



**Subject: Introduction of Physical Gold Futures and Spot Gold Contracts**

Notice to all Members,

**Subject: Introduction of Physical Gold Futures and Spot Gold Contracts**

Pursuant to the DGCX By-Laws, and Clearing Rules of the DCCC, Members are hereby advised of the following.

DGCX will be launching Physical Gold Futures (“DPG”) and Spot Gold Contracts (“DSG”) (“the Contracts”), which will be made available for trading on and from **Monday, 05 September 2022**.

The Contracts will be available for trading on the EOS Platform, and will be cleared by DCCC in the normal manner. Attached at Annex I are the Amendments to Part X of the DGCX By-Laws. The Contract Specifications can be found at Annex II, and the Contract Calendar at Annex III.

The daily settlement price shall be established in accordance with DGCX’s standard procedures, and the Contracts will be physically delivered, with the Final Settlement Price being the appropriate reference price that is made publicly available on the Last Trading Day.

The Daily Price Range, No Cancellation and Mandatory Cancellation Ranges shall be as follows:

Contract	*Daily Price Range (in ticks)	No Cancellation Range (In ticks)	Mandatory Cancellation Range (in ticks)
DPG	12000	4000	8000
DSG	12000	4000	8000

\*There will be no limits on intra-day price movements and the Daily Price Range shall be relaxed during periods of extreme price volatility.

DCCC has determined the Initial Margin rates to be as follows:

Contract	Initial Margin
DPG	51,500
DSG	51,500

Contract	Delivery Margin
DPG	72,850
DSG	72,850

DGCX and DCCC have determined that the following fees shall apply until further notice:

Contract	DPG	DSG
Trading	\$2.18	\$81.25
Clearing	\$1.00	\$12.50
SCA	\$0.03	\$0.03

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Delivery	\$3.00	\$62.50
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Members requiring further information with regard to this Notice should contact their Relationship Manager.

**For Dubai Gold & Commodities Exchange**

**Louis Hems**  
**Commercial Director**

## **Amendments to the DGCX By-Laws**

### **Part X: Physical Gold Futures and Spot Gold Contract Specification**

#### **X.1. General By-Law relating to Specifications of Physical Gold Futures Contracts and Spot Gold Contracts**

##### **X.1.1. Scope of the By-Law**

This By-Law shall apply to Physical Gold Futures Contracts and Spot Gold Contracts as described in Part X of the By-Law

##### **X.2. Trading Hours**

The Trading Hours in Physical Gold Futures Contracts and Spot Gold Contracts shall be as determined by the Exchange from time to time.

##### **X.3. Trading Days**

The Trading Days in Physical Gold Futures Contracts and Spot Gold Contracts shall be as determined by the Exchange from time to time.

##### **X.4. Physical Delivery Arrangements**

###### **X.4.1. Approved Gold Refiners, and Vaults**

The Exchange shall from time to time determine and publish:

- (a) a list of Approved Gold Refiners whose gold bars shall be accepted as deliverable gold in fulfillment of Physical Gold Futures Contracts and Spot Gold Contracts; and
- (b) a list of Approved Vaults in the UAE in which gold may be stored for delivery in fulfillment of Physical Gold Futures Contracts and Spot Gold Contracts and whose certificate as to weight shall be accepted for gold delivered in fulfillment of Physical Gold Futures Contracts and Spot Gold Contracts.

###### **X.4.2. Matching of Delivery Obligations**

The Clearing Corporation shall confirm to the Buyer/Seller the delivery obligations by no later than the time prescribed by the Exchange on each Business Day.

###### **X.4.3 Notice/Tender Day**

The Notice/Tender Day shall be the next succeeding Business Day.

###### **X.4.4. Obligations of Seller**

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- (a) A Clearing Member holding a short position (“Seller”) at the close of trading on each Business Day shall provide to the Clearing Corporation confirmation (“Delivery Notice”) that the appropriate instructions have been entered into the Exchange’s delivery system with such information as the Exchange may prescribe by the specified time.
  
- (b) A Delivery Notice, once issued, cannot be withdrawn or cancelled without the written agreement of the Clearing Corporation.

**X.4.5. Gold to be Represented by an Electronic Gold Warrant**

Gold that is the subject of a Delivery Notice shall be stored in an Approved Vault and shall be represented by an Electronic Gold Warrant (“EGW”) that complies with the requirements of these By-Laws. Each EGW shall represent 1 lot.

**X.4.6. Roles of Clearing Corporation and DMCC for the Physical Gold Futures Contracts and Spot Gold Contracts**

**X.4.6.1. Clearing Corporation to Act as Seller’s Agent**

Each Seller who has issued a Delivery Notice shall be deemed to appoint the Clearing Corporation to act as its agent to perform one or more the following to the extent necessary to effect the delivery of gold subject to that Delivery Notice:

- (a) to instruct an Approved Vault to cancel a EGW representing such gold stored in the Approved Vault; and/or
- (b) to instruct an Approved Vault to issue two or more EGWs representing such gold in place of the cancelled EGW; and/or
- (c) to instruct DMCC to endorse by way of transfer to a Buyer or Buyers determined by the Clearing Corporation, the EGW or EGWs representing such gold.

