



DME



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Page

Date 19 August 2014
CP No. 14-002
Category Compliance
Proposal Proposed Changes to Rules regarding Retail Customers
This Consultation Paper (“CP 14-002”) has been issued to provide market participants with an opportunity to comment on proposed changes to the DME Rulebook.

Application of the CP 14-002

CP 14-002 is directed primarily at current and prospective DME Members and Customers, but DME welcomes comments from any other interested parties.

Overview of Changes

This consultation paper proposes revisions to the DME Rulebook to remove the restriction on the trading of Retail Customers on the Exchange. Accordingly, the term Retail Customer is being removed from the Definitions in Chapter 1, and the restriction in Rule 4.10(I) removed. However, the requirement to conduct a thorough suitability analysis of all Customers remains in place, and the DME is reinforcing this requirement by putting in further clarifications of the requirements in Rule 4.10(I) and 4.15(B)(1).

Rationale for Rule Changes

The DME is lifting the restrictions on the trading of Retail Customers to further align the DME’s market with other international exchanges. All the DME Rulebook requirements imposed on Members to conduct relevant due diligence on all Customers, including reviews for assessing the suitability of the Customer and complying with all AML obligations, remain unchanged, and have been further clarified in Rules 4.10(I) and 4.15(B)(1). Further, various jurisdictions have their own limitations on the types of customers who may access the Exchange, and those requirements also remain unchanged

by this amendment.

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

<http://www.dubaimerc.com/pdf/consultation/14-002.pdf>

How to provide comments

The deadline for providing comments on the proposals in CP 14-002 is twenty eight (28) calendar days from publication. For the avoidance of doubt, all comments must be received by the Exchange on or before September 18, 2014 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.