

**Notice No.:** TRDG-2007-030

**Issue Date:** October 04, 2007

**Sub.: Introduction of Steel Rebar Futures**

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Notice to all Members,

**Sub.: Introduction of Steel Rebar Futures**

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

The Exchange shall introduce Steel Rebar Futures contract for trading with effect from Monday, October 29, 2007.

Initially, February 2008 Steel Rebar futures contract will be listed followed by other contracts as per proposed Schedule of Listing provided in Annexure 1.

Addendum to the DGCX By-Laws of the Exchange in respect of Steel Rebar futures contracts are enclosed in Annexure 2. Contract specifications are enclosed in Annexure 3.

Lists of Approved Producers and Approved Delivery Points are enclosed in Annexure 4.

**In order to provide an opportunity to members to get them familiarized with trading in Steel Rebar futures contract, a mock trading session will be conducted on Saturday, October 27, 2007 between 1100 to 1300 hours.**

Members are requested to take note of the above.

**For Dubai Gold & Commodities Exchange**

**Gaurang Desai**  
**Head of Market Operations**

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**Annexure 1 – Steel Rebar Futures Schedule of Listing**

| Contract Symbol | Contract Launch / Trading Start Date | Contract Expiry Date |
|-----------------|--------------------------------------|----------------------|
| DSTL            | 29-Oct-2007, Mon                     | 07-Feb-2008, Thu     |
|                 | 05-Nov-2007, Mon                     | 06-Mar-2008, Thu     |
|                 | 10-Dec-2007, Mon                     | 03-Apr-2008, Thu     |
|                 | 07-Jan-2008, Mon                     | 01-May-2008, Thu     |
|                 | 04-Feb-2008, Mon                     | 05-Jun-2008, Thu     |
|                 | 10-Mar-2008, Mon                     | 03-Jul-2008, Thu     |
|                 | 10-Mar-2008, Mon                     | 07-Aug-2008, Thu     |
|                 | 10-Mar-2008, Mon                     | 04-Sep-2008, Thu     |
|                 | 17-Mar-2008, Mon                     | 12-Jun-2008, Thu     |
|                 | 24-Mar-2008, Mon                     | 19-Jun-2008, Thu     |
|                 | 31-Mar-2008, Mon                     | 26-Jun-2008, Thu     |
|                 | 07-Apr-2008, Mon                     | 03-Jul-2008, Thu     |
|                 | 07-Apr-2008, Mon                     | 02-Oct-2008, Thu     |
|                 | 14-Apr-2008, Mon                     | 10-Jul-2008, Thu     |
|                 | 21-Apr-2008, Mon                     | 17-Jul-2008, Thu     |
|                 | 28-Apr-2008, Mon                     | 24-Jul-2008, Thu     |
|                 | 05-May-2008, Mon                     | 31-Jul-2008, Thu     |
|                 | 12-May-2008, Mon                     | 07-Aug-2008, Thu     |
|                 | 12-May-2008, Mon                     | 06-Nov-2008, Thu     |
|                 | 19-May-2008, Mon                     | 14-Aug-2008, Thu     |
|                 | 26-May-2008, Mon                     | 21-Aug-2008, Thu     |
|                 | 02-Jun-2008, Mon                     | 28-Aug-2008, Thu     |
|                 | 09-Jun-2008, Mon                     | 04-Sep-2008, Thu     |
|                 | 09-Jun-2008, Mon                     | 04-Dec-2008, Thu     |
|                 | 09-Jun-2008, Mon                     | 05-Mar-2009, Thu     |
|                 | 09-Jun-2008, Mon                     | 04-Jun-2009, Thu     |

## **Annexure 2 – Addendum to DGCX By-Laws**

### **New Definitions**

Short Term Futures Contract      a Futures Contract in which the expiry and delivery period are not designated by reference to a Delivery Month, but rather to a specific calendar date

## **Part K. Domestic Steel Futures and Options Contract Specification**

### **K.1 Interpretation**

#### **K.1.1 Definitions**

In this Part K of the By-Laws, terms not defined in Part A of the By-Laws bear the following meaning and where there is an inconsistency between a definition in Part A of the By-Laws and the definition below, the definition below shall prevail.

