



2 May 2018

Mr. Chris Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, DC 20581
United States of America

VIA EMAIL

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 21 May 2018, 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 Panamax Route P2E Forward Freight Agreement and Capesize Route C7 Forward Freight Agreement (the "**Contracts**") that is to be launched in April 2018. In particular, the Amendments specify the methodology for the calculation of final settlement prices of the Contract in the SGX-DC Clearing Rules.

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.

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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 Contract.
- 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 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
Proposed Rule Amendments to SGX-DC Clearing Rules

Note: Changes are made in blue.

Appendix 1 – Final Settlement Price

Freight Forward Contracts: Dry Trip Timecharter Routes

Product	P2E
Contract	<u>Panamax Route P2E Forward Freight Agreement Skaw/Gibraltar — Far East. Entire Month Average</u>
Final Settlement Price	<u>Arithmetic average of all Baltic's daily spot assessments in the Contract Month for the relevant underlying product, rounded to 4 decimal places</u>

Freight Forward Contracts: Dry Voyage Routes

Product	C3	C4	C7
Contract	Capesize Route C3 Forward Freight Agreement Tubarao/Beilun and Baoshan. 150,000mt	Capesize Route C4 Forward Freight Agreement Richards Bay-Rotterdam. 150,000mt	<u>Capesize Route C7 Forward Freight Agreement Bolivar-Rotterdam. 150,000mt</u>
Final Settlement Price	Arithmetic average of last 7 Baltic's daily spot assessments in the Contract Month for the relevant underlying product, rounded to 4 decimal places		

Product	C5	C7
Contract	Capesize Route C5 Forward Freight Agreement W Australia — Qingdao. 160,000mt	<u>Capesize Route C7 Forward Freight Agreement Bolivar-Rotterdam. 150,000mt</u>
Final Settlement Price	Arithmetic average of all Baltic's daily spot assessments in the Contract Month for the relevant underlying product, rounded to 4 decimal places	

Appendix B
Clearing Fees

Clearing Fee Type		Panamax Route P2E FFA	Capesize Route C7 FFA
Cf 1	Trading Member (Individual)	US \$ 4.50	US \$ 4.50
Cf 2	Clearing Member House Account	US \$ 4.50	US \$ 4.50
Cf 3	Trading Member (Broker) House Account	US \$ 4.50	US \$ 4.50
Cf 5	Clearing Member Customer Account	US \$ 4.50	US \$ 4.50
Cf 6	Trading Member (Broker) Customer Account	US \$ 4.50	US \$ 4.50
Cf 7	Trading Member (Proprietary) (Customer)	US \$ 4.50	US \$ 4.50
Cf 8	Clearing Member Related Company House Account	US \$ 4.50	US \$ 4.50
Cf E	Trading Member's Trading Representatives (House)	US \$ 4.50	US \$ 4.50
Cf F	Trading Member's Trading Representatives (Customer)	US \$ 4.50	US \$ 4.50
Cf G	Clearing Member's Trading Representatives (House)	US \$ 4.50	US \$ 4.50
Cf K	Trading Member (Proprietary) (House)	US \$ 4.50	US \$ 4.50

*Prices shown are before GST.