**X.4.6.2. DMCC May Act on Behalf of Clearing Corporation**

The Clearing Corporation may, with the agreement of DMCC, authorize DMCC to act on its behalf to perform any of the acts referred to in By Law X.4.6.1.

**X.4.7. Delivery Procedure**

Where a Delivery Notice is allocated by the Clearing Corporation to one Buyer, on the Delivery Day the Clearing Corporation shall instruct DMCC, on behalf of the Seller to endorse the relevant EGW or EGWs by way of transfer to the Buyer.

Where a Delivery Notice is allocated by the Clearing Corporation to more than one Buyer, on the Delivery Day the Clearing Corporation shall instruct the Approved Vault in which the Gold represented by the EGW referred to on the Delivery Notice, to cancel the EGW and to issue two or more EGWs in place of the



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cancelled EGW. The Clearing Corporation shall instruct DMCC, on behalf of the Seller to endorse the relevant EGWs by way of transfer to the Buyers.

The transfer of EGWs to the Buyer is subject to receipt of payment which shall occur no later than 08:00 hours on the Delivery Day.

**X.4.8. Delivery Day**

The Delivery Day shall be the next succeeding Business Day following the Last Trading Day.

**X.4.9. Settlement Value**

The Settlement Value shall be calculated as

$SV = 25 \times P + \text{any adjustments for weight as prescribed by the Exchange from time to time.}$

Where

SV is the Settlement Value of the Contract, expressed in US Dollars, and

P is the Invoice Price, expressed in US Dollars per ounce.

**X.4.10. Invoice Price**

The Invoice Price referred to in By-Law X.4.9. shall be the Daily Settlement Price of the relevant Class of Contract on each Business Day.

**X.4.11. Payment**

By no later than 08:00 hours on the Delivery Day the Buyer to whom a Delivery Notice is allocated shall pay to the Clearing Corporation the Settlement Value.

By no later than 10:00 hours on the Delivery Day, and subject to the completion of the endorsements referred to in By-Law X.4.7., the Clearing Corporation shall pay the Settlement Value to the Seller.

**X.4.12. Default**

**X.4.12.1 Default by Seller**

- (a) Should a Seller not deliver by the time prescribed by the Exchange a Delivery Notice referred to in By-Law X.4.4.(a), or that the Delivery Notice does not contain the information prescribed by the Exchange, such Seller shall be in default.
  
- (b) Should a Seller fail to deliver Gold that conforms to in all relevant aspects to the description in By-Law X.5., such Seller shall be in default.

**X.4.12.2. Default by Buyer**



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- (a) Should payment for any delivery not be made by the Buyer by the time prescribed by the Clearing Corporation, such Buyer shall be in default.
  
- (b) Should delivery not be duly accepted by a Buyer or its agent as provided in these By-Laws, such Buyer shall be in Default.

**X.5. Contract Specification for Physical Gold Futures**

The Contract Size shall be 25 kg.

**X.5.1. Delivery Months**

The Exchange shall make Physical Gold Futures available for trading 10th, 20th and 30th Calendar Day contracts for one month.

**X.5.2. Minimum Price Movement**

The Minimum Price Movement shall be US\$0.10

**X.5.3. Final Settlement Price**

The Final Settlement Price shall be the Daily Settlement Price on each Business Day.

**X.5.4. Delivery**

The Contract shall be physically-delivered in accordance with By-Law X.4.

**X.5.5 Quality Specification**

Gold that is delivered under the Physical Gold Futures Contract shall be of a fineness of 995.0 parts per thousand and be of "UAE Good Delivery" quality specification within the chain of custody, as determined by DMCC from time to time.

**X.6. Contract Specification for Spot Gold**

The Contract Size shall be 25 kg.

**X.6.1. Delivery Months**

The Exchange shall make Spot Gold available for trading on each Business Day.

**X.6.2. Minimum Price Movement**

The Minimum Price Movement shall be US\$0.10

**X.6.3. Final Settlement Price**

The Final Settlement Price shall be the Daily Settlement Price on each Business Day.

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**X.6.4. Delivery**

The Contract shall be physically-delivered in accordance with By-Law X.4.

**X.6.5 Quality Specification**

Gold that is delivered under the Spot Gold Contract shall be of a fineness of 995.0 parts per thousand and be of "UAE Good Delivery" quality specification within the chain of custody, as determined by DMCC from time to time.



