

31 October 2018

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 amendment to its Clearing Rules (the "**Amendment**") pursuant to Commission regulation 40.6(a).

2. Intended Implementation Date

2.1 The Amendment is proposed to be implemented on or after 3 December 2018, and will not be implemented prior to the Commission's 10 business day review period.

3. Explanation and Analysis

3.1 The Amendment is to facilitate SGX-DC's acceptance for clearing of the SGX MB Iron Ore CFR China (65% Fe Fines)¹ Swap Contract (the "**Contract**") that is to be launched on or after 3 December 2018. In particular, the Amendment specifies the methodology for the calculation of the final settlement price ("**FSP**") of the Contract in the SGX-DC Clearing Rules and details 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 Amendment.

4.2 The text of the Amendment with the changes indicated is attached as Appendix A. The Clearing Fees are set out in Appendix B.

¹ Where "MB" refers to Metal Bulletin, "CFR" refers to Cost and Freight, which are costs associated with the carriage of goods, and "Fe" refers to iron ore.

5. Certification of Compliance with Core Principles

- 5.1 The Amendment has 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, as well as compliance with Core Principle B on financial resources.
- 5.2 SGX-DC hereby certifies to the Commission that the Amendment complies 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 Amendment's 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 Amendment. 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
Senior Associate
Regulatory Development and Policy (Regulation)

Appendix A
Amendment to SGX-DC Clearing Rules

Note: Amendment is made in blue.

Rule Amendments

Appendix 1 – Final Settlement Price

Iron Ore Swap Contracts

Products	Iron Ore Swap				
Contract	SGX TSI Iron Ore CFR China (62% Fe Fines) Swap	SGX MB Iron Ore CFR China (58% FE Fines) Swap	SGX TSI Iron Ore CFR China (58% FE Fines) Swap	<u>SGX MB Iron Ore CFR China (65% Fe Fines) Swap</u>	SGX Platts Iron Ore CFR China (Lump Premium) Swap
Final Settlement Price	Cash settlement using the arithmetic average of all The Steel Index (TSI) Iron Ore Fines 62% FE CFR China reference prices in the expiring month, rounded to 2 decimal places.	Cash settlement using the arithmetic average of all the aggregate daily values of MBIOI — 58% FE Fines, CFR Qingdao Index and MBIOI — 58% Premium FE Fines, CFR Qingdao Index reference prices, as published by Metal Bulletin, in the expiring contract month, rounded to 2 decimal places.	Cash settlement using the arithmetic average of all The Steel Index Iron Ore Fines 58% Fe (Low Alumina) — CFR Qingdao Port Index reference prices in the expiring contract month, rounded to 2 decimal places.	<u>Cash settlement using the arithmetic average of all the MBIOI 65% Fe Brazilian Fines, CFR Qingdao Index reference prices in the expiring contract month, rounded to 2 decimal places.</u>	Cash settlement using the arithmetic average of all Platts IO Spot Lump Premium 62.5% CFR China Index reference prices in the expiring contract month, rounded to 4 decimal places.

Appendix B
Clearing Fees for the Contract

Clearing Fee Type	Description	Fee*
Cf 1	Trading Member (Individual)	US \$6.00
Cf 2	Clearing Member House Account	US \$6.00
Cf 3	Trading Member (Broker) House Account	US \$6.00
Cf 5	Clearing Member Customer Account	US \$6.00
Cf 6	Trading Member (Broker) Customer Account	US \$6.00
Cf 7	Trading Member (Proprietary) (Customer)	US \$6.00
Cf 8	Clearing Member Related Company House Account	US \$6.00
Cf E	Trading Member's Trading Representatives (House)	US \$6.00
Cf F	Trading Member's Trading Representatives (Customer)	US \$6.00
Cf G	Clearing Member's Trading Representatives (House)	US \$6.00
Cf K	Trading Member (Proprietary) (House)	US \$6.00

*Fees shown are before GST.