



DME



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Date 19 November 2013
CP No. 13-003
Category Compliance
Proposal Changes to Definitions and Chapter 2 Requirements

This Consultation Paper (“CP”) has been issued to provide market participants with an opportunity to comment on proposed changes to certain DME Rules.

Application of the CP 13-003

CP 13-003 is directed primarily at current and prospective DME Members and other market participants, but DME welcomes comments from any other interested parties.

Overview of changes

The DME is proposing changes to reflect certain of the new requirements of the recently revised Authorised Markets Institution Rulebook Module and AML Rulebook Modules of the Dubai Financial Services Authority (“DFSA”). Also proposed are certain clarifications and amendments to rules governing membership requirements.

These include the following material changes:

- Reducing the current \$1,000,000 net capital requirement for all members and replacing it with the requirement that all Members remain in compliance with the net capital requirements imposed by their respective regulators. Those members who are not regulated must comply with a \$200,000 net capital requirement. All DME Clearing Members must remain in compliance with the net capital requirements imposed by the Chicago Mercantile Exchange Clearing House.
- Clarifying that clearing arrangements must be in place before the commencement of trading.
- Revising the requirements for certain documentation and representations required

under Rule 2.4 and Rule 2.9 to allow the Exchange additional discretion in deciding upon the requisite information necessary for member on-boarding.

- Requiring that all documents provided to the Exchange be in the English language.
- Simplifying language to make clearer the on-going reporting obligations imposed on members (Rule 2.20)

These changes will further align the DME's practices with those followed by other exchanges and also streamline the Rulebook to reflect regulatory changes in the past year.

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

<http://www.dubaimerc.com/pdf/consultation/13-003.pdf>

How to provide comments

The deadline for providing comments on the proposals in CP 13-003 is thirty (30) calendar days from publication. For the avoidance of doubt, all comments must be received by the Exchange on or before December 18, 2013 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 this Consultation Paper, DME will consider whether any amendment or revision to the proposed changes is appropriate. DME will then implement the change(s) if any.