

23 September 2014

Ms. Melissa Jurgens  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> 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 the fourth quarter of 2014, 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 following contracts (the "**Contracts**") that are to be launched in the fourth quarter of 2014:
- (a) SGX ICIS LLDPE CFR China Swap;
  - (b) SGX ICIS LLDPE CFR S.E. Asia Swap;
  - (c) SGX ICIS PP Flat Yarn (Raffia) CFR China Swap;
  - (d) SGX ICIS PP Flat Yarn (Raffia) CFR S.E. Asia Swap; and
  - (e) SGX PLATTS PX CFR China Swap.

**Singapore Exchange Derivatives Clearing Limited**

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3.2 In particular, the Amendments specify the methodology for the calculation of final settlement prices of the Contracts in the SGX-DC Clearing Rules.

3.3 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 Appendix 1 of the SGX-DC Clearing Rules would 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 E on settlement procedures and seek to provide clarity on the final settlement prices for the 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/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 [jeth.lee@sgx.com](mailto:jeth.lee@sgx.com) or +65 6236 8513 should you require any clarification.

Yours sincerely,



Jeth Lee  
Assistant Vice President  
Legal (Regulation)

## Appendix 1

### Text of the Amendments

#### Appendix 1 of the SGX-DC Clearing Rules – Final Settlement Price

##### Oil Swap Contracts

<b>Product</b>	<b><u>Petrochemical Swaps</u></b>			
<b><u>Contract</u></b>	<u>SGX ICIS LLDPE CFR China Swap</u>	<u>SGX ICIS LLDPE CFR S.E.Asia Swap</u>	<u>SGX ICIS PP Flat Yarn (Raffia) CFR China Index Swap</u>	<u>SGX ICIS PP Flat Yarn (Raffia) CFR S.E.Asia Swap</u>
<b><u>Final Settlement Price</u></b>	<u>Cash settlement using the arithmetic average of all ICIS spot price assessments in the expiring month for the relevant underlying product, rounded to 2 decimal places.</u>			

<b>Products</b>	<b><u>Benzene Petrochemical Swaps</u></b>		
<b><u>Contract</u></b>	<u>SGX PLATTS PX CFR China Swap</u>	Benzene FOB Korea Swaps	Balance-of-Month Benzene
<b><u>Final Settlement Price</u></b>	<u>Cash settlement using the arithmetic average of all Platts PX spot price assessments in the expiring month, rounded to 2 decimal places.</u>	Cash settlement using the arithmetic average of Platts daily spot 'marker' physical cargo assessments in the contract month, rounded to 3 decimal places.	Cash settlement using the arithmetic average of the remaining assessments of Platts's daily spot marker physical cargo assessments in the contract month (inclusive of the current Business Day), rounded to three decimal places.

Note: Changes are made in blue