

**Notice No.:** TRDG-2018-041

**Issue Date:** October 12, 2018

**Subject:** Amendments to Trade Bust Policy

---

Notice to all Members,

**Subject: Amendments to Trade Bust Policy**

---

Pursuant to the DGCX By-Laws and Clearing Rules of the DCCC Members are hereby advised of the following:

1. The Exchange has undertaken a review of its Trade Bust policy (the "Policy"), which was advised to Members by way of Notice No.: TRDG-2016-047, issued 14 December 2016, which was effective from 02 January 2017. Under the Policy trades that were executed within the Discretionary Cancellation Range ("DCR") were subject to price adjustment by an agreement between the relevant counterparty(ies); and those trades that were executed within the Mandatory Cancellation Range ("MCR") were subject to price adjustment unilaterally by the Exchange.
2. The revisions to the Policy will introduce the principal of Trade Cancellation by Mutual Consent (the distinction between DCR and MCR will not exist). Trades that are executed at prices that fall outside of the No Cancellation Range ("NCR") may be cancelled upon request of the Member, and subject to the consent of the counterparty(ies). In addition, the Exchange may invalidate any transaction that it deems to have been executed at a price that is not representative of prevailing fair market value. In such cases the Exchange will ordinarily seek to replace the invalidated transaction with a new transaction at a price that reflects the upper/lower NCR limit, as deemed appropriate. However, the Exchange reserves the right to invalidate a transaction and not to replace it with a new transaction, if it considers this to be an appropriate course of action.
3. The process for requesting a trade to be cancelled by a Member is set out below:
  - a. A Member may request a trade to be cancelled within 30 minutes of the reported execution time.
  - b. Requests for cancellation must be made by e-mail to [dgcxtradingsurveillance@dgcx.ae](mailto:dgcxtradingsurveillance@dgcx.ae).
  - c. Upon receipt the Exchange will inform the market by way of a front-end message advising them that the trade is under investigation by the Exchange.
  - d. The Exchange will then contact the counterparty(ies) to the trade to request their consent to the cancellation of the trade in question.
  - e. The Exchange will communicate the response of the counterparty(ies) to the Member, and where consent has been granted, will cancel the trade within the trading system.
  - f. The Exchange will then advise the market by way of a front-end message that the trade has been cancelled or not.
4. For the avoidance of doubt, where the counterparty(ies) has refused a request for a trade to be cancelled, the Member may not request the Exchange to invalidate the trade.
5. Charges for the cancellation of trades and actions taken by the Exchange under the Policy will remain unchanged at 0.05% of the value to the trade(s), subject to a minimum charge of \$500 and a maximum charge of \$2,000.

**Notice No.:** TRDG-2018-041

**Issue Date:** October 12, 2018

**Subject:** Amendments to Trade Bust Policy

---

**Amendment Details:**

Additions to the By-Laws are shown in **Bold Red**, and deletions are ~~struck through~~.

**D.5.5 Order and Trade Invalidation and Cancellation** ~~Exchange right to cancel or insert Orders and Trades~~

(a) Subject to By-Law D.5.5 (~~b~~ **d**) the Exchange may, in its sole discretion, cancel an order/~~trade~~ and insert an order/~~trade~~ or direct a Member to withdraw an order, where in the opinion of the Exchange:

(i) an order has been entered which is not in the best interests of an orderly, fair and transparent market.

**(b) Subject to By-Law D.5.5.(d) the Exchange may, in its sole discretion, invalidate or adjust the price of a trade, where in the opinion of the Exchange, a trade has been executed which is not in the best interests of an orderly, fair and transparent market.**

**(c) The Exchange may, in its sole discretion permit the price adjustment of a trade, through the cancellation and replacement of a trade, upon the request of a Member subject to the consent of the counterparty to the trade.**

~~(ii) a trade has been executed which is not in the best interests of an orderly, fair and transparent market; and~~

~~(iii) the matter cannot be adequately or appropriately dealt with pursuant to Part F of these By-Laws.~~

(~~b~~ **d**) The Exchange will give notice of a decision made under this By-Law D.5.5 to the Members concerned as soon as possible.

(~~e~~ **e**) No decision of the Exchange under this By-Law D.5.5 shall be subject to appeal.

**The Policy will be effective on and from Monday 29 October 2018.**

**For Dubai Gold & Commodities Exchange**

**Andrew Dodsworth**  
**Director – Operations & Risk**