

Notice No.: TRDG-2011-015

Issue Date: July 25, 2011

Sub.: Introduction of an Options Contract on the Indian Rupee/US Dollar Futures

Notice to all Members,

Sub: Introduction of an Options Contract on the Indian Rupee/US Dollar Futures

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

The Exchange shall list, with effect from **Monday, September 26 2011**, an Options Contract on the Indian Rupee/US Dollar Futures. At the outset, 1 (one) Expiry Month shall be made available to trade; accordingly on September 26 2011, the October 2011 Expiry Month will be available to trade.

Annexure 1 to the Notice provides the Contract Specifications, Annexure 2 outlines the Expiry Month calendar and Annexure 3 provides the amendments to the DGCX By-Laws required to incorporate the Options Contract on the Indian Rupee/US Dollar Futures.

Members are requested to take note of the above.

For Dubai Gold & Commodities Exchange

Gaurang Desai
Chief Operating Officer

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Annexure 1 – DINRO Contract Specifications

Trading Symbol	DINRO
Contract Size	One DGCX Indian Rupee Futures Contract
Price Quotation	US Dollars in Cents per 100 Indian Rupees
Tick Size	US\$ 0.000001 per INR or US\$ 2 per tick
Maximum Daily Price Fluctuation	No Daily Limit
Style of Option	European
Expiry Months[#]	Nearest three (3) Contract Months
Last Day of Trading	The Last Day of Trading for INR Options shall be the Last Day of Trading of the underlying INR Futures Contract.
New Contract Listing	Business Day immediately following the Last Day of Trading.
Exercise of Options	On the Last Day of Trading, all in-the-money options are exercised automatically against the Final Cash Settlement Price of the underlying Indian Rupee Futures Contract, however, should a Member choose not to exercise an in-the-money option, the Member is required to notify the Exchange latest by 23:45 hrs (15 minutes after trading ceases). All out-of-the-money options automatically expire worthless and will not be exercised.
Strike Prices	For each DINRO series, there shall be a Strike Price chain with a strike interval of INR 0.25 converted into US cents equivalent in 2 decimal points. At the outset, DINRO Strike Price chain will be available between INR 40.00 – 50.00 converted into US cents equivalent in 2 decimal points. At all times there will be a minimum of 3 in-the-money, 1 at-the-money and 3 out-of-money strikes available. Once the Daily Settlement Price approaches the lower end or higher end of the chain, additional strikes will be introduced for a minimum INR 5.00 with an interval of INR 0.25 converted into US cents equivalent in 2 decimal points.
Position Limit	To be determined by the Exchange
Margin Requirement	Buyer pays full premium, while the Seller is margined on SPAN [®] basis
Trading Hours	08:30 - 23:30 Hours Dubai time (GMT+4)
Trading Days	Monday through to Friday

At the outset only 1 (one) Expiry Month will be listed. Additional listing of Expiry Months will be communicated by the Exchange in due course.

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Annexure 2: Expiry Month Calendar

Contract Symbol	Expiry Month	Trading Start Date	Last Day of Trading	Settlement Date
DINRO	October-11	26-Sep-11	25-Oct-11	25-Oct-11
	November-11	26-Oct-11	28-Nov-11	28-Nov-11
	December-11	29-Nov-11	28-Dec-11	28-Dec-11

Annexure 3: Amendments to DGCX By-Laws

Bold Italic Red letters refer to addition to the By-Laws and strikeout refers to deletion.

Part H: General Market By-Laws

H.3 Rules applicable to Option Contracts listed on the Exchange

H.3.3 Rights of Buyer and Seller

(b) **Right of Buyer to Exercise:** The Buyer of an Option Contract may:

- (i) ***in respect of American Style Options and*** subject to By-Law H.3.3(c) exercise the Option at any time prior to the time determined by the Exchange for lodging Exercise Notices in the relevant Option Contract, in which case the Buyer shall become the holder of a bought futures position (in the case of a Call Option Contract), or the holder of a sold futures position (in the case of a Put Option Contract), in the Underlying Futures Contract in the same Delivery Month and at the same price as the Strike Price of the Option Contract bought; or
- (ii) ***in respect of European Style Options and subject to By-Law H.3.3(c) exercise the Option only at the time determined by the Exchange for lodging Exercise Notices in the relevant Option Contract, in which case the Buyer shall become the holder of a bought futures position (in the case of a Call Option Contract), or the holder of a sold futures position (in the case of a Put Option Contract), in the Underlying Futures Contract in the same Delivery Month and at the same price as the Strike Price of the Option Contract bought; or***
- (iii) ~~(ii)~~ allow the Clearing Corporation, on the Declaration Date, automatically to exercise the Option Contract or let it lapse, in accordance with the relevant Individual Contract Specifications.

Part M: Currency Futures and Options Contract Specification

M.7 Currency Options Contracts

M.7.1 Contract Unit

One Currency Futures Contract

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M.7.1.1 Contract Unit of Indian Rupee Options Contract

The Currency Contract Unit for Indian Rupee Options Contract is two million (2,000,000) Indian Rupees

M.7.2 Minimum premium fluctuations

As determined by the Exchange

M.7.2.1 Minimum premium fluctuations of Indian Rupee Options Contract

Minimum premium fluctuation of Indian Rupee Options Contract is 0.000001 US Dollars per Indian Rupee

M.7.3 Quotation of Strike Prices

As determined by the Exchange

M.7.3.1 Quotation of Strike Price of Indian Rupee Options Contract

Quotation of Strike Price of Indian Rupee Options Contract is Indian Rupee 0.25 converted into US Dollar cents equivalent in two decimal points

M.7.4 Expiry Months

As determined by the Exchange

M.7.5 Last Day of Trading

As determined by the Exchange

M.7.5.1 Last Day of Trading for Indian Rupee Options Contract

Last Day of Trading for Indian Rupee Options Contract shall be same as the Last Day of Trading of the underlying Indian Rupee Futures Contract.

If the Last Day of Trading for underlying Indian Rupee Futures is amended for any reason, the Last Trading Day for Indian Rupee Options will be amended accordingly.

~~M.7.5 Declaration Date~~

~~As determined by the Exchange~~

~~M.7.6 Time at which trading ceases on Declaration Date~~

~~As determined by the Exchange~~