



11 December 2015

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 1 January 2016, but will not be implemented prior to the Commission's 10 business day review period.

3 Explanation and Analysis

- 3.1 The Amendments are in respect of SGX-DC's revision of the clearing fees for the SGX full-day Freight Derivatives contracts. SGX-DC had previously charged a discounted fee of US\$ 4.50 on its full-day Freight Derivatives contracts except for products whose standard rates are lower than the discounted fee, from 7 January 2014, and has extended this discount semi-annually. The latest extension of the discount is expiring on 31 December 2015.

With the fee discounts and waiver coming to an end on 31 December 2015, SGX-DC is making changes to the Clearing Fee schedule, from 1 January 2016:

- i. To support freight market participants through the extended period of low freight rates, SGX-DC intends to revise the Clearing Fees for all full-day freight derivatives contracts to US\$ 4.50 across all fee types, with the exception of Handysize Time Charter Average contracts; and
- ii. Clearing Fees for the Handysize Time Charter Average contracts fees will be standardized at US\$ 3.00 across all fee types.

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

- 3.2 The Amendments are also in respect of SGX-DC's extension of Clearing Fee and Settlement Fee waivers for the Capesize Time Charter (5 Routes) Average contracts which were launched on 5 October 2015.

To continue supporting the Baltic Exchange's efforts to migrate market activity to the new Capesize Time Charter (5 Routes) Average contract, SGX-DC intends to extend the current Clearing Fee and final Settlement Fee waivers for Capesize Time Charter (5 Routes) Average contracts for a further 6 months, to 30 June 2016.

- 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 have been approved by the MAS on 11 December 2015.

4 Description of Amendments

- 4.1 The Clearing Fees schedule would be amended as a result of the Amendments.
- 4.2 The revised Clearing Fee schedule is attached as Appendix 1 and the extension of the waiver of Clearing Fee and Settlement Fee for the Capesize Time Charter (5 Routes) Average contracts is attached as Appendix 2.

5 Certification of Compliance with Core Principles

- 5.1 The Amendments have been promulgated in respect of SGX-DC's compliance with 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.

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8 Contact Details

- 8.1 Please do not hesitate to contact the undersigned at dionna.tong@sgx.com or +65 6713 6085 should you require any clarification.

Yours sincerely,



Dionna Tong
Assistant Vice President
Legal (Regulation)

Appendix 1

Proposed Rule Amendments to SGX-DC Clearing Rules

Appendix 1 – Revised Clearing Fee Schedule

Clearing Fee Type		Discounted Fee Rate					
		Capesize Time Charter (4 Routes) Average FFAs, Futures, and Options	Panamax Time Charter Average FFAs, Futures, and Options	Supramax Time Charter Average FFAs, Futures, and Options	C5 Route FFA	2A Route FFA	3A Route FFA
Cf 1	Trading Member (Individual)	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf 2	Clearing Member House Account	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf 3	Trading Member (Broker) House Account	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf 5	Clearing Member Customer Account	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf 6	Trading Member (Broker) Customer Account	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50

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Cf 7	Trading Member (Proprietary) (Customer)	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf 8	Clearing Member Related Company House Account	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf E	Trading Member's Trading Representatives (House)	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf F	Trading Member's Trading Representatives (Customer)	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf G	Clearing Member's Trading Representatives (House)	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50
Cf K	Trading Member (Proprietary) (House)	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50	US\$ 4.50

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Appendix 2

Proposed Rule Amendments to SGX-DC Clearing Rules

Appendix 2 - Waivers

Clearing Fee Type		Capesize Time Charter (5 Routes) Average FFAs, Futures and Options	
		Fee Rate	Discounted Fee Rate
Cf 1	Trading Member (Individual)	US\$ 7.00	Waived
Cf 2	Clearing Member House Account	US\$ 7.00	Waived
Cf 3	Trading Member (Broker) House Account	US\$ 7.00	Waived
Cf 5	Clearing Member Customer Account	US\$ 7.00	Waived
Cf 6	Trading Member (Broker) Customer Account	US\$ 7.00	Waived
Cf 7	Trading Member (Proprietary) (Customer)	US\$ 7.00	Waived
Cf 8	Clearing Member Related Company House Account	US\$ 7.00	Waived
Cf E	Trading Member's Trading Representatives (House)	US\$ 7.00	Waived
Cf F	Trading Member's Trading Representatives (Customer)	US\$ 7.00	Waived
Cf G	Clearing Member's Trading Representatives (House)	US\$ 7.00	Waived
Cf K	Trading Member (Proprietary) (House)	US\$ 7.00	Waived