

26 May 2014

Ms. Melissa Jurgens
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, DC 20581
United States of America

VIA EMAIL

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).
- 1.2 The Submission Cover Sheet is attached as Appendix 1.

2 Intended Implementation Date

- 2.1 The Amendments are proposed to be implemented in July 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 July 2014:

Singapore Exchange Derivatives Clearing Limited

Company Reg No. 200005878M
(A wholly-owned subsidiary of Singapore Exchange Limited)

2 Shenton Way, #02-02 SGX Centre, Singapore 068804
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- (a) SGX TSI CFR China Premium JM25 Coking Coal Swap;
- (b) SGX TSI FOB Australia Premium Coking Coal Swap;
- (c) SGX API 4 FOB Richards Bay Coal Swap; and
- (d) SGX API 5 FOB Newcastle Coal Swap.

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 2.

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/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 eli.cohen@sgx.com or +65 6236 5104 should you require any clarification.

Yours sincerely,



Eli Cohen
Head, Legal (Regulation)

Appendix 1

Submission Cover Sheet

Appendix 2

Text of the Amendments

Proposed Rule Amendments to SGX-DC Clearing Rules

Appendix 1 – Final Settlement Price

Coal Swap Contracts

Product		Coal Swap				
Contract	IHS McCloskey Indonesian Sub-Bit FOB Swap	API 8 CFR China Coal Swap	<u>SGX TSI CFR China Premium JM25 Coking Coal Swap</u>	<u>SGX TSI FOB Australia Premium Coking Coal Swap</u>	<u>SGX API 4 FOB Richards Bay Coal Swap</u>	<u>SGX API 5 FOB Newcastle Coal Swap</u>
Final Settlement	Cash settlement using the arithmetic average of all publications of the IHS McCloskey Indonesian Sub-Bit FOB marker in the expiring contract month, rounded to 2 decimal places.	Cash settlement using the arithmetic average of all publications of the API 8 index published in the Argus/McCloskey Coal Price Index Report in the expiring contract month, rounded to 2 decimal places	<u>Cash settlement using the arithmetic average of all publications of the relevant index published by TSI in the expiring contract month, rounded to 2 decimal places.</u>	<u>Cash settlement using the arithmetic average of all publications of the relevant index published by TSI in the expiring contract month, rounded to 2 decimal places.</u>	<u>Cash settlement using the arithmetic average of all publications of the API 4 index published in the Argus/McCloskey Coal Price Index Report in the expiring contract month, rounded to 2 decimal places.</u>	<u>Cash settlement using the arithmetic average of all publications of the API 5 index published in the Argus/McCloskey Coal Price Index Report in the expiring contract month, rounded to 2 decimal places.</u>