



DME



Print this
Page

Date April 16, 2015
CP No. 15-001
Category Compliance This Consultation
Proposal Proposed Changes to Rules regarding ZGD
Paper (“CP 15-001”) has been issued to provide market participants with an opportunity to comment on proposed changes to the DME Rulebook.

Application of the CP 15-001

CP 15-001 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 change the terms and conditions of the DME’s Oman Crude Oil Financial Contract (the “ZGD”). The DME proposes to reduce the contract size of the ZGD from 1,000 barrels to 100 barrels. The DME also proposes to change the expiry date to coincide with the DME Oman Crude Oil Futures Contract (the “OQD”). As such, the DME proposes to amend Rule 14.7 to provide that the ZGD shall cease trading on the last Trading Day in the First Nearby Month of the OQD for the corresponding delivery month, meaning that both the OQD and ZGD would expire simultaneously.

Rationale for Rule Changes

The DME seeks to provide additional flexibility for market participants to trade on or hedge through the DME. The reduction in size and the simultaneous expiration of the ZGD and OQD shall allow existing and new participants to utilize additional strategies and provide additional risk management tools. This in turn should lead to additional liquidity in the DME market.

A complete markup of the relevant rules can be accessed at the following link:
<http://www.dubaimerc.com/pdf/consultation/15-001.pdf>

How to provide comments

The deadline for providing comments on the proposals in CP 15-001 is thirty (30) calendar days from publication. For the avoidance of doubt, all comments must be received by the Exchange on or before May 17, 2015 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.