

Notice No.: MKTG-2008-020

Issue Date: May 20, 2008

Sub.: Invitation to Apply for Designated Market Maker Status in the Crude Oil Futures Contracts

Notice to all Members,

Sub: Invitation to Apply for Designated Market Maker Status in the Crude Oil Futures Contracts

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

Details of a Designated Market Maker (DMM) Scheme for the new DGCX Crude Oil Futures contracts, namely the cash settled DGCX West Texas Intermediate Light Sweet Crude Oil (DWTI) Futures and cash settled DGCX Brent Crude Oil Futures (DBRC) contracts are provided in Annexure 1.

The DMM Scheme will run for an initial period of 6 months from **May 27, 2008** to the close of business on November 26, 2008. Applicants should submit a completed DMM Application Form provided by close of business on **May 23, 2008**.

The DMM Application Form is provided in Annexure 2.

Members are requested to take note of the above.

For Dubai Gold & Commodities Exchange

Nishat Bandali
Chief Marketing Officer

Emaar Business Park
Building No. 2, Level1
P.O Box 37736, Dubai, UAE
Tel : +9714 361 1616
Fax : +9714 361 1617
Email : info@dgcx.ae

Notice No.: MKTG-2008-020

Issue Date: May 20, 2008

Sub.: Invitation to Apply for Designated Market Maker Status in the Crude Oil Futures Contracts

Annexure 1: DGCX Crude Oil Designated Market Maker Scheme Details

1. Introduction

This Designated Market Maker (DMM) Scheme is intending to encourage liquidity in the Crude Oil Futures Contracts, by inviting DMMs to provide competitive two-way prices and volume quotes.

The DMM Scheme is open to all existing Broker and Trade Members and also to all Clients that hold accounts with a Broker Clearing Member.

2. Benefits for DMMs

2.1. Subject to fulfillment of the obligation as per clause 3 below, each DMM will receive:

2.1.1. Waiver on Exchange transaction fees only for DMM transactions in the DGCX Crude Oil Future Contracts in which they are acting as a DMM. ESCA regulatory fees of \$ 0.02 per contract per side that apply to DGCX contracts shall be passed on by DGCX, and will be incurred by the DMM.

2.1.2. A monthly stipend that reflects the DMMs costs of acting in a DMM capacity.

2.2. It is intended that the names of DMMs and the nature of their commitments will be promoted by the Exchange, including on the DGCX website. Applicants not wishing their names to appear in such publicity should mention this on their application.

3. DMM Obligations

Applicants should state in their applications the obligations that they would be prepared to meet. Obligations are detailed in the attached Appendix 'A' below, which outlines the benchmarks that the Exchange would expect a DMM to fulfill. However, applicants may include obligations in their applications, which vary from the benchmarks detailed.

Where possible, applicants are encouraged to improve upon the obligations set out in the attached Appendix 'A'.

4. Application Process

4.1 All applicants with the appropriate trading rights and clearing arrangements are eligible to apply for DMM status. Applicants should submit a **completed DMM**

Emaar Business Park
Building No. 2, Level1
P.O Box 37736, Dubai, UAE
Tel : +9714 361 1616
Fax : +9714 361 1617
Email : info@dgcx.ae

Notice No.: MKTG-2008-020

Issue Date: May 20, 2008

Sub.: Invitation to Apply for Designated Market Maker Status in the Crude Oil Futures Contracts

Application Form provided in Annexure 2 by close of business on May 23, 2008.

Members can apply to become a DMM in their own right. Where the Member is not a Clearing Member, the Member should only apply for DMM status with the agreement of the relevant Broker Clearing Member.

A non-Member may undertake the market making activities on behalf of a Broker Clearing Member. However, in such cases the performance of the DMM obligations remains the sole responsibility of the Broker Clearing Member and, as such, DMM applications must be submitted to the Exchange with the full understanding and through the respective Broker Clearing Member.

- 4.2 The applicant should state (i) the products in which they wish to participate as a DMM; (ii) the obligations that they are prepared to meet for each contract; (iii) and the stipend payment that they wish to charge for performing the obligations.

Applications should also provide detailed supporting information with their application, which they feel would be relevant including, but not limited to, the following:

- the number and experience of staff, both in terms of responsible persons and other staff, available to support the market-making
- the trading system and support they will be using and likely message per second usage
- the level of risk capital available to support the market-making commitment
- previous experience at being a market maker either at DGCX and/or other derivative exchanges

The Exchange reserves the right to introduce daily message allocation for Price Injection Models used by the DMM in fulfilling its obligations.

- 4.3 DMMs will be appointed through a competitive tender process. A Market Maker Review Panel comprising DGCX executives will evaluate the applications received for DMM status in the Contracts. The decision(s) taken by the Panel shall be final and will not be subject to external scrutiny.

Emaar Business Park
Building No. 2, Level1
P.O Box 37736, Dubai, UAE
Tel : +9714 361 1616
Fax : +9714 361 1617
Email : info@dgcx.ae

Notice No.: MKTG-2008-020**Issue Date:** May 20, 2008**Sub.:** Invitation to Apply for Designated Market Maker Status in the Crude Oil Futures Contracts

The Exchange will appoint, at its absolute discretion, as many DMMs as it deems appropriate with the objective of providing the maximum benefit to the market whilst ensuring the effective operation of the DMM Scheme.

