



23 March 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 Amendment 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 an amendment to the Over-The-Counter ("**OTC**") Financial Derivatives ("**OTCF**") Clearing Member Handbook ("**Handbook**", and such amendment, the "**Amendment**") pursuant to Commission regulation 40.6(a).

2. Intended Implementation Date

2.1 The Amendment is proposed to be implemented in the April 2017, but will not be implemented prior to the Commission's 10 business day review period.

3. Explanation and Analysis

3.1 Pursuant to Rule 7.23 of the SGX-DC Clearing Rules read with its Practice Note, SGX-DC may impose discretionary risk add-ons to cover the gap risks that may arise from potential changes in currency regimes or in the political environment that may have an impact on currencies. The application of such gap risk add-ons with respect to OTCF contracts is documented in the Handbook, which currently states that gap risk add-ons may be applied to FXF contracts.

3.2 The Amendment is to update the Handbook to clarify that gap risk add-ons may be applied to all OTCF contracts, not just Foreign Exchange Forwards ("**FXF**") contracts.

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

4. Description of Amendment

- 4.1 The Handbook will be changed as a result of the Amendment. The text of the Amendment with the changes indicated is attached as Appendix A (Confidential).
- 4.2 By a separate letter, SGX is requesting confidential treatment of Appendix A (Confidential) which contains the Amendment.

5. Certification of Compliance with Core Principles

- 5.1 The Amendment has been promulgated in respect of SGX-DC's compliance with Core Principle L on public information.
- 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 Amendment' 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 (Confidential)

Amendment

[Subject to confidential treatment request by SGX-DC]