

Notice No.: TRDG-2016-039

Issue Date: November 11, 2016

Subject: Re-introduction to DGCX Brent Crude Oil Futures (DBRC) Cash Settled Contract

Notice to all Members,

Subject: Re-introduction to DGCX Brent Crude Oil Futures (DBRC) Cash Settled Contract

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

The Exchange shall re-introduce DGCX Brent Crude Oil Futures (DBRC) Cash Settled Contract on the DGCX platform effective Friday, November 25, 2016.

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

- a) Annexure 1: Specification for DGCX Brent Crude Oil Futures (DBRC) Cash Settled Contract.
- b) Annexure 2: Amendments and additions made to Part N of the By-Laws for launch of DGCX Brent Crude Oil Futures (DBRC) 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 D'souza
Director - Operations

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Annexure 1: Specification for DGCX Brent Crude Oil Futures (DBRC) Cash Settled Contract

Contract Specifications	Parameters
Contract Symbol	DBRC
Underlying	DGCX Brent Crude Oil Futures
Contract Size	1,000 barrels (42,000 gallons)
Trading Currency	US Dollars (USD)
Settlement Currency	US Dollars (USD)
Price Quote	USD and Cents per barrel
Tick Size	USD\$ 0.01 per barrel (USD\$ 10 per tick)
Tick Value	USD\$ 10
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	Twelve consecutive delivery months, from inception three months, two calendar spread contracts (M1-M2 and M2-M3) and one Brent-WTI [#] near month spread contract will be launched.
Last Day of Trading	2 nd Business Day prior to the last calendar day of the second month preceding the Trading Month, if such last day is a DGCX Business Day, and a banking day in the UK. (i.e. the 2 nd last Business Day of June will be the expiry for August) If the 2 nd last Business Day is not a DGCX or UK banking day, then the preceding DGCX Business Day which is not a banking holiday in the UK shall be the Last Day of Trading
Cash Settlement Day	The Business Day following the Last Day of Trading
New Contract Listing	Business Day immediately following the last Day of Trading
Settlement	Cash settled
Daily Settlement Price	Daily Settlement Price shall be as per DGCX Notice no. COMP-2008-014 dated April 22, 2008.
Final Cash Settlement Price Basis	Cash settled against the settlement price for Brent Crude Oil as made public by ICE on the last trading day of the DGCX front month contract.
Initial Margin based on SPAN	USD 3,000 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.

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**Note 1: 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 US\$ 3 as compared to the Previous Close Price. Exchange shall relax the intra-day price range for the prices of the contract approaching the US\$ 3 limit.*

DGCX shall list Brent-WTI spread contract between near month of Brent and WTI contract. For example if a trader buys this Brent-WTI spread contract (DBRC20161229-DWTI20170119), the following underlying trades will be executed.

- *Buy DBRC20161229 near month futures contract*
- *Sell DWTI20170119 near month futures contract*

Part N. Crude Oil Futures and Options Contract Specifications- Amendments are 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 (**Added on 01 July 2016**).

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, Brent Crude Oil Futures Contracts, DGCX Mini West Texas Intermediate Light Sweet Crude Oil Futures Contracts and Dubai India Crude Oil Quanto Futures (**Added on 01 July 2016**).

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 Oil Quanto Futures is one (1) barrel. (Added on 01 July 2016)

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

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Futures shall be US Dollars 0.01 per barrel and Dubai India Crude Oil Quanto Futures shall be 1. (Added on 01 July 2016).

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

N.3.1 DGCX West Texas Intermediate Light Sweet Crude Oil Futures Description

N.3.1.1 Individual specifications for DGCX West Texas Intermediate Light Sweet Crude Oil Futures and DGCX Mini West Texas Intermediate Light Sweet Crude Oil Futures.

- (a) The Last Day of Trading shall be the fourth US business day prior to the 25th calendar day of the month that precedes the Delivery Month. If it is not a US business day; Last Day of Trading shall be the fourth US business day prior to the US business day that precedes the 25th calendar day. If the fourth US business day is not a Business Day, then the preceding Business Day shall be the Last Day of Trading.
- (b) The Final Cash Settlement Price shall be the settlement price for the WTI Light Sweet Crude Oil futures contract, as made public by NYMEX for the Last Day of Trading.

N.3.2. DGCX Brent Crude Oil Futures Description

N.3.2.1 Individual specifications for DGCX Brent Crude Oil Futures

- (a) The Last Day of Trading shall be Second (2nd) Business Day prior to the last calendar day of the second month preceding the Trading Month, if such last day is a DGCX Business Day, and a banking day in the UK.

If the Second (2nd) last Business Day is not a DGCX or UK banking day, then the preceding DGCX Business Day which is not a banking holiday in the UK shall be the Last Day of Trading.

- (b) The Final Cash Settlement Price shall be the settlement price for the Brent Crude Oil futures contract as made public by ICE for the Last Day of Trading of the DGCX front month Contract. (Amended 25 November 2016)

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

- (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. **(Added on 01 July 2016).**

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

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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. **(Added on 01 July 2016).**

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

- (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.

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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.\

N.6 General Specifications of Crude Oil Options Contracts

N.6.1 Contract Unit

One Crude Oil Futures Contract of a specified Class of Crude Oil Futures Contract

N.6.2 Minimum Premium Fluctuations

As determined by the Exchange

N.6.3 Quotation of Strike Prices

As determined by the Exchange

N.6.4 Expiry Months

As determined by the Exchange

N.6.5 Declaration Date

As determined by the Exchange

N.6.6 Time at which Trading Ceases on Declaration Date

As determined by the Exchange

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Annexure 3: Contract Calendar

Contract Symbol	Expiry Date	Trading Start Date	Last Day of Trading	Delivery Month
DBRC-20161229	30-Dec-2016	25-Nov-2016	29-Dec-2016	Feb-2017
DBRC-20170130	31-Jan-2017	25-Nov-2016	30-Jan-2017	Mar-2017
DBRC-20170227	28-Feb-2017	25-Nov-2016	27-Feb-2017	Apr-2017
DBRC-20161229-20170130	29-Dec-2016	25-Nov-2016	29-Dec-2016	
DBRC-20170130-20170227	30-Jan-2017	25-Nov-2016	30-Jan-2017	
DBRC-20161229-DWTI-20170119	29-Dec-2016	25-Nov-2016	29-Dec-2016	Feb-2017

Annexure 4: Fee Schedule

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