DMM appointments will be made on the basis of the liquidity that applicants propose to provide, the stipend they wish to charge, and the supporting information on their structure (as outlined in 4.2) and experience.

- 4.4 The appointment of a DMM will be subject to a binding contract between the DMM and the Exchange. A completed application form does not constitute such a contract. Members who have made successful applications will receive a formal contract for signature from the Exchange.
- 4.5 The DMM will be required to meet its obligations in full. Should circumstance arise, the DMM will have to notify DGCX immediately that it is unable to fulfill its DMM obligations for a period of time, and advise DGCX what is being done to rectify the situation. Failure to meet obligations will result in the stipend payment being adjusted accordingly. Continued DMM failure to fulfill obligations will result in the agreement being terminated by the Exchange and the DMM agreeing to forfeit all remaining stipend payments.
- 4.6 For further information, members should contact:
Relationship Manager (RM@dgcx.ae) or
Nishat Bandali, Chief Marketing Officer,
Tel: +971-50-651 5819,
E-mail: nishat.bandali@dgcx.ae.

Notice No.: MKTG-2008-020

Issue Date: May 20, 2008

Sub.: Invitation to Apply for Designated Market Maker Status in the Crude Oil Futures Contracts

Appendix 'A' - Designated Market Maker Benchmark Obligations

- 1) The DMM will quote two way prices continuously for at least 90% of the trading day, and at the minimum sizes and maximum spreads required for the DGCX Crude Oil Futures Contracts, as reflected in the table below.
- 2) In relation to the 1st month the DMM is required to quote up to and including the Last Day of Trading.
- 3) In the case of an announcement of significant economic news and during periods of significant market volatility or technical issues, the DMM would be permitted to widen its spread by 3 times the agreed spread.

Contract	WTI Crude Futures		
	1 st Month	2 nd Month	3 rd Month
Delivery Month Obligation			
Bid/Offer Spread (Ticks)	3	4	5
Minimum Volume (Lots)	10	5	5

Contract	Brent Crude Futures		
	1 st Month	2 nd Month	3 rd Month
Delivery Month Obligation			
Bid/Offer Spread (Ticks)	3	4	5
Minimum Volume (Lots)	10	5	5

Notice No.: MKTG-2008-020

Issue Date: May 20, 2008

Sub.: Invitation to Apply for Designated Market Maker Status in the Crude Oil Futures Contracts

Annexure 2 – DMM APPLICATION FORM

1. Name of Member:

2. Name of Client:

(applies where a Client wishes to be a DMM via a Broker Clearing Member and subject to an application supported by a copy of an agreement with a Broker Clearing Member.)

3. Membership Type:

4. Clearing Member to be used if not a Clearing Member:

5. Name and designation of main contact person to discuss this application:

6. The List of Products on which the Applicant seeks to make markets in (the DMM will be required to make markets for at least 90% of the trading day)

Contracts	1st Month		2nd Month		3 rd Month	
	Minimum Volume (Lots)	Bid/Offer Spread (Ticks)	Minimum Volume (Lots)	Bid/Offer Spread (Ticks)	Minimum Volume (Lots)	Bid/Offer Spread (Ticks)
WTI Crude Futures						
Brent Crude Futures						

7. Monthly stipend required to act as a market maker:

8. Market Making Experience in related markets: Yes No

If yes: No of Years:

Which Exchange/Markets:

9. Trading system used:

Method of trading: Manual Automated

Emaar Business Park
Building No. 2, Level1
P.O Box 37736, Dubai, UAE
Tel : +9714 361 1616
Fax : +9714 361 1617
Email : info@dgcx.ae

Notice No.: MKTG-2008-020

Issue Date: May 20, 2008

Sub.: Invitation to Apply for Designated Market Maker Status in the Crude Oil Futures Contracts

Do you currently have automated software: Yes No 10. Market Making software to be used if any:
_____11. Counterparty arrangements Yes No 12. Banking Arrangements to meet DMM obligations Yes No 13. Proposed funds to be allocated for Market Making: \$
_____14. Name (s) of proposed Market Maker Traders (MMT) responsible for market making:
(Please include their CVs)15. Date from which can carry out market making commitments:
_____16. Company can be promoted as DMM for publicity purposes: Yes No
Please attach any additional information that may be relevant to the application

The Applicant hereby declares that all the information contained in this application form and otherwise supplied is complete, true, accurate and not misleading.

Authorized Signature:
_____Name:
_____Designation:

Date: _____

Please return latest by close of business on 23rd May 2008 to:Nishat Bandali
Chief Marketing Officer
Dubai Gold & Commodities Exchange
Emaar Business Park, Building No. 2,
Level 1, Sheikh Zayed Road
PO Box 37736, Dubai, UAEEmaar Business Park
Building No. 2, Level1
P.O Box 37736, Dubai, UAE
Tel : +9714 361 1616
Fax : +9714 361 1617
Email : info@dgcx.ae