**Annex II**

**DGCX PHYSICAL GOLD FUTURES CONTRACT SUMMARY SPECIFICATION**

<b>Contract Type</b>	Physical Gold Futures Contract
<b>Contract Name</b>	Physical Gold Futures Contract
<b>Contract Symbol</b>	DPG
<b>Underlying</b>	0.995 purity of 1kg Gold bar of "UAE Good Delivery" specification within the chain of custody
<b>Contract Size</b>	25kg
<b>Notional Contract Value</b>	25 x Price
<b>Trading Currency</b>	USD
<b>Settlement Currency</b>	USD
<b>Price Quote</b>	US Dollars per kg
<b>Tick Size</b>	USD 0.10
<b>Tick Value</b>	USD 2.5
<b>Settlement Basis</b>	Physical Delivery
<b>Final Settlement Price (FSP)</b>	FSP is based on the publicly available reference price displayed on Last Trading Day
<b>Last Trading Day (LTD)</b>	<p>10<sup>th</sup>, 20<sup>th</sup> and 30<sup>th</sup> calendar days of the month. If 10<sup>th</sup>, 20<sup>th</sup> and 30<sup>th</sup> calendar days are not exchange business days, then the LTD shall be the business day prior to the 10<sup>th</sup>, 20<sup>th</sup> and 30<sup>th</sup> calendar days, respectively.</p> <p>In the month of February, the LTD shall be 28<sup>th</sup> / 29<sup>th</sup> calendar day of the month. If 28<sup>th</sup> / 29<sup>th</sup> calendar day is not an exchange business day, the LTD shall be the business day prior to the 28<sup>th</sup> / 29<sup>th</sup> calendar day.</p>
<b>Trading Days</b>	Exchange Business Days
<b>Delivery Day</b>	Business Day succeeding the Last Trading Day



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<b>Trading Hours</b>	07:00 – 20:00 Hours Dubai time
<b>Max Order Size</b>	200 Lots
<b>Trading Months</b>	10 <sup>th</sup> , 20 <sup>th</sup> and 30 <sup>th</sup> Calendar Day contracts for one month
<b>New Contract Listing</b>	Business Day immediately following the Last Trading Day
<b>Wholesale Trades</b>	Block Trade facility is available.
<b>Delivery Process</b>	Delivery through DMCC Tradeflow system. On the Business Day succeeding the Last Trading Day pay-in of funds and delivery-in of Gold Warrant to DMCC by 08:00. Pay-out of funds and delivery-out of Gold Warrant between 10:00 and 12:00
<b>Delivery Margin</b>	See link: <a href="http://www.dgcx.ae/initial-margins">www.dgcx.ae/initial-margins</a>
<b>No Cancellation Range</b>	See link: <a href="http://www.dgcx.ae/price-limits">www.dgcx.ae/price-limits</a>

\* See Exchange By-Laws Part X

**DGCX SPOT GOLD CONTRACT SUMMARY SPECIFICATION**

<b>Contract Type</b>	Spot Gold Contract
<b>Contract Name</b>	Spot Gold Contract
<b>Contract Symbol</b>	DSG
<b>Underlying</b>	0.995 purity of 1kg Gold bar of “UAE Good Delivery” specification within the chain of custody
<b>Contract Size</b>	25kg
<b>Notional Contract Value</b>	25 x Price
<b>Trading Currency</b>	USD
<b>Settlement Currency</b>	USD
<b>Price Quote</b>	US Dollars per kg

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<b>Tick Size</b>	USD 0.10
<b>Tick Value</b>	USD 2.5
<b>Settlement Basis</b>	Physical Delivery
<b>Final Settlement Price (FSP)</b>	FSP shall be the Daily Settlement Price on each Exchange Business Day
<b>Trading Days</b>	Exchange Business Days
<b>Trading Hours</b>	07:00 – 20:00 Hours Dubai time
<b>Max Order Size</b>	200 Lots
<b>Wholesale Trades</b>	Block Trade facility is available.
<b>Delivery Process</b>	Delivery through DMCC Tradeflow system. On T+1 pay-in of funds and delivery-in of Gold Warrant to DMCC by 08:00. Pay-out of funds and delivery-out of Gold Warrant between 10:00 and 12:00
<b>Delivery Margin</b>	See link: <a href="http://www.dgcx.ae/initial-margins">www.dgcx.ae/initial-margins</a>
<b>No Cancellation Range</b>	See link: <a href="http://www.dgcx.ae/price-limits">www.dgcx.ae/price-limits</a>

\* See Exchange By-Laws Part X



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**Annex III**

**CONTRACT CALENDAR**

<b>Contract Symbol</b>	<b>Contract Month</b>	<b>Trading Start Date</b>	<b>Last Trading Date</b>
DPG-20220909	Sep-22	05-Sep-22	09-Sep-22
DPG-20220920	Sep-22	05-Sep-22	20-Sep-22
DPG-20220930	Sep-22	05-Sep-22	30-Sep-22