

Notice No.: TRDG-2016-020

Issue Date: June 15, 2016

Subject: Introduction to Dubai India Crude Oil Quanto Futures (DICO) Cash Settled Contract

Notice to all Members,

Subject: Introduction to Dubai India Crude Oil Quanto Futures (DICO) Cash Settled Contract

In pursuance of the By-Laws of DGCX and Clearing Rules of DCCC, the following is hereby notified:

The Exchange shall introduce Dubai India Crude Oil Quanto Futures (DICO) Cash Settled Contract on the DGCX platform effective **Friday, July 1, 2016**.

Details about this Contract can be found in the attached annexure:

- a) Annexure 1: Specification for Dubai India Crude Oil Quanto Futures (DICO) Cash Settled Contract.
- b) Annexure 2: Amendments and additions made to Part N of the By-Laws for launch of Dubai India Crude Oil Quanto Futures (DICO) Cash Settled Contract.
- c) Annexure 3: Contract Calendar.
- d) Annexure 4: Fee Schedule.

Members are requested to take note of the above.

For Dubai Gold & Commodities Exchange

Navin Dsouza
Director - Operations

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Annexure 1: Specifications for Dubai India Crude Oil Quanto (DICO) Cash Settled Contract

Contract Specifications	Parameters
Contract Symbol	DICO
Underlying	Indian Crude Oil contract
Contract Size	3
Trading Currency	US Dollars (USD)
Settlement Currency	US Dollars (USD)
Price Quote	USD 1 X Indian Crude Oil Futures Price quoted in INR per 1bbl (e.g. Bid 3307 / Ask 3308)
Tick Size	1
Tick Value	USD 3
Daily Price Movement Limit	No Limit*
Max Order Size	500 contracts for Banks and institutions promoted by Banks. All other entities 200 contracts
Trading Days	Monday through to Friday
Trading Hours	07:00 - 23:55 Hours Dubai time (GMT+4)
Trading Months	At the outset, two serial contract months and a spread contract will be available for trading
Last Day of Trading	<p>Last Day of Trading shall be the 4th Business Day prior to the 25th calendar day of the month that precedes the Delivery Month.</p> <p>If the 25th calendar day is not a Business Day; Last Day of Trading shall be the 4th business day prior to the business day that precedes the 25th calendar day.</p> <p>If the 4th business day is not a DGCX or an Indian business day, then the preceding DGCX Business Day which is not a holiday in India shall be the Last Day of Trading.</p>
New Contract Listing	Business Day immediately following the Last Day of Trading
Settlement	Cash settled
Final Cash Settlement Price Basis	The Final Cash Settlement Price basis shall be the DGCX front month WTI Light Crude Oil Final Settlement price that corresponds to the DGCX front month DICO contract.

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Contract Specifications	Parameters
	<p>Official US Dollar reference rate issued by the Reserve Bank of India (RBI), based on bank rates in Mumbai at 12 noon on the Last Day of Trading or earliest available date shall be used to convert the above DGCX front month DWTI Final Settlement Price into DGCX front month DICO Final Settlement Price.</p> <p>For instance, on the Last Day of Trading of DICO front month contract, the Final settlement price of DGCX front month WTI Light Crude Oil is \$50.00 and the last available RBI US Dollar reference price is INR 67.0025 /US\$, then the Final Cash Settlement Price for the front month DICO contract shall be \$3,350.12 rounded off to \$3,350.00 (i.e. \$50.00*67.0025 and rounded off to the nearest tick)</p>
Initial Margin based on SPAN	USD 600 per contract (Subject to change from time to time)
Calendar Spread Margin	Currently 100% benefit is offered on calendar spread margins
Extra Margin	In times of high volatility, an extra margin as deemed fit by the DGCX may be imposed on all open positions
Wholesale Trades	As per DGCX By-Laws.

*There will be no limits on intra-day price movements, however to restrict data-entry errors the system will not allow entry of orders having prices higher or lower than 300 as compared to the previous closing price. The DGCX shall relax the intra-day price range for the prices of the contract approaching the 300 limit.

Annexure 2: Amendments and additions made to Part N of the By-Laws for launch of Dubai India Crude Oil Quanto Futures (DICO) Cash Settled Contract- (Highlighted in red).

N.1. Definitions and Scope

N1.1. By-Laws N.1, N.2, N.3, N.4, N.5 together comprises the individual contract specifications for **DGCX Brent Crude Oil Futures contracts**, West Texas Intermediate Light Sweet Crude Oil Futures contracts, DGCX Mini West Texas Intermediate (WTI) Light Sweet Crude Oil Futures contracts and **Dubai India Crude Oil Quanto Futures**.

~~N1.2 By-Laws N.1, N.2, N.3.2, N.4 and N.5 together comprise the Individual Contract Specifications for DGCX Brent Crude Oil Futures Contracts.~~

N1.2. In this Part N of the By-Laws the term "Crude Oil Futures Contracts" shall refer to West Texas Intermediate Light Sweet Crude Oil Futures contracts, and ~~to~~ Brent Crude Oil Futures

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contracts, DGCX Mini West Texas Intermediate Light Sweet Crude Oil Futures contracts and **Dubai India Crude Oil Quanto Futures.**

N.2. General By-Law Relating to Specifications of Crude Oil Futures Contracts

N.2.1. Contract Unit

The contract unit for each class of **(a) West Texas Intermediate Light Sweet Crude Oil Futures contracts, and to Brent Crude Oil Futures contracts** shall be one thousand (1000) barrels; **(b) Mini WTI Light Sweet Crude Oil Futures** shall be one hundred (100) barrels; **and (c) Dubai India Crude Quanto Oil Futures is one barrel.**

N.2.2. Delivery Months

Trading in Crude Oil Futures contracts shall be conducted for such Delivery Months as the Exchange may determine from time to time.