|                              |   |
|------------------------------|---|
| Approved CMI                 | a CMI approved by the Exchange in accordance with By Law K. 4 (d)   |
| Approved DCR Issuer          | a DCR Issuer approved by the Exchange in accordance with By Law K.4 (c) to issue DCR's representing steel bars for the purpose of enabling delivery in fulfillment of a Domestic Steel Futures Contract.    |
| Approved Delivery Point      | a warehouse or other facility approved by the Exchange in accordance with By-Law K.4 (b) at which steel may be delivered in fulfillment of a Domestic Steel Futures Contract                                |
| Approved Producer            | a steel producer or re-rolling mill approved by the Exchange in accordance with By Law K.4 (a)  |
| BSI Steel Bar Standard       | the specification for carbon steel bars for the reinforcement of concrete published by BSI as BS 4449/W460B and dated May 1997  |
| Business Day                 | a Business Day as defined in By-Law A.2, excluding Fridays  |
| Buyer's Notice of Preference | a notice issued by a Buyer in accordance with By-Law K.5.5  |
| Delivery Week                | In respect of a Class of Domestic Steel Futures Contract that are Short Term Futures Contracts, a period of Four (4) Business Days Commencing on the second Business Day following the last day of trading, |

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|                                 |   |
|---------------------------------|---|
|                                 | during which steel may be delivered in fulfillment of such Contracts  |
| DGCX Surface Condition Code     | A printed or electronic document produced by the Exchange containing photographs of steel bars showing various levels of rust and rust staining |
| FCA                             | As that term is defined in Incoterms  |
| Incoterms                       | A set of standard trade definitions developed and promulgated by International Chamber of Commerce, Commission or Commercial Law and Practice.  |
| Mill Test Certificate or "MTC"  | a certificate issued by an Approved Producer, conforming to the Euronorm Standard EN10204 Level 3.1 (b)   |
| Nominal Diameter                | nominal size as defined in the BSI Steel Bar Standard   |
| Steel Delivery Rejection Notice | a notice issued by a Buyer in accordance with By-Law K.12.1   |

**K.2 Domestic Steel Futures Contract**

**K.2.1 Contract Unit**

Ten (10) metric tonnes of prime weldable steel bars for reinforcement of concrete.

**K.2.3 Delivery Months and Delivery Weeks**

Trading in Domestic Steel Futures Contracts shall be conducted for such Delivery Months and Delivery Weeks as the Exchange may determine from time to time.

**K.2.4 Price basis and Minimum price fluctuations**

- (a) Prices shall be quoted in US Dollars per metric tonne, customs cleared, duty unpaid, FCA (named place) at an Approved Delivery Point.
- (b) Minimum price fluctuations for trading in domestic steel futures contracts shall be U.S. Dollars 0.10 per metric tonne.

**K.2.5 Trading hours**

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

### **K.2.6 Trading days**

Days for trading in Domestic Steel Futures Contracts shall be determined by the Exchange from time to time.

### **K.2.7 Last trading day**

- (a) The last trading day for Domestic Steel Futures Contracts that are not Short Term Futures Contracts shall be the first Thursday of the Delivery Month, provided that if such day is not a Business Day, the last day of trading shall be the Business Day immediately preceding that Thursday.
- (b) The last trading day for Domestic Steel Futures Contracts that are Short Term Futures Contracts shall be the Thursday of the week immediately prior to the Delivery Week, provided that if such day is not a Business Day, the last day of trading shall be the Business Day immediately preceding that Thursday.

## **K.3 Deliverable steel**

### **K.3.1 Description of Deliverable Steel**

- (a) Deliverable steel shall be approximately ten metric tonnes (as determined by By-Law K.3.5) of weldable steel bars for reinforcement of concrete and shall conform to the Grade W460B and Type 2 as defined in the BSI Steel Bar Standard 4449 (1997).
- (b) Deliverable steel bars shall have a Nominal Diameter of sixteen (16), twenty (20), twenty five (25) or thirty two (32) millimetres.
- (c) Deliverable steel bars shall have a length of twelve thousand (12000) millimetres (with a tolerance of twelve thousand (12000) millimetres to twelve thousand one hundred (12100) millimetres)
- (d) All steel bars in a bundle, as described in By-Law K.3.2 (a), shall be of the same Nominal Diameter, be produced from the same heat of steel
- (e) Each lot representing a contract of deliverable steel shall be accompanied by one (1) MTC for each heat of steel contained in that lot
- (f) All bundles in a lot representing a contract of deliverable steel shall be comprised of bars with the same Nominal Diameter, produced by an Approved Producer.

### **K.3.2 Packing and Identification of Deliverable Steel**

- (a) Every lot representing a contract of deliverable steel shall be packed in five (5) bundles of approximately two (2) metric tonnes each. Each bundle shall be secured in a manner prescribed by the Exchange
- (b) Each steel bar shall carry such identifying marks as the Exchange may prescribe

### **K.3.3 Mill Test Certificate**

Each lot representing a contract of deliverable steel shall be accompanied by a Mill Test Certificate issued by an Approved Producer.

