



DME



Print this
Page

Date	22 September 2010
CP No.	10-005
Category	Compliance
Summary of Content	Rule changes governing Wash Trades, Cross Trades and EFPs

Consultation Paper 10-005 (CP 10-005) is issued in accordance with Dubai Mercantile Exchange Limited (DME) Rule 4.21 and Section 9 of the Authorised Market Institutions Module of the Dubai Financial Services Authority (DFSA) Rulebook.

CP 10-005 has been issued to provide market participants with an opportunity to comment on the proposed changes to the Rules governing Wash Trades, Cross Trades and EFPs.

Application of the CP 10-005

CP 10-005 is directed primarily at DME Members but DME welcomes any comments from all DME market participants or any organisation that represents DME market participants. All capitalised terms not defined herein have the meaning given to them in the DME Rulebook.

Overview of changes

Key changes to the Rules include:

- Revisions to Rule 4.10(C) regarding Wash Trades.
- Revisions to Rule 6.18 regarding the crossing of Customer orders
- Reduction of the timeframe provided in Rule 10.13(A) for the submission of EFPs in the expiring Contract Month.

Rationale for Rule changes

The proposed changes to Rules 4.10(C) and 6.18 are intended to better account for the trading activity by DME's market participants and to more closely align the Rules with the

approach taken by other commodities exchanges in relation to Wash Trades and Cross Trades. In relation to Rule 10.13(A), the proposed changes are meant to streamline the process through which market participants can submit EFPs and ensure that the submission of an EFP will not adversely affect physical delivery of the oil underlying the DME Oman Crude Oil Futures Contract.

A complete markup of the relevant rules can be accessed at the following link:

<http://www.dubaimerc.com/pdf/consultation/10-005.pdf>

How to provide comments

The deadline for providing comments on the proposals in CP 10-005 is twenty eight (28) calendar days from publication. For the avoidance of doubt, all comments must be received by the Exchange on or before 20 October 2010 at 6:00 PM in Dubai. All comments on the proposed changes should be sent by email to the DME Compliance Department at compliance@dubaimerc.com

Next step

Unless specifically requested otherwise, DME may publish any comments received on its website.

As soon as practicable following the deadline for comments on the proposals in CP 10-005, DME will consider whether any amendments to the proposals are appropriate. DME will then implement the changes to the DME Rulebook (including any amendment, if appropriate). The amendments to the DME Rulebook will only take effect once approved by the DFSA. DME will issue a Member Notice on the DME website confirming the date upon which the changes to the DME Rulebook will become effective.