



04 October 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 October 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 ICIS Monoethylene Glycol ("**MEG**") CFR China Swap Contract ("**MEG Swap Contract**") and SGX ICIS Styrene Monomer ("**SM**") CFR China Swap Contract ("**SM Swap Contract**") that are to be launched in October 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.

#### **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.

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

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(A wholly-owned subsidiary of Singapore Exchange Limited)

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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 MEG Swap Contract and SM Swap 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/sgxweb/home/regulation/consult\\_pub/dco\\_submissions](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 [nicholaszhejie.lee@sgx.com](mailto:nicholaszhejie.lee@sgx.com) or +65 6713 6424 should you require any clarification.

Yours sincerely



Nicholas Lee  
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**

**Oil Swap Contracts**

Product		Petrochemical Swaps	
<b>Contract</b>	<u>SGX ICIS MEG CFR China Swap</u>	<u>SGX ICIS SM CFR China Swap</u>	
<b>Final Settlement Price</b>	<u>Cash settlement using the arithmetic average of all ICIS MEG CFR China Main Ports index assessments in the expiring contract month, rounded to 3 decimal places</u>	<u>Cash settlement using the arithmetic average of all ICIS SM CFR China (Price Range for the Week) index assessments in the expiring contract month, rounded to 3 decimal places</u>	

## Appendix B

### Clearing Fees

Clearing Fee Type	Description	SGX ICIS SM CFR China Swap	SGX ICIS MEG CFR China Swap
Cf 1	Trading Member (Individual)	US\$ 25.00	US\$ 25.00
Cf 2	Clearing Member House Account	US\$ 25.00	US\$ 25.00
Cf 3	Trading Member (Broker) House Account	US\$ 25.00	US\$ 25.00
Cf 5	Clearing Member Customer Account	US\$ 25.00	US\$ 25.00
Cf 6	Trading Member (Broker) Customer Account	US\$ 25.00	US\$ 25.00
Cf 7	Trading Member (Proprietary) (Customer)	US\$ 25.00	US\$ 25.00
Cf 8	Clearing Member Related Company House Account	US\$ 25.00	US\$ 25.00
Cf E	Trading Member's Trading Representatives (House)	US\$ 25.00	US\$ 25.00
Cf F	Trading Member's Trading Representatives (Customer)	US\$ 25.00	US\$ 25.00
Cf G	Clearing Member's Trading Representatives (House)	US\$ 25.00	US\$ 25.00
Cf K	Trading Member (Proprietary) (House)	US\$ 25.00	US\$ 25.00

\*Prices shown are before GST.