
Date

21 May 2009

Recipients

All DME Members

From

Greg Collins, Chief Compliance Officer

Category

Compliance

Proposal

Proposed Rule changes to DME Rulebook, Chapter 6: General Trading Rules

Consultation Paper 09-001 is issued in accordance with Dubai Mercantile Exchange Limited (DME) Rule 4.20 and Section 9 of the Authorised Market Institutions Module of the Dubai Financial Services Authority (DFSA) Rulebook. This Consultation Paper seeks comments on proposals to amend Chapter 6 of the DME Rulebook: General Trading Rules.

Application of the Consultation Paper

Consultation Paper 09-001 is directed primarily at DME Members and other users or prospective users of DME's facilities. DME also welcomes any comments from any organisation which represents groups of such users or prospective users.

Overview of changes

Amendment to Rule 6.20(J), Schedule of Administrative Fees:

DME proposes to eliminate the graduated fee schedule for parties responsible for trade busts and adjustments and will replace this with a flat fee. Pursuant to the rule amendment, for each occurrence of a trade bust or adjustment, a flat \$500 fee will be charged to a party responsible for entering the order into Globex which resulted in the busted or adjusted trade. A markup of the changes are attached to this paper.

Rationale for Rule changes

This change is intended to streamline administration of these procedures and to be consistent with other contracts traded on the Globex trading platform.

How to provide comments

The deadline for providing comments on the proposals in this Consultation Paper is twenty eight calendar days from the date of this Consultation Paper. All comments on the proposed changes should be addressed to:

Mr Greg Collins
Chief Compliance Officer
Dubai Mercantile Exchange Limited
P.O. Box 66500,
Dubai, United Arab Emirates
greg.collins@dubaimerc.com

Next steps

Unless specifically requested otherwise, DME may publish on its website any comments it receives from this consultation.

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 changes to the DME Rulebook (including any amendment or revision, if appropriate). The amendments to the DME Rules 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 Rules will become effective.

Signed



Greg Collins
Chief Compliance Officer

Please pass comments to:
Mr Greg Collins, Chief Compliance Officer
greg.collins@dubaimerc.com

DME Rulebook Chapter 6

Section 6:20 Trade Cancellations And Price Adjustments

(J) Schedule of Administrative Fees

- (1) When the GCC busts a Trade, the party responsible for entering the order into the Trading Platform that gave rise to the Trade bust or adjustment shall pay an administrative fee to the Exchange in the amount of \$500 for each such occurrence. If a non-Member party to a Trade is responsible for entering an order that results in a trade bust fails to pay the fee in accordance with this Rule, the Clearing Member carrying the non-Member account shall be responsible for payment of the fee.
- (2) A Member, Seat Lessee, Guaranteed Customer or Authorised Terminal User who persistently enters Trades which are outside the No Bust Range may be subject to disciplinary action by the Exchange under Chapter 7 of these Rules.

Deleted: accordance with the following schedule.

Deleted: The fee is \$250 for each of the first five (5) Trades in a calendar year where a party's order entry results in a trade bust, \$500 for each of the next three Trades within the same calendar year where a party's order entry results in a trade bust, and \$1,000 for each subsequent Trade within the same calendar year where a party's order entry results in a trade bust.