### **K.3.4 Number of Bars per Bundle**

The number of steel bars per bundle shall be as follows:

- (a) where the Nominal Diameter of the steel bars is 16 mm. the number of bars per bundle shall be not less than one hundred and four (104);
- (b) where the Nominal Diameter of the steel bars is 20 mm the number of steel bars per bundle shall be not less than sixty six (66);
- (c) where the Nominal Diameter of the steel bars is 25 mm the number of bars per bundle shall be not less than forty two (42);
- (d) where the Nominal Diameter of the steel bars is 32 mm the number of bars per bundle shall be not less than twenty six (26)

### **K.3.5 Contract Weight of Delivered Steel**

The weight of each lot representing a contract (the "Contract Weight") shall be calculated on a theoretical weight basis, determined as follows:

- (a) where the Nominal Diameter of the delivered bars is 16 mm,
  - (i) and the number of bars per bundle is one hundred and four (104), the Contract Weight shall be 9.85296 metric tonnes;
  - (ii) and the number of bars per bundle is one hundred and five (105), the Contract Weight shall be 9.94770 metric tonnes;
  - (iii) and the number of bars per bundle is one hundred and six (106) or more, the Contract Weight shall be 10.04244 metric tonnes
- (b) where the Nominal Diameter of the delivered bars is 20 mm, the Contract Weight shall be 9.76536 metric tonnes;
- (c) where the Nominal Diameter of the delivered bars is 25 mm,
  - (i) and the number of bars per bundle is forty two (42), the Contract Weight shall be 9.71208 metric tonnes;
  - (ii) and the number of bars per bundle is forty three (43), the Contract Weight shall be 9.94332 metric tonnes;
  - (iii) and the number of bars per bundle is forty four (44) or more, the Contract Weight shall be 10.17456 metric tonnes
- (d) where the Nominal Diameter of the delivered bars is 32 mm, the Contract Weight shall be 9.984828 metric tonnes

### **K.3.6 Condition of Bars**

- (a) Deliverable steel bars shall be in an undamaged condition
- (b) Deliverable steel shall either be free of oils, greases or similar surface contaminants
- (c) Deliverable steel shall be free of rust and rust staining, or evidence la level of rust and rust staining not worse than Level 20 shown in the DGCX Surface Condition Code.

### **K.3.7 Age and Certification of Deliverable Steel**

For steel to be deliverable the Delivery Day shall be not later than twelve (12) months after the production date shown on the Mill Test Certificate.

### **K.4 Approved Producers, Delivery Points, DCR Issuers, and CMIs**

The Exchange shall from time to time determine and publish:

- (a) a list of Approved Producers whose steel bars shall be accepted as deliverable steel in fulfillment of a Domestic Steel Futures Contract;
- (b) a list of Approved Delivery Points at which steel may be delivered in fulfillment of a Domestic Steel Futures Contract
- (c) a list of Approved DCR Issuers whose DCR's representing steel bars may be used for delivery in fulfillment of a Domestic Steel Futures Contract and whose certification as to quantity shall be accepted for steel delivered in fulfillment of a Domestic Steel Futures Contract;
- (d) a list of Approved CMIs whose certification as to quantity and quality, including rust, shall be accepted for steel delivered in fulfillment of a Domestic Steel Futures Contract;

### **K.5 Delivery Notices and Buyer's Notice of Preference**

#### **K.5.1 Issuance of Delivery Notices**

- (a) A Clearing Member holding a short position ("Seller") intending to deliver shall provide to the Clearing Corporation a Delivery Notice by a time on the Notice Day, prescribed by the Exchange, containing such information regarding the steel to be delivered as the Exchange may prescribe.
- (b) A Delivery Notice, once issued, cannot be withdrawn or cancelled without the written agreement of the Clearing Corporation. Such withdrawal or cancellation shall in no circumstances occur after the close of trading on day on which the Delivery Notice is issued.

#### **K.5.2 Steel to be Represented by a DCR**

- (a) Steel that is the subject of a Delivery Notice shall be represented by a DCR issued by an Approved DCR Issuer and that complies with the requirements of these By-Laws.
- (b) Following issuance of a Delivery Notice the DCR referred to in By-Law K.5.2 (a) may not be cancelled or transferred other than in accordance with By-Law K.9.

#### **K.5.3 Delivery Days**

For each Class of Contract the Delivery Days shall be the four (4) Business Days, commencing on the first Monday following the last day of trading, provided that, if that Monday is not a Business Day, the Delivery Days shall be the next four (4) Business Days (excluding Fridays).

#### **K.5.4 Notice Days**

For each Class of Contract the Notice Day shall be the last trading day as specified in By-Law K.2.7.

