



Date	23 October 2012
CP No.	12-001
Category	Compliance
Proposal	Updates to General Trading Rules

Consultation Paper 12-001 (“CP 12-001”) 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 12-001 has been issued to provide market participants with an opportunity to comment on the proposed revisions to the Exchange’s General Trading Rules, and related Rules in other chapters of the Exchange’s Rulebook.

Application of the CP 12-001

CP 12-001 is directed primarily at DME Members, but DME welcomes 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

This consultation paper proposes a number of changes to the general trading rules for DME contracts, including:

- Protocols for interacting with the CME Global Command Center (GCC) (Rule 6.2)
- Addition of a regulatory requirement for an automated / manual trade indicator, known as a TAG 1028, to be attached to all orders (Rule 6.10)
- Minor amendments to the Trade Cancellation & Price Adjustment Policy, including:
 - the requirement that all Requests for Review must be initiated by telephone, and
 - a change of terminology from “No Bust Range” to “Non Reviewable Range” (Rule 1.1 and Rule 6.17)

- Changes to the approach for dealing with Phantom Orders to align with rules of other exchanges using CME Globex (Rule 6.17, 6.18 and 6.19)
- Changes to the Limitation of Liability clauses (Rules 2.21 and 6.29)
- Further clarification of reporting obligations surrounding Block Trades (Rule 6.30)
- Disclosure of the manner in which market maker programs are used by DME (Rule 6.31).

Rationale for Rule changes

The proposed rule changes aim to improve disclosure around DME practices and to align protocols and terminology in the DME Rules with other exchanges which use the CME Globex Trading Platform.

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

<http://www.dubaimerc.com/pdf/consultation/12-001.pdf>

How to provide comments

The deadline for providing comments on the proposals in CP 12-001 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 November 2012 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 steps

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 12-001, DME will consider whether 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.

