



**Notice No.:** TRDG-2014-034

**Issue Date:** October 09, 2014

**Subject :** Introduction to Mini INR-EUR and Mini INR-GBP Contracts

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Notice to all Members,

**Subject: Introduction to Mini INR-EUR and Mini INR-GBP Contracts**

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

The Exchange shall introduce cash settled Mini INR-EUR and INR-GBP cross currency Contracts to trade on DGCX platform effective **Friday, October 24, 2014.**

Please note the first Contract available for trading will be November 2014 Contract

Details about these Contracts can be found in the attached annexure:

- Annexure 1-Contract Specifications
- Annexure 2-Additions made to the Part M of the DGCX By-Laws
- Annexure 3-Contracts Calendar
- Annexure 4-Fee Schedule

Members are requested to take note of the above.

**For Dubai Gold & Commodities Exchange**

**Tony Day**  
**Chief Compliance Officer**



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## **ANNEXURE 1 - CONTRACT SPECIFICATIONS**

### **1. Contract Specifications of INREUR Mini Futures Contract**

<b>Specifications</b>	<b>Parameters</b>
Contract Symbols	DINREUR
Underlying	Indian Rupee (INR)
Contract Size	INR 400,000
Trading Currency	Euro (EUR)
Settlement Currency	US Dollars (USD)
Price Quote	EUR Cents for 100 INR (e.g. 126.75/126.76 EUR Cents per 100 INR)
Minimum Tick Size	0.01 EUR Cents
Tick Value	0.40 EUR
Daily Variation Margin (VM) payment**	<b><u>From Trading Currency to Settlement Currency</u></b> Based on Spot Prices available for USD/EUR at the end of DGCX Trading Hours
Final VM payment	<b><u>From Trading Currency to Settlement Currency</u></b> Based on the Spot rates calculated from USD and EUR reference rate issued by the Reserve Bank of India (RBI) against INR in Mumbai at 12 noon on the Last Day of Trading or earliest available
Final Cash Settlement Price Basis	INREUR reference rate issued by the Reserve Bank of India, in Mumbai at 12 noon on the Last Day of Trading
Wholesale Trades	EFS, EFP, Block trade facilities available
Price Band	No price limit (for the avoidance of 'fat finger' errors price band shall be 150 basis points from previous settlement price)
Maximum Order Size	2500 lots for Banks and Institutions promoted by Banks All other entities 1000
Trading Months	First 3 consecutive serial months
Trading Days	Monday through Friday
Trading Hours	DGCX Trading Hours
Last Trading Day	Two Business Days prior to the last calendar day of the Contract Month except where that day is a bank holiday in either Dubai or Mumbai in which case the Last Day of Trading shall be the preceding Business Day that is not a bank holiday in either Dubai



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	or Mumbai
New Contract Listing	Business Day immediately following the Last Day of Trading
Initial Margin based on SPAN	The Initial Margin will be denominated in EUR and the same shall be converted into equivalent USD at the prevalent Spot market rate of USD/EUR to display Initial Margin Utilization in USD terms. At the outset, Initial Margin shall be EUR 60, subject to change from time to time.
Indicative VM	Indicative VM on EOS-Clear will be displayed in USD as per the prevalent spot market rate for USD/EUR.
	DCCC shall update the spot rates for USD/EUR intraday for at least 3 times at 0600 hours, 1500 hours and End of DGCX Trading Hours
Calendar Spread Benefit	100% benefits is offered on calendar spread positions
Extra Margin	At times of high volatility, an extra margin, as deemed fit by the Exchange, may be charged
Delivery Period Margin	Not applicable
Spot rate	Shall be taken from available market data sources like Bloomberg and Reuters.

**\*\*Conversion of Variation Margin from Trading Currency into Settlement Currency-Example**

VM at Close of DGCX Trading Hours is 50 EUR (Trading Currency)

The EURUSD spot rate 1.2936 at close of DGCX Trading Hours.

The VM will be  $50 \times 1.2936 = 64.68$  USD (Settlement Currency) rounded off to the nearest US¢.

**Derivation of Final Cash Settlement Price from RBI Reference Rate-Example**

RBI reference rate = 76.6418 INR for 1 EUR

EUR Cents per 100 INR =  $(100/76.6418) \times 100$  (Rounded off to the tick value i.e. 0.01 EUR Cents) =130.48

**Derivation of Final Variation Margin at Expiry Based on the RBI Reference Rate-Example**

RBI Reference Rate 1USD= 60.8400 INR, 1EUR= 76.6418 INR

Derived EURUSD Rate using RBI reference rate =  $76.6418/60.8400 = 1.2597$  (rounded off till the 4th decimal)

Variation Margin at close of DGCX Trading Hours is 50 EUR

The Variation Margin will be  $50\text{EUR} \times 1.2597 = 62.99$  USD (Rounded off to the nearest US¢)



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## 2. Contract Specifications of INRGBP Mini Futures Contract