#### **K.5.5 Buyer's Notice of Preference**

- (a) A Buyer holding a long position in a Domestic Steel Futures Contract may lodge a Buyer's Notice of Preference with the Clearing Corporation.
- (b) A Buyer's Notice of Preference shall be in a form prescribed by the Clearing Corporation and may be lodged with the Clearing Corporation on the Notice Day not later than a time prescribed by the Exchange.
- (c) A Buyer's Notice of Preference shall contain a statement of those delivery locations at which the Buyer would prefer to receive delivery and the Nominal Diameters of steel bars that the Buyer would prefer to receive.
- (d) A Buyer's Notice of Preference is not binding on the Clearing Corporation and the Clearing Corporation shall not be liable for any loss that Buyer may suffer as a result of the Buyer receiving steel bars that do not conform to the Buyer's Notice of Preference.

### **K.6 Roles of Clearing Corporation and DMCC**

#### **K.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 steel subject to that Delivery Notice:

- (a) to instruct an Approved DCR Issuer to cancel a DCR representing such steel located at an Approved Delivery Point; and/or



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- (b) to instruct an Approved DCR Issuer to issue two or more DCR's representing such steel in place of the cancelled DCR; and/or
- (c) to instruct DMCC to endorse by way of transfer to a Buyer or Buyers determined by the Clearing Corporation, the DCR or DCR's representing such steel .

**K.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 K.6.1

**K.7 Settlement Value**

**K.7.1 Calculation of Settlement Value**

The Settlement Value for each Contract shall be calculated as:

$$SV = W \times P$$

Where

SV is the Settlement Value expressed in US Dollars;

W is the Contract Weight of the steel delivered in fulfillment of the Contract, as determined by By-Law K.3.5, and

P is the invoice price, expressed in US Dollars per metric tonne.

**K.7.2 Invoice Price**

The invoice price referred to in By-Law K.7.1 shall be the Daily Settlement Price of the relevant Class of Contract on the Notice Day.

**K.8 Allocation of Delivery Notices and Advice to Sellers and Buyers**

**K.8.1 Allocation of Delivery Notices**

- (a) Following receipt of the Delivery Notice the Clearing Corporation shall, not later than a time on the Business Day following the Notice Day prescribed by the Exchange, allocate that Delivery Notice to a Clearing Member holding a long position ("Buyer").
- (b) Where the Delivery Notice is in respect of more than one Contract the Clearing Corporation may allocate that Notice to more than one Buyer.

**K.8.2 Advice to Buyers and Sellers**

- (a) Following allocation of a Delivery Notice in accordance with By-Law K.8.1 (a) the Clearing Corporation shall advise the Seller and Buyer accordingly.

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- (b) Where a Delivery Notice is allocated to more than one Buyer in accordance with By-Law K.8.1 (b) the advice referred to in By-Law K.8.2 (a), shall provide to each Buyer details only of such as that Buyer is to receive under the allocation.
- (c) The advice to the Buyer and Seller referred to in By-Laws K.8.2 (a) shall include the Settlement Value for each Contract.

## **K.9 Delivery procedure**

### **K.9.1 Delivery Where a Notice is Allocated to One Buyer**

- (a) Where a Delivery Notice is allocated by the Clearing Corporation to one Buyer, on the Delivery Day immediately following the day on which the Notice is issued by a Seller the Clearing Corporation shall instruct DMCC, on behalf of the Seller in accordance with By-Law K.6, to endorse the relevant DCR or DCR's by way of transfer to the Buyer.
- (b) The issuing of the instruction to DMCC referred to in By Law K.9.1 (a) shall be subject to the receipt by the Clearing Corporation of the payment referred to in By Law K.10.1 from the Buyer.
- (c) The endorsement by DMCC referred to in By-Law K.9.1 (a) shall be performed not later than a time prescribed by the Corporation.

### **K.9.2 Delivery where a Notice is Allocated to More Than One Buyer**

- (a) Where the Delivery Notice is allocated by the Clearing Corporation to more than one Buyer, the Clearing Corporation, on behalf of the Seller in accordance with By-Law K.6, and not later than a time prescribed by it, shall
  - (i) instruct the Approved DCR Issuer to cancel the DCR referred to in By-Law K.5.2 (a); and
  - (ii) instruct the Approved DCR Issuer to issue two or more DCR's in place of the cancelled DCR; and
  - (iii) subject to receipt of payment in accordance with By-Law K.10.1 from a Buyer to whom the Delivery Notice is allocated, instruct DMCC to endorse the relevant DCR by way of transfer to that Buyer.
- (b) The instruction issued by the Clearing Corporation under By-Law K.9.2 (a) (ii) shall include advice as to the quantity and description of steel that is to be represented by each of the DCR's that are to be issued by the Approved DCR Issuer.
- (c) The issuing of the instruction to DMCC referred to in By-Law K.9.2 (a) (iii) shall be subject to the receipt by the Clearing Corporation of the payment referred to in By Law K.10.1 from the Buyer.
- (d) The endorsement by DMCC referred to in By-Law K.9.2 (a) (iii) shall be performed not later than a time prescribed by the Clearing Corporation.