N.2.3. Minimum price fluctuations

Minimum price fluctuations for trading in **West Texas Intermediate Light Sweet Crude Oil Futures contracts, Brent Crude Oil Futures contracts, Mini WTI Light Sweet Crude Oil Futures** shall be US Dollars 0.01 per barrel **and Dubai India Crude Oil Quanto Futures shall be 1.**

N.2.4. Trading Hours

Hours for trading in Crude Oil Futures contracts shall be as determined by the Exchange from time to time.

N.2.5. Trading Days

Days for trading in Crude Oil Futures contracts shall be as determined by the Exchange from time to time.

N.2.6. Last Day of Trading

The Last Day of Trading for each Class of Crude Oil Futures contracts shall be as described in By-Law N.3.

N.2.7. Cash Settlement Day

The cash settlement day for each Class of Crude Oil Futures contracts shall be the business day immediately following the Last Day of Trading.

N.3. Specifications for Individual Crude Oil Futures Contracts

Addition

N.3.3. DGCX Dubai India Crude Oil Quanto Futures Contract Specification

N.3.3.1. Individual Specifications for Dubai India Crude Oil Quanto Futures Contract

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- (a) The Contract Size for each Dubai India Crude Oil Quanto Futures contract is 3.
- (b) The Last Day of Trading shall be the fourth business day prior to the 25th calendar day of the month that precedes the delivery month. If the 25th calendar day is not a business day, then the Last Day of Trading shall be the 4th business day prior to the business day that precedes the 25th calendar day. If the 4th business day is not a DGCX or an Indian business day, then the preceding DGCX business day which is not a holiday in India shall be the Last Day of Trading.
- (c) The final cash settlement price shall be the product of the DGCX front month WTI Light Crude Oil Final Settlement prices that corresponds to the DGCX front month Dubai India Crude Oil Quanto Futures and the official US Dollar reference rate issued by the Reserve Bank of India (RBI), based on bank rates in Mumbai at 12 noon on the Last Day of Trading or earliest available date.

N.4. Cash Only Settlement

N.4.1. Establishment of Final Cash Settlement Price

The methodology for establishing the final cash settlement price for each Class of Crude Oil Futures is described in By-Law N.3.1.1 (b) in respect of DGCX West Texas Intermediate Light Sweet Crude Oil Futures contract; and in By-Law N.3.2.1 (b) in respect of DGCX Brent Crude Oil Futures contract and DGCX Mini West Texas Intermediate Light Sweet Crude Oil Futures; and N.3.3.1(c) for Dubai India Crude Oil Quanto Futures.

N.5. Role of Clearing Corporation in Cash Only Settlement of Crude Oil Futures Contracts

N.5.1. Open Positions Subject to Cash Only Settlement

Open positions that have not been closed out in the respective class of Crude Oil Futures contract on or before the close on the Last Day of Trading shall be subject to this By-Law N.5.

N.5.1.1. Calculation of Cash Only Settlement Amount

For each Class of Crude Oil Futures contracts the cash only settlement amount is the cash settlement price multiplied by the contract unit and expressed in US Dollars.

N.5.2. Payment and Receipt of Cash Only Settlement Amount

N.5.2.1. Funds due from holders of Open Positions at Close on Last Day of Trading

- (a) Where the final cash settlement price is lower than the previous trading day's daily settlement price the cash only settlement amount shall be paid by the Buyer to the Clearing Corporation.
- (b) Where the final cash settlement price is higher than the previous trading day's daily settlement price the cash only settlement amount shall be paid by the Seller to the Clearing Corporation.

N.5.2.2. Funds due to holders of Open Positions at Close on Last day of Trading

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- (a) Where the final cash settlement price is higher than the previous trading day's daily settlement price the cash only settlement amount shall be paid by the Clearing Corporation to the Buyer.
- (b) Where the final cash settlement price is lower than the previous trading day's daily settlement price the final cash settlement amount shall be paid by the Clearing Corporation to the Seller.

N.5.2.3. Time by Which Payments Are to be Made

The payments referred to in By-Laws N.5.2.1 and N.5.2.2 shall be made on such time and date as prescribed by the Clearing Corporation from time to time.

Annexure 3: Contract Calendar

Contract Symbol	Expiry Date	Trading Start Date	Last Day of Trading	Contract Expiry Month	Delivery Month
DICO-20160719	19-Jul-2016	1-Jul-2016	19-Jul-2016	Jul-2016	Aug-2016
DICO-20160819	19-Aug-2016	1-Jul-2016	19-Aug-2016	Aug-2016	Sep-2016
DICO-20160719-20160819	19-Jul-2016	1-Jul-2016	19-Jul-2016		

Annexure 4: Fee Schedule

Fees	Per side per lot (US\$)
Trade Fee**	0.35
Clearing Fee	0.10
SCA Fee	0.03

The Trade Fee will be waived for all trades executed from date of launch of the contracts until **September 30, 2016.