Specifications	Parameters
Contract Symbols	DINRGBP
Underlying	Indian Rupee (INR)
Contract Size	INR 400,000
Trading Currency	Pound Sterling (GBP)
Settlement Currency	US Dollars (USD)
Price Quote	GBP Pence for 100 INR (e.g. 102.01/102.02 GBP Pence per 100 INR)
Minimum Tick Size	0.01 GBP Pence
Tick Value	0.40 GBP
Daily Variation Margin (VM) payment <sup>**</sup>	<b><u>From Trading Currency to Settlement Currency</u></b> Based on Spot Prices available for USD/GBP at the end of DGCX Trading Hours
Final VM payment	<b><u>From Trading Currency to Settlement Currency</u></b> Based on the Spot rates calculated from USD and GBP reference rate issued by the Reserve Bank of India (RBI) against INR in Mumbai at 12 noon on the Last Day of Trading or earliest available
Final Cash Settlement Price Basis	INRGBP reference rate issued by the Reserve Bank of India, in Mumbai at 12 noon on the Last Day of Trading
Wholesale Trades	EFS, EFP, Block trade facilities available
Price Band	No price limit (for the avoidance of 'fat finger' errors price band shall be 150 basis points from previous settlement price)
Maximum Order Size	2500 lots for Banks and Institutions promoted by Banks All other entities 1000
Trading Months	First 3 consecutive serial months
Trading Days	Monday through Friday
Trading Hours	DGCX Trading Hours
Last Trading Day	Two Business Days prior to the last calendar day of the Contract Month except where that day is a bank holiday in either Dubai or Mumbai in which case the Last Day of Trading shall be the preceding Business Day that is not a bank holiday in either Dubai or Mumbai
New Contract Listing	Business Day immediately following the Last Day of Trading



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Initial Margin based on SPAN	The Initial Margin will be denominated in GBP and the same shall be converted into equivalent USD at the prevalent Spot market rate of USD/GBP to display Initial Margin Utilization in USD terms. At the outset, Initial Margin shall be GBP 60, subject to change from time to time.
Indicative VM**	Indicative VM on EOS-Clear will be displayed in USD as per the prevalent spot market rate for USD/GBP. DCCC shall update the spot rates for USD/GBP intraday for at least 3 times at 0600 hours, 1500 hours and End of DGCX Trading Hours
Calendar Spread Benefit	100% benefits is offered on calendar spread positions
Extra Margin	At times of high volatility, an extra margin, as deemed fit by the Exchange, may be charged
Delivery Period Margin	Not applicable
Spot rate	Shall be taken from available market data sources like Bloomberg and Reuters.

**\*\*Conversion of Variation Margin from Trading Currency into Settlement Currency Example**

VM at Close of DGCX Trading Hours is 50 GBP (Trading Currency)

The GBPUSD spot rate 1.6261 at close of DGCX Trading Hours.

The VM will be  $50 \times 1.6261 = 81.30$  USD (Settlement Currency) rounded off to the nearest US¢.

**Derivation of Final Cash Settlement Price from RBI Reference Rate Example**

RBI reference rate = 98.7251 INR for 1 GBP

GBP Pence per 100 INR =  $(100/98.7251) \times 100$  (Rounded off to the tick value i.e. 0.01 GBP Pence) = 101.29

**Derivation of Final Variation Margin at Expiry Based on the RBI Reference Rate Example**

RBI Reference Rate 1USD= 60.8400 INR, 1GBP= 98.7251

Derived GBPUSD Rate using RBI reference rate =  $98.7251/60.8400 = 1.6227$  (rounded off till the 4th decimal)

VM at 11.30 UAE Time is 50 GBP

The VM will be  $50 \text{GBP} \times 1.6227 = 81.14$  USD (Rounded off to the nearest US¢)



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**ANNEXURE 2-ADDITIONS TO THE PART M OF THE BY-LAWS (CHANGES HIGHLIGHTED)**

**Please see the additions made to Part M of the By-laws**

**M.1 General By-Law Relating to Specification of Currency Futures Contracts**

**M.1.7 Currencies Futures Contract Delivery Day**

The Currencies Futures Contract Delivery Day, with an exception of the Indian Rupee Futures Contract, **Mini INR/EUR Futures Contract and Mini INR/GBP Futures Contract**, shall be the third Wednesday of the Delivery Month, except where such Wednesday is a bank holiday in Dubai, in which case the Currencies Delivery Day shall be the first Business Day preceding the third Wednesday of the Delivery Month that is not a bank holiday in Dubai. **[Amended 25 November 2009]**

**M.1.9 Last Trading Day**

(a) The Last Trading Day, except in the case of Indian Rupee Futures Contracts, **and** Canadian Dollar Futures Contracts, **Mini INR/EUR Futures Contract and Mini INR/GBP Futures Contract**, shall be the second (2nd) Business Day prior to the Delivery Day, except where that day is a bank holiday in Dubai, in which case the Last Trading Day shall be the preceding Business Day that is not a bank holiday in Dubai. **[Amended 15 June 2010]**

