

22 July 2015

Ms. Melissa Jurgens
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, DC 20581
United States of America

Dear Ms. Jurgens,

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 September 2015, but will not be implemented prior to the Commission’s 10 business day review period.

3 Explanation and Analysis

3.1 The Amendments are being made to increase the size of SGX-DC’s clearing fund in light of increased volumes in SGX-DC’s exchange-traded and commodity markets.

3.2 In particular, the security deposit rate for SGX-DC’s exchange-traded and commodity contracts (the “**Relevant Contracts**”) in SGX-DC Clearing Rule 7A.06.2.1 will be increased from 3% to 4.5%. There will be no change for clearing members’ contributions to the clearing fund in respect of OTC financial contracts.

3.3 SGX-DC’s contribution to the clearing fund, which is at 25% of the total clearing fund requirement, will scale accordingly.

Singapore Exchange Derivatives Clearing Limited

Company Reg No. 200005878M

(A wholly-owned subsidiary of Singapore Exchange Limited)

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

Main: (65) 6236 8888 Fax: (65) 6535 0775

- 3.4 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 are subject to the MAS’ regulatory concurrence.

4 Description of Amendments

- 4.1 SGX-DC Clearing Rule 7A.06.2.1 will be amended as a result of the Amendments.
- 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 D on risk management and to increase SGX-DC’s clearing fund size in light of growing volumes in the Relevant 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 http://www.sgx.com/wps/portal/sgxweb/home/regulation/consult_pub/dco_submissions.

7 Opposing Views

- 7.1 There were no significant 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.
- 7.2 SGX-DC consulted with affected Clearing Members on 8 June 2015 and from 15 June 2015 to 26 June 2015 on the Amendments. A summary of the feedback received and SGX-DC’s responses to the same are set out in Confidential Appendix 2.
- 7.3 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 jeth.lee@sgx.com or +65 6236 8513 should you require any clarification.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Jeth Lee'.

Jeth Lee
Assistant Vice President
Legal (Regulation)

Appendix 1

Text of the Amendments

RULE AMENDMENT

7A.06.2 Security Deposit

7A.06.2.1

Upon being granted eligibility by the Clearing House to clear a relevant Contract Class, each Clearing Member wishing to clear that Contract Class shall deposit with the Clearing House as security for its obligations to the Clearing House ("Security Deposit") the following amounts:

- A. for clearing Contracts which are listed for trading on the Exchange or any Relevant Market and/or Non-Relevant Market Contracts, the higher of:
 - a. \$1,000,000 or such lower amount as prescribed by the Clearing House time to time in its discretion; or
 - b. ~~3.045~~%, or such lower amount as prescribed by the Clearing House from time to time in its discretion, of the daily average of the risk margin of such Clearing Member during the preceding three month period;
- B. for clearing OTCF Contracts, the higher of:
 - a. US\$5 million; or
 - b. 6.0%, or such lower amount as prescribed by the Clearing House from time to time in its discretion, the daily average of the risk margin of such Clearing Member for such OTCF Contracts during the preceding three month period; or
- C. for clearing (i) Contracts which are listed for trading on the Exchange or any Relevant Market and/or Non-Relevant Market Contracts, and (ii) OTCF Contracts, the sum of the amounts set out in Rule 7A.06.2.1.A and 7A.06.2.1.B

Confidential Appendix 2

Summary of Consultation Feedback and SGX-DC's Responses