

9 March 2017

Mr. Chris Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st 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 27 March 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 to facilitate SGX-DC's acceptance for clearing of the following two contracts (collectively, the "**Contracts**") that are to be launched on or after 27 March 2017. In particular, the Amendments specify the methodology for the calculation of final settlement prices of the Contracts in the SGX-DC Clearing Rules (the "**Clearing Rules**"):

- (i) SGX Platts Benzene-Naphtha Swap ("**BZN**"); and
- (ii) SGX Platts Paraxylene-Naphtha Swap ("**PXN**").

Singapore Exchange Derivatives Clearing Limited

Company Reg No. 200005878M

(A wholly-owned subsidiary of Singapore Exchange Limited)

2 Shenton Way, #02-02 SGX Centre 1, Singapore 068804

main: +65 6236 8888 fax: +65 6535 0775

sgx.com

4. Description of Amendments

- 4.1 Appendix 1 to the Clearing Rules set out the final settlement prices ("FSPs") for over-the-counter contracts cleared by SGX-DC. The introduction of the Contracts requires amendments to Appendix 1 to the Clearing Rules, to include the calculation of the FSPs of BZN and PXN.
- 4.2 The text of the Amendments with the changes indicated is attached as Appendix 1.

5. Certification of Compliance with Core Principles

- 5.1 The Amendments have been promulgated in respect of SGX-DC's compliance with Core Principle E on settlement procedures and seek to provide clarity on the final settlement prices for the Contracts.
- 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.

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 kahmun.huay@sgx.com or +65 6713 6843 should you require any clarification.

Yours sincerely,



Huay Kah Mun
Senior Associate
Regulatory Development and Policy (Regulation)

APPENDIX 1

Proposed Rule Amendments to SGX-DC Clearing Rules

Appendix 1 – Final Settlement Price

Products		Petrochemical Swaps
Contract	<u>SGX Platts Benzene-Naphtha Swap</u>	<u>SGX Platts Paraxylene-Naphtha Swap</u>
Final Settlement Price	<u>Cash settlement using the arithmetic difference between the Final Settlement Prices of the SGX Platts BZ FOB Korea Swap and the SGX Platts Naphtha CFR Japan Swap, rounded to 3 decimal places.</u>	<u>Cash settlement using the arithmetic difference between the Final Settlement Prices of the SGX Platts PX CFR Taiwan/China Swap and the SGX Platts Naphtha CFR Japan Swap, rounded to 3 decimal places.</u>