

5 April 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 in May 2017, and 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 SGX North Asia Sling LNG Swap Contract (the "**Asia Sling Contract**") that is to be launched in May 2017. In particular, the Amendments specify the methodology for the calculation of the final settlement price ("**FSP**") of the Contract in the SGX-DC Clearing Rules and detail the relevant Clearing Fees.
- 3.2 In addition, the Amendments include an editorial change to align the wording of the final settlement price provision of the SGX Singapore Sling LNG Swap Contract ("**Singapore Sling Contract**") to that of the FSP clause in the contract specifications of the SGX Singapore Sling LNG Futures Contract.

#### **Singapore Exchange Derivatives Clearing Limited**

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(A wholly-owned subsidiary of Singapore Exchange Limited)

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#### **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 Amendments.
- 4.2 The text of the Amendments 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 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 Asia Sling Contract and Singapore Sling Contract, as well as 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/sqxweb/home/regulation/consult\\_pub/dco\\_submissions](http://www.sgx.com/wps/portal/sqxweb/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 6504 should you require any clarification.

Yours sincerely



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

**Appendix A**  
**Amendments to SGX-DC Clearing Rules**

Note: Amendments are made in **red**.

**Rule Amendments**

**Appendix 1 – Final Settlement Price**

**LNG Swap Contracts**

Product	Steel-Swap contracts Singapore Sling	North Asia Sling
<b>Contract</b>	SGX Singapore Sling LNG Swap	<u>SGX North Asia Sling LNG Swap</u>
<b>Final Settlement Price</b>	Cash settlement using <b>the all</b> arithmetic average of <b>all the</b> Singapore Sling Index spot assessments for the expiring contract month, rounded to three decimal places.	<u>Cash settlement using the arithmetic average of all the North Asia Sling Index spot assessments for the expiring contract month, rounded to three decimal places.</u>

## Appendix B

### Clearing Fees

<b>Clearing Fee Type</b>	<b>Description</b>	<b>SGX North Asia Sling LNG Swap</b>
Cf 1	Trading Member (Individual)	USD10
Cf 2	Clearing Member House Account	USD10
Cf 3	Trading Member (Broker) House Account	USD10
Cf 5	Clearing Member Customer Account	USD10
Cf 6	Trading Member (Broker) Customer Account	USD10
Cf 7	Trading Member (Proprietary) (Customer)	USD10
Cf 8	Clearing Member Related Company House Account	USD10
Cf E	Trading Member's Trading Representatives (House)	USD10
Cf F	Trading Member's Trading Representatives (Customer)	USD10
Cf G	Clearing Member's Trading Representatives (House)	USD10
Cf K	Trading Member (Proprietary) (House)	USD10

Note: Prices shown are before GST.