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- (e) Where, in order to comply with an instruction from the Clearing Corporation in accordance with By-Laws K.9.2 (a) and (b), an Approved DCR Issuer is required to break up a lot of steel, for which it holds a single CMI-Certified DCR, into two or more DCR's, it shall be sufficient for the purposes of By-Law K.5.2 for the Approved DCR Issuer to include in such DCR's a certification as to the quantity and quality of the relevant bars as shown on the certification by an Approved CMI accompanying the original lot.
- (f) Where the manager of an Approved Delivery Point issues a DCR in accordance with By-Law K.9.2 (e) its responsibility for the accuracy of such certification shall be limited to that of ensuring that the information in the certification correctly reproduces that on the original certification issued by the Approved CMI.

## **K.10 Payment**

### **K.10.1 Payment by Buyer**

On the Delivery Day a Buyer to whom a Delivery Notice is allocated shall, not later than a time prescribed by the Clearing Corporation, pay the Settlement Value to the Clearing Corporation:

### **K.10.2 Payment to Seller**

On the Delivery Day the Clearing Corporation shall, subject to completion of the endorsements referred to in By-Laws K.8.1 (a) or K.8.1 (b) (iii), as the case may be, and not later than a time prescribed by it, pay the Settlement Value to the Seller

## **K.11 Default**

### **K.11.1 Default by Seller**

- (a) Should a delivery not be duly made by a Seller or its Agent as provided in these Domestic Steel Contract Specifications, such Seller shall be in default.
- (b) Should a Seller not have issued a Delivery Notice in respect of an Open Position existing at the close of trading on the last trading day, such Seller shall be in default.
- (c) Should a Seller fail to deliver steel that conforms in all relevant respects to the description in By-Law K.3, such Seller shall be in default.

### **K.11.2 Default by Buyer**

- (a) Should a delivery not be duly accepted by a Buyer or its Agent as provided in these Domestic Steel Contract Specifications, such Buyer shall be in default.

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- (b) Should payment for any delivery not be made by the Buyer as provided in these Domestic Steel Contract Specifications the Clearing Corporation is authorized to sell the steel forthwith.

**K.12 Buyer's Right to Reject Steel**

**K.12.1 Steel Delivery Rejection Notice**

- (a) Where delivered steel is represented by an Issuer-certified DCR, or is represented by a CMI-Certified DCR in which the certification as to compliance with By-Law K.3.6 was issued more than thirty (30) days prior to the Delivery Day, the Buyer may issue to the Clearing Corporation a Steel Delivery Rejection Notice, in a form prescribed by the Clearing Corporation.
- (b)
- (i) A Steel Delivery Rejection Notice must
- A) be accompanied by a prescribed deposit, and
- B) be submitted to the Clearing Corporation not later than a prescribed time on the Business Day following the day of endorsement to the Buyer by DMCC of the DCR representing the steel in accordance with By-Law K.9.1 (a) or By-Law K.9.2 (a) (iii), as the case may be
- (ii) The prescribed deposit and the prescribed time referred to in By-Law K.12.1 (b) (i) shall be determined from time to time by the Clearing Corporation.
- (c) A Steel Delivery Rejection Notice may not be issued where the DCR by which the delivery was effected has been cancelled by the Buyer or endorsed by way of transfer by the Buyer.

**K.12.2 CMI Inspection**

Upon receipt of a Steel Delivery Rejection Notice the Clearing Corporation shall arrange for the steel to be inspected by an Approved CMI for compliance with By-Law K.3.6

**K.12.3 Steel Found to be in Compliance**

Where the Approved CMI referred to in By-Law K.12.2 certifies that the steel complies with By-Law K.2.6

- (a) The Clearing Corporation shall notify the Buyer and the Seller in writing of the result of the certification, and
- (b) The Buyer shall be obliged to accept delivery of the steel, and
- (c) The Buyer shall within seven (7) days of the notification referred to in By-Law K.12.3 (a) reimburse the Clearing Corporation for the cost of the certification referred to in By-Law K.12.2
- (d) The fee referred to in By-Law K.12.1 (b) shall not be refunded to the Buyer.

