



Notice No.: TRDG-2014-040

Issue Date: November 28, 2014

Subject: Introduction of Cash Settled DGCX Soybean Oil Futures Contracts

Notice to all Members,

Subject: Introduction of Cash Settled DGCX Soybean Oil Futures Contracts

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

The Exchange shall introduce cash settled DGCX Soybean Oil Futures Contracts for trading with effect from **Friday, December 12, 2014**.

Please note that first contract available for trading will be May 2015 contract (expiring on April 18, 2015).

Further details about these Contracts can be found in the attached Annexures:

- Annexure 1 - Contract Specifications.
- Annexure 2 - Contract Calendar.
- Annexure 3 - Additions to the DGCX By-Laws to reflect the launch of Soybean Oil Futures Contracts.
- 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

DGCX Soybean oil Futures Contract Specifications

Contract	Parameters
Contract Symbol	DSOI
Underlying	China Soybean oil Futures
Contract Size	5 MT
Pricing Basis	
Price Quote	US dollars per MT
Minimum Tick Size	US\$ 0.50
Minimum Tick value	US\$ 2.50
Daily Price Range	US\$50*
Trading	
Contract Months	January, May and September delivery month contracts (3 contracts to be listed at any given time)
Trading Days	Monday through Friday
Trading Hours	0700 – 2230 hrs (Dubai Time)
Last Trading Day	Tenth last business day of the month preceding the Delivery Month. If it is a holiday in China or in the UAE, then the immediate preceding Business Day.
New Contract Listing	Business Day immediately following Last Trading Day of Expiring Contract
Settlement	
Settlement Basis	Cash
Final Settlement Price**	Cash settled against China Soybean oil Futures Price on DGCX futures contract expiry date. Currency conversion spot rate (CNY to USD) shall be as declared by People's Bank of China (PBoC) on a daily basis.
Quality Specification	Crude Soybean Oil GB 1535 Soybean oil (Crude Soybean oil, not suitable for direct eating). Content of phosphorus: subject to the relevant rules of SN/T 0798 in China. Other terms and definitions: subject to the relevant rules of GB1535 in China



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Contract		Parameters	
	Parameter	Quality Guideline	
	Odour & Flavour	Inherent Soybean Odour and Flavour	
	Moisture and Volatiles	≤0.2%	
	Insoluble Impurities	≤0.2%	
	Acid Value	≤3 mg KOH/g	
	Peroxide Value	≤7.5 mmol/kg	
	Residual Solvent Vol.	≤100 mg/kg	
	Phosphorous Vol.	≤200 mg/kg	
Margins			
Initial Margin	US\$100 per contract (subject to change)		
Order/ Position Limits			
Max Open Position Limit	As determined by the Exchange from time to time		
Max order Size	200 Contracts		
Block Trades	Minimum Block size permitted is 50 Contracts		

* 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\$50 as compared to the Previous Close Price. Exchange shall relax the intra-day price range for the prices of the contract approaching the US\$50 limit

** In case of a bank holiday in China on DGCX futures contract expiry date (PBoC not declaring currency conversion rate for CNY), previous day's currency conversion rate as declared by PBoC will be used.

Annexure 2: Contract Calendar

Products	Delivery Months	Contract Launch Date	Contract Expiry Dates
DSOI	May 2015	December 12, 2014	April 18, 2015
	September 2015	December 12, 2014	August 18, 2015
	January 2016	December 12, 2014	December 17, 2015



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Annexure 3: Additions to DGCX By-Laws

Part R. Soybean Oil Futures Contract Specifications

R.1 Scope of the By-Law

This Part R of the By-Laws shall apply to Soybean Oil Futures as described in By-Law R.2.

R.2 General By-Law Relating to Specifications of Soybean Oil Futures Contracts

R.2.1 Contract Size

DGCX Soybean Oil Futures Contract Size shall be 5 Metric Tons (MT).

R.2.2 Delivery Months

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

R.2.3 Minimum Price Fluctuations

Minimum price fluctuations for trading in Soybean Oil Futures Contracts shall be US Dollars 0.50 per MT (US\$2.50 per Contract).

R.2.4 Trading Hours

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

R.2.5 Trading Days

Days for trading in Soybean Oil Futures Contracts shall be Monday to Friday.

R.2.6 Last Day of Trading

The Last Day of Trading for Soybean Oil Futures Contracts shall be Tenth(10th) last Business day preceding the Delivery Month. If it is a holiday in China or in the UAE, then the immediate preceding Business Day.

R.2.7 Cash Settlement Day

The Cash Settlement Day for Soybean Oil Futures Contracts shall be the Business Day immediately following the Last Day of Trading.



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R.3. Cash Only Settlement

R.3.1. Establishment of Final Cash Settlement Price

- i. The front month settlement price for Chinese Soybean Oil Futures (as declared by local futures exchange in China) for the Last Day of Trading of the DGCX front month contract
 - a. Currency conversion spot rate (CNY to USD) shall be as declared by People's Bank of China (PBoC) on a daily basis.
 - b. In case of a bank holiday in China on DGCX futures contract expiry date (PBoC not declaring currency conversion rate for CNY), previous day's currency conversion rate as declared by PBoC will be used.
- ii. In case prices cannot be determined under R.3.1 (i) , the front month settlement price would be as declared by the Exchange based on prevailing market price for Soybean oil, determined using price data from a number of sources including physical and derivative markets.

R.4. DGCX Soybean Oil Futures Contract – Quality Specification

GB 1535 Soybean oil (Crude Soybean oil, not suitable for direct eating). Content of phosphorus: subject to the relevant rules of SN/T 0798 in China. Other terms and definitions: subject to the relevant rules of GB1535 in China.

R.4.1 The quality guidelines are:

- i. **Odour & Flavour:** Inherent Soybean Odour and Flavour
- ii. **Moisture and Volatiles:** $\leq 0.2\%$
- iii. **Insoluble Impurities:** $\leq 0.2\%$
- iv. **Acid Value:** ≤ 3 mg KOH/g
- v. **Peroxide Value:** ≤ 7.5 mmol/kg
- vi. **Residual Solvent Vol.:** ≤ 100 mg/kg
- vii. **Phosphorous Vol.:** ≤ 200 mg/kg

R.5. Role of Clearing Corporation in Cash Only Settlement of Soybean Oil Futures Contracts

R.5.1 Open Positions Subject to Cash Only Settlement

Open Positions that have not been Closed Out in the respective class of Soybean Oil Futures Contract on or before the Close on the Last Day of Trading shall be subject to this By-Law R.5.

R.5.1.1 Calculation of Cash Only Settlement Amount

For each Class of Soybean Oil Futures Contracts the Cash Only Settlement amount is the difference between Final Cash Settlement Price and previous Trading Day's Daily Settlement Price multiplied by the Contract Size as expressed in US Dollars.

R.5.2 Payment and Receipt of Cash Only Settlement Amount

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



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- 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.

R.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.

R.5.3 Time by which payments are to be made

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

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 off for all trades executed for the first three months from date of launch of the contract.