

21 March 2018

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 amendment to its Clearing Rules (the "**Amendment**") pursuant to Commission regulation 40.6(a).

2. Intended Implementation Date

- 2.1 The Amendment is proposed to be implemented on or after 9 April 2018, and will not be implemented prior to the Commission's 10 business day review period.

3. Explanation and Analysis

- 3.1 The Amendment is to facilitate SGX-DC's acceptance for clearing of the SGX IHS McCloskey Indonesian 4200kc GAR¹ FOB² Thermal Coal Swaps Contract (the "**Contract**") that is to be launched on or after 9 April 2018. In particular, the Amendment specifies the methodology for the calculation of the final settlement price ("**FSP**") of the Contract in the SGX-DC Clearing Rules and details the relevant Clearing Fees.

4. Description of Amendments

- 4.1 Appendix 1 of the SGX-DC Clearing Rules and the Clearing Fees schedule will be amended as a result of the Amendment.

¹ The term "4200kc GAR" refers to the calorific value (heating value) of the coal in kilocalories per kilogram on a gross as received basis.

² FOB refers to Free-on-board

4.2 The text of the Amendment with the changes indicated is attached as Appendix A. The Clearing Fees are set out in Appendix B.

5. Certification of Compliance with Core Principles

5.1 The Amendment has 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 Contract, as well as compliance with Core Principle B on financial resources.

5.2 SGX-DC hereby certifies to the Commission that the Amendment complies 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 Amendment's 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 Amendment. 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 candace.li@sgx.com or +65 6713 6319 should you require any clarification.

Yours sincerely



Candace Li
Associate
Regulatory Development and Policy (Regulation)

Appendix A
Amendment to SGX-DC Clearing Rules

Note: Amendment is made in red.

Rule Amendments

Appendix 1 – Final Settlement Price

Coal Swap Contracts

Product	Petrochemical Swaps
Contract	<u>SGX IHS McCloskey Indonesian 4200kc GAR FOB Thermal Coal Swaps</u>
Final Settlement Price	<u>Cash settlement using the arithmetic average of all publications of the IHS McCloskey Indonesian (4200kc GAR) FOB Marker reference prices in the expiring contract month, rounded to 2 decimal places.</u>

Appendix B
Clearing Fees for the Contract

Clearing Fee Type	Description	Fee*
Cf 1	Trading Member (Individual)	US \$5.00
Cf 2	Clearing Member House Account	US \$5.00
Cf 3	Trading Member (Broker) House Account	US \$5.00
Cf 5	Clearing Member Customer Account	US \$5.00
Cf 6	Trading Member (Broker) Customer Account	US \$5.00
Cf 7	Trading Member (Proprietary) (Customer)	US \$5.00
Cf 8	Clearing Member Related Company House Account	US \$5.00
Cf E	Trading Member's Trading Representatives (House)	US \$5.00
Cf F	Trading Member's Trading Representatives (Customer)	US \$5.00
Cf G	Clearing Member's Trading Representatives (House)	US \$5.00
Cf K	Trading Member (Proprietary) (House)	US \$5.00

*Fees shown are before GST.