



22 January 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 on 17 February 2014.

3 Explanation and Analysis

- 3.1 The Amendments are to facilitate SGX-DC's acceptance for clearing of the SGX Hot-Rolled Coil Steel CFR ASEAN Swap contract (the "**Contract**"), which is to be launched on 17 February 2014. In particular, the Amendments set out the final settlement price methodology for the Contract.

Singapore Exchange Derivatives Clearing Limited

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3.2 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 separately been reviewed and approved by the MAS.

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 calculation of the final settlement price for the Contract.

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/reg ann](http://www.sgx.com/wps/portal/sgxweb/home/regulation/consult_pub/reg_ann).

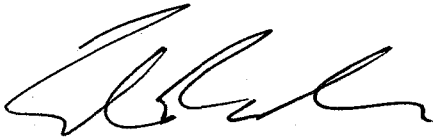
7 **Opposing Views**

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 (Risk Management and 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

Steel Swap Contracts

Products	Steel Swap Contracts
<u>Contract</u>	<u>SGX Hot-Rolled Coil Steel CFR ASEAN Swap</u>
<u>Final Settlement Price</u>	<u>Cash settlement using the arithmetic average of all The Steel Index (TSI) Hot-Rolled Coil (HRC) – ASEAN Imports reference prices in the expiring month, rounded to two decimal places.</u>

Note: Changes are in blue.