the contract maturity date. It can be collateralize by converting spot consignment or by direct deposit of the collateral for CFT. Except the collateralized consignment pledging/unpledging process, it is likewise regular full cycle. It will be managed through three options i.e. Converted Approach, Direct Deposit Approach & Market Accessed Approach

##### **1.3. Bonded Yard Full Cycle**

- Except the deposit is managed through Bonded Yard, it is likewise regular full cycle

#### **II. Option Two- Partial Cycle CFT (Deposit/Quality, Trade & Payment)**

##### **2.1. Partial Cycle of Deposit (BY), Trade, Payment & Delivery**

- It is an option lacking quality procedure and the deposit and delivery will be conducted in a bonded yard.

##### **2.2. Partial Cycle of Quality, Trade & Payment**

- It is an option lacking deposit procedure and the quality determination will be conduct either through client sample or by drawing sample from the consignment (in case of truck available @ECX compound)

#### **III. Option Three- Two Cycle CFT (Trade & Payment)**

- This option includes only trade and payment service.

### **2. Contract Amendment Areas to Accommodate Customized Forward Trade(CFT)**

Of the existing 6 contract elements namely Contract Classification & Delivery Term, Grading Parameter, Standard Trading Terms, Standard Settlement Terms, Standard Delivery Terms and Terms related to Transport of Consignment only the trading, settlement and delivery terms are modified to accommodate customized forward trading and the rest three of spot contract will apply for customized trade as well.

### Part 3: Standard Trading Terms

Parameter	Description	Remark
Standard Lot Size	Washed coffee: 10 bags for local coffee, 20 bags for small holder farmers and 60 bags for coffee suppliers <ul style="list-style-type: none"> <li>- With parchment (net weight of 60 kg)</li> <li>- Without parchment (net weight of 85kg)</li> </ul> Unwashed coffee: 10 bags for local coffee, 20 bags for small holder farmers and 60 bags for coffee suppliers (net weight of 85 kg) Weight tolerance limit: 4%	Applicable for coffee trade in all CFT Options except 2.2 & 3.
	Every buyer shall return to his counterparty all bags used in a coffee consignment purchased at the Exchange's trading platforms. Details will be prescribed by directives to be issued by pertinent body of the government.	
	50 quintals net weight Tolerance limit: 4%	Applicable for grain, oilseed & spices trade in all CFT Options except 2.2 & 3.
Maximum order size (In 50 Quintal increments)	Maximum order size represents the maximum number of contracts that a Member may transact in a single transaction 8 contracts or 400 quintals.	No order size restriction in any commodity trade under CFT as all the transactions are traded on identity preserved modality.
Warehouse Receipt	Trading shall only be on the basis of Warehouse Receipt issued by the ECX Central Depository after grading, weighing, and deposit in an ECX operated or certified warehouse or bonded yard. Such Warehouse Receipt can be traded only once between- <ol style="list-style-type: none"> <li>1. Coffee supplier and exporter In case of export coffee</li> <li>2. Coffee supplier or exporter and a domestic coffee wholesaler in case of local coffee</li> </ol>	Applicable for coffee trade under CFT Options 1.1, 1.2, 1.3.
	Trading shall only be on the basis of Warehouse Receipt issued by the ECX Central Depository after grading, weighing, and deposit in an ECX operated or certified warehouse or bonded yard. Such Warehouse Receipt can be traded only once between- <ol style="list-style-type: none"> <li>1. Grain, Oilseed, Spice supplier and exporter In case of export coffee</li> </ol>	Applicable for Grain, Oilseed, Spice trade under CFT Options 1.1, 1.2, 1.3.
	Trading shall be on the basis of Dummy Warehouse Receipt issued by ECX Central Depository based on CFT undertaking options for Non-deposited commodities after weighing or not weighing. Such Dummy Warehouse Receipt can be traded only once between CFT market actors.	Applicable for Grain, Oilseed, Spices & Coffee trade under CFT Options 2.1, 2.2, 3.
Warehouse Receipt Expiration Period	The Warehouse Receipt will be tradable for a period of 20 days (3 working days in bonded yard and 17 colander days in designated warehouse) from the date of Warehouse Receipt issuance. Once traded, the Warehouse Receipt will expire on the execution of the trade.	Applicable for coffee trade under CFT Options 1.1, 1.2, 1.3.
	The Warehouse Receipt will be available for trading for a period of 30 days from the day of deposit. Once traded, the Warehouse Receipt will expire on the execution of the trade.	Applicable for Grain, Oilseed, Spices & Coffee trade under CFT Options 1.1, 1.2, 1.3.
Penalty on warehoused goods after expiration of Warehouse Receipt	A penalty of 3.5% per day calculated on the current tradable value of the warehoused goods, using the closing price of the same grade as the warehoused goods, will be applied after the expiry of the Warehouse Receipt. However, if the last date of the warehouse	Not Applicable for CFT, implemented progressive storage charge as per the

