

19 September 2019

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 or after 21 October 2019, 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 PLATTS Marine Fuel 0.5% FOB Singapore Swap and SGX ARGUS 0.5% Low Sulphur Fuel Oil Swap (collectively, the "**Contracts**") that are to be launched on or after 21 October 2019. In particular, the Amendments specify the methodology for the calculation of the final settlement price ("**FSP**") of the Contracts in the SGX-DC Clearing Rules and detail 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 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.

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

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, 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:
<https://www2.sgx.com/regulation/about-sgx-regco#Meeting%20International%20Standards>.

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
Assistant Vice President, Regulatory Development and Policy
Singapore Exchange Regulation

Appendix A
Amendments to SGX-DC Clearing Rules
Note: Amendments are made in red.

Appendix 1 – Final Settlement Price

Oil Swaps Contracts

Products	<u>0.5% Sulphur Fuel Oil Singapore</u>	
Contract	<u>Platts Marine Fuel 0.5% FOB Singapore Swap</u>	<u>Argus 0.5% Low Sulphur Fuel Oil Swap</u>
Final Settlement Price	<u>Arithmetic average of Platts' spot assessments in the Contract Month for the relevant underlying product, rounded to 3 decimal places.</u>	<u>Arithmetic average of Argus' spot assessments in the Contract Month for the relevant underlying product, rounded to 3 decimal places.</u>

Appendix B
Clearing Fees for the Contracts

Fee Type	Description	SGX Platts Marine Fuel 0.5% FOB Singapore Swap	SGX Argus 0.5% Low Sulphur Fuel Oil Swap
Cf 1	Trading Member (Individual)	US \$7.00	US \$7.00
Cf 2	Clearing Member House Account	US \$7.00	US \$7.00
Cf 3	Trading Member (Broker) House Account	US \$7.00	US \$7.00
Cf 5	Clearing Member Customer Account	US \$7.00	US \$7.00
Cf 6	Trading Member (Broker) Customer Account	US \$7.00	US \$7.00
Cf 7	Trading Member (Proprietary) (Customer)	US \$7.00	US \$7.00
Cf 8	Clearing Member Related Company House Account	US \$7.00	US \$7.00
Cf E	Trading Member's Trading Representatives (House)	US \$7.00	US \$7.00
Cf F	Trading Member's Trading Representatives (Customer)	US \$7.00	US \$7.00
Cf G	Clearing Member's Trading Representatives (House)	US \$7.00	US \$7.00
Cf K	Trading Member (Proprietary) (House)	US \$7.00	US \$7.00

*Fees shown are before GST.