



27 September 2016

Mr. Christopher J. Kirkpatrick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> St., N.W.  
Washington, DC 20581  
United States of America

Dear Mr. Kirkpatrick,

**Self-certification of Amendments to SGX-DC Clearing Rules**

**1 Introduction**

1.1 Singapore Exchange Derivatives Clearing Limited ("**SGX-DC**"), a derivatives clearing organisation ("**DCO**") registered with the Commodity Futures Trading Commission (the "**Commission**"), hereby submits a self-certification for amendments to its Clearing Rules (the "**Amendments**") pursuant to Commission regulation 40.6(a).

**2 Intended Implementation Date**

2.1 The Amendments are proposed to be implemented on 1 January 2017, but will not be implemented prior to the Commission's 10 business day review period.

**3 Explanation and Analysis**

3.1 The Amendments are in respect of SGX-DC's revision of the clearing fees for the OTC Financial ("**OTCF**") Derivatives for Clearing Members' House trades for 2017. With the fee discounts and waiver coming to an end on 31 December 2016, SGX-DC is proposing the following changes, from 1 January 2017:

- i. Partial reinstatement of clearing fees for Interest Rate Swaps ("**IRS**") and Non-Deliverable IRS ("**NDIRS**") in 2017 from 35% to 95% of the existing fee rates; and
- ii. Extension of clearing fee waiver for Non-Deliverable FX Forwards ("**FXF**") till 31 December 2017.

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3.2 The proposed changes are intended to defray the cost of providing OTCF clearing services whilst ensuring the fee structure remains competitive, and encourage existing and new OTCF Clearing Members to send OTC FFX trades for clearing.

3.3 SGX-DC is registered as an approved clearing house under the Securities and Futures Act of Singapore and regulated by the Monetary Authority of Singapore (“MAS”). The Amendments have been approved by the MAS on 16 September 2016.

#### 4 Description of Amendments

4.1 The table below summarizes the fee structure changes to the OTCF Clearing Members’ House trades:

	Current Fee Structure			Year 2017		
	Interest Rate Swaps (IRS)	Non-Deliverable IRS (NDIRS)	Non-Deliverable FX Forwards (FXF)	Interest Rate Swaps (IRS)	Non-Deliverable IRS (NDIRS)	Non-Deliverable FX Forwards (FXF)
<b>Clearing Fee</b>	Tenor, Fee Rate <2y, 0.26bp 2to<5y, 0.30bp 5to<10y, 0.36bp 10to30y, 0.42bp	Tenor, Fee Rate <2y, 0.26bp 2to<5y, 0.30bp 5to<10y, 0.36bp 10y, 0.42bp	0.3bp	Partial reinstatement of clearing fee:  Tenor, Fee Rate <2y, 0.09bp 2to<5y, 0.15bp 5to<10y, 0.26bp 10to30y, 0.40bp	Partial reinstatement of clearing fee:  Tenor, Fee Rate <2y, 0.09bp 2to<5y, 0.15bp 5to<10y, 0.26bp 10y, 0.40bp	Extend clearing fee waiver till 31 Dec 2017.
	Fee waiver in Year 2015 & 2016					
<b>Monthly Clearing Fee Rebate*</b>	Monthly fee (S\$), Rebate >30K-50K, 20% >50K-100K, 40% >100K, 50%	Monthly fee (US\$), Rebate >30K-50K, 20% >50K-100K, 40% >100K, 50%	Monthly fee (US\$), Rebate >30K-50K, 15% >50K-75K, 30% >75K-100K, 50% >100K, 70%	No change.	No change.	No change. <i>(As clearing fee will be waived in Year 2017, monthly rebate will not apply in 2017.)</i>
<b>Annual Fee Cap</b>	S\$ 600,000	US\$ 400,000	US\$ 400,000	No change.	No change.	No change. <i>(As clearing fee will be waived in Year 2017, Annual Fee Cap will not apply in 2017.)</i>
<b>Backloading Fee</b>	S\$ 50,000	US\$ 50,000	N.A.	No change.	No change.	No change.

\*Rebate applies to the incremental clearing fee within the respective tier.

**5 Certification of Compliance with Core Principles**

5.1 The Amendments have been promulgated in respect of SGX-DC's compliance with Core Principle B on financial resources.

5.2 SGX-DC hereby certifies to the Commission that the Amendments comply with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

**6 Public Notice of Pending Certification**

6.1 SGX-DC has made publicly available a notice of the Amendments' pending certification with the Commission, together with a copy of this submission on its website at the following address:

[http://www.sgx.com/wps/portal/sgxweb/home/regulation/consult\\_pub/dco\\_submissions](http://www.sgx.com/wps/portal/sgxweb/home/regulation/consult_pub/dco_submissions).

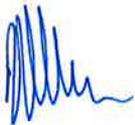
**7 Opposing Views**

7.1 There were no opposing views expressed to SGX-DC by its board or committee members, SGX-DC Clearing Members or market participants that were not incorporated into the Amendments. If any opposing views are received by SGX-DC during the Commission's review period, such views will be communicated to the Commission accordingly.

**8 Contact Details**

8.1 Please do not hesitate to contact the undersigned at [william.ng@sgx.com](mailto:william.ng@sgx.com) or +65 6236 8762 should you require any clarification.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "William Ng".

William Ng  
Senior Associate  
Compliance