	receipts expiry fall on Saturday, Sunday or a Public Holiday, the Exchange shall exempt the depositor from penalty for such date.	contract maturity date;
Tick size	The minimum price movement for spot trading shall be: 1 Birr increment (All prices will be quoted and traded on 1 whole Birr basis)	Not Applicable for CFT of All Options.
Daily Position Limit	The Daily Position Limit is the total quantity a member or a client is allowed to buy or sell during a trading day: For Member collectively for himself and all his clients – 1,000 lots For Member for only himself or for a single client – 200 lots	Not Applicable for CFT of All Options.
Daily Price Filter	The Daily Price Filter is the maximum percentage range, relative to the previous day's closing price, which represents upper and lower limits for offer and bid prices. ECX may change these limits from time to time, on a pre-announced basis. Coffee: 5%	Applicable for CFT of All Options.
Price Quote	All prices will be quoted Ex Warehouse based on Delivery Center in Section 1 (inclusive of the parchment in case of washed coffee grades 3 to 5, with and without parchment for grade UG) (exclusive of taxes, fees and charges).	Applicable for coffee trade under CFT of All Options.
	All prices will be quoted "Ex-Warehouse" exclusive of taxes, fees and charges.	Applicable for Grain, Oilseed, Spices & Coffee trade under CFT of All Options.
Quotation factor	Birr/ feresula	Applicable for coffee trade under CFT of All Options.
	Prices are represented in Birr per Quintals.	Applicable for Grain, Oilseed, Spices under CFT of All Options.
Trading Session	Daily, Monday through Saturday except public holidays	Applicable for CFT of All Options.

#### ***Part 4: Standard Settlement Terms***

Parameter	Description	Remark
Pay-in of Funds	ECX Clearinghouse shall instruct withdrawal of funds from buyer's Pay-In account on: Maturity date plus one working day (T+1)	Applicable for CFT of All Options.
Pay-out of Funds	ECX Clearinghouse shall instruct deposit of funds to seller's Pay-Out account on: Maturity date plus one working day (T+1)	Applicable for CFT of All Options.
Weight Tolerance Adjustment	The tolerance for difference between exact weight recorded and the contract standard weight is adjusted at settlement	Applicable for CFT of All Options.
Moisture Loss Adjustment	The weight is adjusted at settlement for moisture loss during the storage period – For Seller- 0.1376% flat rate up on settlement For Buyer- 0.0344% flat rate upon settlement	Applicable for coffee trade under CFT of All Options.
	The weight is adjusted at settlement for moisture loss during the storage period – For Seller- 0.15 % flat rate at point of settlement For Buyer- 0.025 % flat rate at point of settlement	Applicable for Grain, Oilseed, Spice trade under CFT of All Options.
Exchange transaction fee	0.4 % of transaction value payable by seller and buyer	Applicable for CFT of All Options.

Handling and Product Certification fee	Handling fee (including sampling, grading, weighing, loading and unloading): Birr 11 per bag (payable by seller) Birr 11 per bag (payable by buyer)	Applicable for coffee Grain, Oilseed & Spice trade under CFT of All Options except 2.1, 2.2, & 3.
Warehouse Storage charge	Birr 0.16 Birr per bag/quintal per day for the first 20 days and Birr 0.32 Birr per bag/quintal per day thereafter.	Applicable for Coffee trade CFT of All Options except 2.1, 2.2, & 3.
	Birr 0.16 Birr per bag/quintal per day for the first 30 days and Birr 0.32 Birr per bag/quintal per day thereafter.	Applicable for Grain, Oilseed & Spice under CFT of All Options except 2.1, 2.2, & 3.
Cost of Jute Bag	Birr 55.00 per bag (payable by buyer and to be paid to seller)	Applicable for coffee trade under CFT of All Options except 2.2 & 3.
Settlement Dates	Daily, Monday through Saturday except public holidays.	Applicable for CFT of All Options

#### **Part 4: Standard Delivery Terms**

Parameter	Description	Remark
ECX Delivery Centers	ECX warehouse locations as specified in Section 1.	Applicable for coffee, grain, oilseed & spice contracts under CFT of all options except 2.2 & 3.
Delivery Notice	After completion of pay-in of funds, notification of location of the transacted Warehouse receipt is delivered to the Member representing the buyer on: Trade date plus one working day (T+1)	Applicable for coffee, grain, oilseed & spice contracts under CFT of all options
Delivery Period	Number of days after trade date the buyer will have to pick up the lots from the warehouse or bonded yards without paying additional charges: <ul style="list-style-type: none"> <li>- Maturity date plus two calendar days (T+2) for coffee picked up from bonded yard</li> <li>- Maturity date plus ten calendar days (T+10) for coffee picked up from warehouse</li> </ul>	Applicable for coffee, Grain, Oilseed & Spice contracts trader under CFT of all Options except 2.2 & 3.
Pick Up Notice	Upon receiving of Delivery Notice, Member must register a Pick Up Notice (PUN) confirming date of pickup and other information with the Exchange Central Depository before picking up goods within Delivery Period.	Applicable for coffee, Grain, Oilseed & Spice contracts trader under CFT of all Options except 2.2 & 3.
Failure to Pick up within Delivery Period	There will be a penalty charge of 1% of the transaction value per day if buyer fails to pick up goods from warehouse after the Delivery Period. However, if the last date of pick up fall on Saturday, Sunday or a Public Holiday, the Exchange shall exempt the buyer from penalty for such date.	Applicable for coffee, Grain, Oilseed & Spice contracts trader under CFT of all Options except 2.2 & 3.
Extension of Delivery Period	As per the Exchange decision due to a force majeure.	Applicable for coffee, Grain, Oilseed & Spice contracts trader under

		CFT of all Options except 2.2 & 3.
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