#### **K.12.4 Steel Found Not to be in Compliance**

Where the Approved CMI referred to in By-Law K.12.2 certifies that the steel does not comply with By-Law K.3.6

- (a) The Clearing Corporation shall notify the Buyer and the Seller in writing of the result of the certification, and
- (b) The Buyer shall not be obliged to accept delivery of the steel, and
- (c) The Buyer shall be refunded by the Clearing Corporation the fee referred to in By-Law K.12.1 (b), and
- (d) The Seller shall within three (3) Business Days of the notification referred to in By-Law K.12.4 (a)
  - (i) pay to the Clearing Corporation an amount equal to the sum of the fee referred to in By-Law K.12.1 (b) and the cost of the certification referred to in By-Law K.12.2, together with such additional fee as the Clearing Corporation may determine, and
  - (ii) deliver to the Buyer steel that is accompanied by a certification issued not more than ninety (90) days prior to the delivery day by an Approved CMI that it is of a quantity and quality such that it complies fully with the description of deliverable steel
- (e) Should delivery not be made by the Seller in accordance with By-Law K.12.4 (d)
  - (ii) the Seller shall be in default
- (f) Should delivery made in accordance with By-Law K.12.4 d) (ii) not be accepted by the Buyer, the Buyer shall be in default

#### **K.13 Alternative Delivery Procedure**

- (a) (a)Where a Delivery Notice issued by a Seller has been allocated to a Buyer, the Buyer and Seller may agree that delivery be made under terms and conditions that differ from these By-Laws.
- (b) (b)In such a case, the Buyer and the Seller shall submit to the Clearing Corporation an alternative delivery completion notice in a prescribed format and before such time as is prescribed by the Clearing Corporation.
- (c) (c)The submission of the alternative delivery completion notice referred to in By-Law K.13 (b) shall release the Clearing Members and the Clearing Corporation from their respective obligations under the terms of these By-Laws in respect of those Contracts that are the subject of the alternative delivery notice.

#### **K.14 Domestic Steel Options Contract**

##### **K.14.1 Contract Unit**

One Domestic Steel Futures Contract

**K.14.2 Minimum premium fluctuations**

As determined by the Exchange

**K.14.3 Quotation of Strike Prices**

As determined by the Exchange

**K.14.4 Expiry Months**

As determined by the Exchange

**K.14.5 Declaration Date**

As determined by the Exchange

**K.14.6 Time at which trading ceases on Declaration Date**

As determined by the Exchange

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**Annexure 3 – Contract Specifications – Steel Rebar Futures Contract**

**Trading:**

|  |  |
|--|--|
| <b>Contract Symbol</b>                                       | DSTL   |
| <b>Underlying Asset</b>                                      | Prime weldable steel reinforcement bar ('rebar')   |
| <b>Contract Size</b>   | 10 metric tonnes   |
| <b>Quality Specification</b>                                 | BS 4449 (1997) W 460 B Type 2  |
| <b>Trading Weeks/Months</b>                                  | Weekly for first 13 weeks<br>Monthly for four to six months forward<br>Quarterly for months nine to twelve forward |
| <b>Trading Days</b>  | Monday through Thursday  |
| <b>Trading Hours</b>   | 1000 – 1800 hrs  |
| <b>Last Trading Day (Monthly contracts)</b>                  | First Thursday of Delivery Month. If first Thursday is holiday then preceding Trading Day                          |
| <b>Last Trading Day (Weekly contracts)</b>                   | Thursday of the week prior to Delivery Week. If first Thursday is holiday then preceding Trading Day               |
| <b>New Contract Listing (All contracts)</b>                  | Trading Day immediately following Last Trading Day of Expiring Contract  |
| <b>Notice Day</b>  | Last Trading Day of the respective contract  |
| <b>Delivery Period</b>                                       | The four Trading Days following the last day of trading  |
| <b>EFPs</b>  | As per DGCX By-Laws  |
| <b>EFSSs</b>   | As per DGCX By-Laws  |
| <b>Last time for lodging EFPs and EFSSs for registration</b> | 19.00 on any Trading Day for any listed contract   |
| <b>ADPs</b>  | As per By-Law K.13   |

**Position Limits**

|                                |   |
|--------------------------------|---|
| <b>Max Open Position Limit</b> | As determined and specified by the Exchange.<br>A maximum of 1,000 metric tonnes (100 lots) is applicable during last four Trading Days of the front contract |
|--------------------------------|---|

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|                       |               |
|-----------------------|---------------|
| <b>Max Order Size</b> | 100 contracts |
|-----------------------|---------------|

**Pricing**

|                                   |  |
|-----------------------------------|--|
| <b>Price Quote</b>                | US\$ per metric tonne  |
| <b>Minimum Tick Size</b>          | US\$ 0.10 per metric tonne (US\$ 1 per contract )                              |
| <b>Daily Price Movement Limit</b> | US\$ 25 per metric tonne   |
| <b>Price Basis</b>                | Customs cleared, duty unpaid, FCA (named place) at an Approved Delivery Point. |