(b) *(applicable to the October 2010 Delivery Month onwards)*

In the case of Indian Rupee Futures Contract, **Mini INR/EUR Futures Contract and Mini INR/GBP Futures Contract**, the Last Day of Trading shall coincide with the last day of trading for same Delivery Month Indian Rupee/USD futures contracts listed on the respective futures exchanges in India. Such day shall normally be the second (2nd) Business Day prior to the last working day of the Delivery Month, except where that day is a bank holiday in either Dubai or Mumbai, in which case the Last Day of Trading shall be the preceding Business Day that is not a bank holiday in either Dubai or Mumbai. (Working day shall mean a day on which the Reserve Bank of India in Mumbai is open for inter-bank settlement). **[Amended 15 September 2010]**

**M.2 Deliverable Currency**

**M.2.2 Compliance with Delivery Procedures**

(a) The Currency Contract Unit(s), except in the case of the Indian Rupee Futures Contracts, **Mini INR/EUR Futures Contract and Mini INR/GBP Futures Contract**,



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shall be delivered in fulfillment of a Currency Futures Contract in accordance with the delivery procedures set out in By-Law M.4.

- (b) In the case of Indian Rupee Futures Contracts, **Mini INR/EUR Futures Contract and Mini INR/GBP Futures Contract**, the fulfillment of a Contract shall be subject to Cash Only Settlement. **[Amended 25 November 2009]**

#### **M.4.7 Establishment of Final Cash Settlement Price**

This By-Law M4.7 shall apply to the following contracts only

**(a) For Indian Rupee Futures Contracts**

The Final Cash Settlement Price for Indian Rupee Futures Contracts shall be the US Dollar Reference Rate issued by the Reserve Bank of India, based on bank rates in Mumbai at 12 noon on the Last Day of Trading of the relevant Class of Indian Rupee Futures Contracts, expressed in Indian Rupees per US Dollar rounded off to the nearest tick value.

**(b) For Mini INREUR Futures Contracts**

The Final Cash Settlement Price for Indian Rupee Futures Contracts shall be the Euro Reference Rate issued by the Reserve Bank of India, based on bank rates in Mumbai at 12 noon on the Last Day of Trading of the relevant Class of Indian Rupee Futures Contracts, expressed in Indian Rupees per Euro rounded off to the nearest tick value.

**(c) For Mini INRGBP Futures Contracts**

The Final Cash Settlement Price for Indian Rupee Futures Contracts shall be the Pound Sterling Reference Rate issued by the Reserve Bank of India, based on bank rates in Mumbai at 12 noon on the Last Day of Trading of the relevant Class of Indian Rupee Futures Contracts, expressed in Indian Rupees per Sterling Pound rounded off to the nearest tick value.

#### **M.5A Role of the Clearing Corporation in Cash Only Settlement of the Indian Rupee Futures Contracts**

**(i) Open Positions Subject to Cash Only Settlement**

Open Positions that have not been Closed Out in the respective class of Indian Rupee Futures, **Mini INR/EUR Futures Contract and Mini INR/GBP Futures Contract** on or before the Last Day of Trading shall be subject to this By-Law M.5A.



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**M.8 Specifications for Individual Currency Futures Contracts**

**M.8.9 Specifications for the Mini INR/EUR Futures contracts**

- (d) The Currency Contract Unit for Mini INR/EUR Contracts is four hundred thousand (400,000) India Rupees.
- (e) The minimum price fluctuation for INR/EUR Contracts is EUR 0.000001 per INR.
- (f) The Cash Settlement Day shall be the Business Day immediately following the last day of Trading

**M.8.10 Specifications for the Mini INR/GBP Futures Contracts**

- (a) The Currency Contract Unit for Mini INR/GBP Contracts is four hundred thousand (400,000) India Rupees.
- (b) The minimum price fluctuation for INR/EUR Contracts is GBP 0.000001 per INR.
- (c) The Cash Settlement Day shall be the Business Day immediately following the last day of Trading

**ANNEXURE 3 - CONTRACTS CALENDAR**

**Mini INREUR Contract Calendar**

Contract Symbol	Contract Month	Trading Start Date	Last Trading Date
DINREUR-20141126	Nov-2014	24-Oct-14	26-Nov-14
DINREUR-20141229	Dec-2014	24-Oct-14	29-Dec-14
DINREUR-20150128	Jan-2015	24-Oct-14	29-Jan-15
DINREUR-20141126-20141229	Calendar Spread (M1-M2)	24-Oct-14	26-Nov-14

**Mini INRGBP Contract Calendar**

Contract Symbol	Contract Month	Trading Start Date	Last Trading Date
DINRGBP-20141126	Nov-2014	24-Oct-14	26-Nov-14
DINRGBP-20141229	Dec-2014	24-Oct-14	29-Dec-14
DINRGBP-20150128	Jan-2015	24-Oct-14	29-Jan-15
DINRGBP-20141126-20141229	Calendar Spread (M1-M2)	24-Oct-14	26-Nov-14





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**ANNEXURE 4 - FEE SCHEDULE**

<b>Fees</b>	<b>Per side per Lot (US\$)</b>
Trade Fee	0.03
Clearing Fee	0.03
SCA Fee	0.03