**Margins**

|                               |   |
|-------------------------------|---|
| <b>Initial Margin</b>         | As determined by the Exchange from time to time using SPAN Margin System. At the outset, Minimum Initial Margin shall be US\$ 300 per lot |
| <b>Delivery period margin</b> | During the last four days of trading the front contract, a minimum Delivery Margin of US\$ 600 per lot shall be applied                   |

**Underlying Asset**

|                              |   |                       |                        |                          |                       |
|------------------------------|---|-----------------------|------------------------|--------------------------|-----------------------|
| <b>Delivery Unit</b>         | <ul style="list-style-type: none"> <li>• Each lot to be made up of five, uniform piece-counted bundles of 2 metric tonnes (nominal) basis theoretical weight invoicing (kg/m), consisting exclusively of 12000 mm (nominal) bars of one diameter only, namely 16,20, 25, or 32 mm (nominal)</li> <li>• Each bundle to consist of bars produced by a DGCX Approved Producer exclusively from one heat.</li> <li>• Each bar to be hard stamped with mill logo no less than once per 1.5 metres</li> <li>• Each mill's pre-approved bar pattern to be repeated no less than once per 1.5 metres</li> </ul> |                       |                        |                          |                       |
| <b>Mill Test Certificate</b> | Supplied for every heat in every bundle (minimum of 1 Mill Test Certificate per lot)  |                       |                        |                          |                       |
| <b>Diameter</b>              | <b>Theoretical weight (kg/meter)</b>  | <b>12000mm kg/bar</b> | <b>Bars per bundle</b> | <b>Bundle mass (kgs)</b> | <b>10mt lot (kgs)</b> |
| • 16mm (green)               | 1.579   | 18.948                | 104                    | 1970.592                 | 9852.96               |
| • 16 mm (blue)               | 1.579   | 18.948                | 105                    | 1989.540                 | 9947.70               |



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|                 |  |        |     |          |          |
|-----------------|--|--------|-----|----------|----------|
| • 16mm (orange) | 1.579  | 18.948 | 106 | 2008.488 | 10042.44 |
| • 20mm          | 2.466  | 29.592 | 66  | 1953.072 | 9765.36  |
| • 25mm (yellow) | 3.854  | 46.248 | 42  | 1942.416 | 9712.08  |
| • 25mm (red)    | 3.854  | 46.248 | 43  | 1988.664 | 9943.32  |
| • 25mm (white)  | 3.854  | 46.248 | 44  | 2034.912 | 10174.56 |
| • 32mm          | 6.313  | 75.756 | 26  | 1969.656 | 9848.28  |
| <b>Packing</b>  | <ul style="list-style-type: none"> <li>• Each bundle secured by a minimum of 4 wire rope / signode / other pre-approved straps, at least 1 at each end and at least 1 in middle</li> <li>• Either on acceptance into delivery location or beforehand, ends of 16 &amp; 25 mm bundles to be colour-coded (per the above table)</li> <li>• A minimum of 1 hard-stamped or indelibly marked label at each end of every bundle, including (as a minimum): Mill name / logo, Heat #, Grade / size, Bar Count</li> </ul> |        |     |          |          |

**Delivery**

|                             |  |
|-----------------------------|--|
| <b>Delivery Tolerance</b>   | All 10 metric tonne lots must adhere to piece counts and theoretical weights prescribed above. No deviation or delivery tolerance is permitted |
| <b>Delivery Location</b>    | DGCX Approved Delivery Point   |
| <b>Delivery Instrument</b>  | Dubai Commodity Receipt (DCR) with accompanying Mill Test Certificate per lot  |
| <b>Approved CMI</b>         | As approved by DGCX  |
| <b>Approved DCR Issuers</b> | As approved by DGCX  |
| <b>Approved Producers</b>   | As approved by DGCX  |

**Delivery Procedure:**

|  |  |
|--|--|
| <b>2 Trading Days before last day of trading</b> | By 10:00 DGCX prompts Sellers of necessity to acquire valid Steel DCRs against their positions or be ready to close out open positions |
| <b>Last day of trading</b>                       | 18:00. Trading of the front contract ceases.   |
| <b>Delivery Notices</b>                          | By 19.00, on last day of trading Sellers submit Delivery Notice, indicating  |

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|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>•Client code</li> <li>•the contract(s) against which delivery is to be made (including the # of lots making up the parcel(s))</li> <li>•In respect of each parcel, the DCR reference, or, as a minimum               <ul style="list-style-type: none"> <li>○the delivery location</li> <li>○the nominated Delivery Day (s) within the Delivery Period</li> <li>○the diameters of each lot to be delivered</li> <li>○such other information as may be prescribed</li> </ul> </li> </ul>                                |
| <b>Notice of Preference</b>                              | <p>By 19.00, on last day of trading, Buyers may, but are not obliged to, submit Notice of Preference stating</p> <ul style="list-style-type: none"> <li>•The contract(s) against which notice is given</li> <li>•In respect of each parcel           <ul style="list-style-type: none"> <li>○The preferred delivery location</li> <li>○The preferred diameter(s) of each lot to be delivered.</li> </ul> </li> </ul> <p>Note: DCCC is not obligated to consider Notice of Preference, but it will give due preference to such notices submitted by Buyers</p> |
| <b>Delivery Allocation</b>                               | <p>Prior to 0600 hrs on the first calendar day following last day of trading, DCCC notifies both Seller and Buyer of their matching, stating the allotted quantities (diameters, and theoretical weights), settlement value, delivery location, and Delivery Day,</p>   |
| <b>Day Before Delivery Day</b>                           | <p>By 12:00 Latest time by which DGCX / DCCC can be advised of ADPs</p>   |
| <b>Day of Delivery</b>                                   | <p>By 11.00 on Delivery Day, Seller transfers DCRs for delivery to the designated Delivery Account</p>  |
| <b>Provisional Settlement Value</b>                      | <p>The amount invoiced to the buyer basis nominal 10 metric tonnes per lot</p>  |
| <b>Pay-in of Funds<br/>i.e. Buyer makes payment</b>      | <p>By 12.00 on Delivery Day, Buyer makes payment of the Provisional Settlement Value, adjusted to cater for release of Delivery Margin.</p>   |
| <b>Settlement Value</b>                                  | <p>The amount paid to the Seller based upon the theoretical weight of the delivered lots</p>  |
| <b>Pay-out of Commodities<br/>i.e. Transfer of Title</b> | <p>After 14.00 on Delivery Day, DCCC transfer endorses DCR(s) in favour of Buyer.</p>   |
| <b>Pay-out of Funds<br/>i.e. Seller receives</b>         | <p>By 15:00 DCCC makes payment to Seller</p>  |

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|   |   |
|---|---|
| <b>payment</b>                            |   |
| <b>Trading Day following Delivery Day</b> | By 12:00 the difference between the Provisional Settlement Value and the Settlement value is reimbursed to, or collected from, (as the case may be) the Buyer |

**Dispute Resolution Steel Delivery Rejection Notice (SDRN)**

|   |   |
|---|---|
| <b>Day of Delivery</b>                        | The latest time for Buyer to issue SDRN(s) is 20:00   |
| <b>Steel Delivery Rejection Notice (SDRN)</b> | If SDRN(s) have been issued in due accordance with SDRN issuance procedure, by 12:00 on the Trading Day after the Delivery Day, DCCC will reclaim \$1000 per lot from the Seller(s) against whom the SDRN(s) have been issued |
| <b>Dispute Resolution</b>                     | For procedures to be followed in the event that Buyer issues SDRN, see attached Notes   |

**Annexure 4 – List of Approved Producers & Approved Delivery Points**

**Approved Producers**

| Producer Name                            | Address  | Contact Details  |
|--|--|--|
| Al-Ittefaq Steel Products Factory (ISPF) | P.O Box 7600<br>Dammam 31472,<br>Kingdom of Saudi Arabia                   | Tel: +966 3 8121 143 (ext 306)<br>Fax: +966 3 812 1059 |
| HADEED-Saudi Iron & Steel Co.            | P.O. Box 10053,<br>Al-Jubail 3196,<br>Kingdom of Saudi Arabia              | Tel: +966 (0) 3 357 1100<br>Fax: +966 (0) 3 358 5000   |
| Qatar Steel Company (Q.S.C.)             | P.O Box 50090,<br>Mesaieed Industrial City,<br>Mesaieed,<br>State of Qatar | Tel: +974 477 8400<br>Fax: +974 477 1424               |

**Approved Delivery Points**

| Facility Name               | Address       | Contact Details        |
|-----------------------------|---------------|------------------------|
| AIRLINK International U.A.E | P.O Box 10466 | Phone: +971 4 883 8111 |



بورصة دبي للذهب والسلع  
DUBAI GOLD & COMMODITIES EXCHANGE

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|                     |   |  |
|---------------------|---|--|
|                     | Jebel Ali, Dubai<br>United Arab Emirates                  | Fax: +971 4 883 2690                           |
| Steinweg Sharaf FZE | P.O Box 17013<br>Jebel Ali, Dubai<br>United Arab Emirates | Phone: +971 4 883 4645<br>Fax: +971 4 883 4643 |