

**Sub.: Introduction of Currency Futures**

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Notice to all Members,

**Sub.: Introduction of Currency Futures**

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In pursuance of By-laws of DGCX, Clearing Rules of DCCC; the following is hereby notified:

The Exchange shall introduce Dubai Euro-Dollar, Dubai Sterling-Dollar & Dubai Yen-Dollar currency futures contract for trading on the Exchange with effect from Monday, June 12, 2006.

Dubai Euro-Dollar FX futures contracts to be listed for trading:

1. September 2006 futures contract
2. December 2006 futures contract
3. March 2007 futures contract
4. June 2007 futures contract

Dubai Sterling-Dollar FX futures contracts to be listed for trading:

1. September 2006 futures contract
2. December 2006 futures contract
3. March 2007 futures contract
4. June 2007 futures contract

Dubai Yen-Dollar FX futures contracts to be listed for trading:

1. September 2006 futures contract
2. December 2006 futures contract
3. March 2007 futures contract
4. June 2007 futures contract

The addendum to the By-Laws of the Exchange in respect of currency futures contracts are enclosed in Annexure 1 along with contract specifications (Annexure 2) and contract calendar (Annexure 3).

Members are requested to take note of the above.

**For Dubai Gold & Commodities Exchange**

**Gaurang Desai**  
**DGM – Market Operations**

## **Annexure 1 – Relevant extracts of DGCX By-Laws**

### **Definitions**

Approved Currencies Delivery Bank	:	a bank approved by the Exchange as provided for in By-Law M.3
Currency Contract Unit	:	an amount of currency specified as the contract unit for a Class of Contract in By-Law M.1.2
Currency Delivery Account	:	an account at an Approved Currencies Delivery Bank and denominated in the relevant currency, held by a Clearing Member intending to give or take delivery of a Currency Futures Contract
Currencies Delivery Acceptance Notice	:	a notice provided to the Clearing Corporation in accordance with By-Law M.4.4 (b)
Currency Futures Contract	:	a Class of Futures Contracts approved by the Exchange for trading and in fulfillment of which the Seller delivers and the Buyer receives delivery of a specified amount of foreign currency

## **Part M: Currency Futures and Options Contract Specification**

### **M.1 General By-Law Relating to Specification of Currency Futures Contracts**

#### **M.1.1 Scope of By-Law**

This By-Law M.1 shall apply to Currency Futures Contracts described in By-Law M.8

#### **M.1.2 Contract Unit**

The contract unit for each Class of Currency Futures Contract shall be as described in By-Law M.8

#### **M.1.3 Delivery Months**

Trading in Currency Futures Contracts for each of the currencies described in By-Law M.8 shall be conducted for such Delivery Months as the Exchange may determine from time to time.

#### **M.1.4 Minimum price fluctuations**

Minimum price fluctuations for trading in Currency Futures Contracts shall be as described in By-Law M.8

#### **M.1.5 Trading hours**

Hours for trading in Currency Futures Contracts shall be as determined by the Exchange from time to time.

#### **M.1.6 Trading days**

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Days for trading in Currency Futures Contracts shall be determined by the Exchange from time to time.

**M.1.7 Currencies Delivery Day**

Currency Delivery Day for Currency Futures Contracts shall be determined by the Exchange from time to time.

**M.1.8 Value Date**

The value date for currency deliveries shall be the Currencies Delivery Day

**M.1.9 Last Trading Day**

Last Trading Day for trading in Currency Futures Contracts shall be determined by the Exchange from time to time.

**M.2 Deliverable Currency**

**M.2.1 Scope of By-Law**

This By-Law M.2 shall apply to Currency Futures Contracts described in By-Law M.8

**M.2.2 Compliance with Delivery Procedures**

Currency shall be delivered in fulfillment of a Currency Futures Contract in accordance with the delivery procedures set out in By-Law M.4

**M.2.2 Compliance with Government Regulations**

- (a) Delivery of currencies shall comply with government regulations in force at the time of delivery
- (b) In the event that any national or international government agency or body issues an order, ruling, directive or law that conflicts with the provisions of these By-Laws, such order, ruling, directive or law shall be construed to take precedence and shall be deemed to be incorporated into these By-Laws, and shall apply to all Open Positions regardless of when these came into existence.

**M.3 Approved Currencies Delivery Bank**

The Exchange shall appoint one or more Approved Currencies Delivery Bank to be used for the delivery of Currency Futures Contracts.

**M.4 Currency Delivery Procedures**

**M 4.1 Scope of By-Law**

This By-Law M.4 shall apply to the delivery of currencies in fulfillment of Currency Futures Contracts described in By-Law M.8.

**M.4.2 Clearing Members to Have Delivery Accounts**

- (a) It is the responsibility of each Clearing Member that intends to give or take Delivery, of a Currency Futures Contract, whether for its own account or that of a Client, to have opened a Currency Delivery Account denominated in the relevant currency with an Approved Currencies Delivery Bank.
- (b) Neither the Exchange, nor the Clearing Corporation, nor the Approved Currencies Delivery Bank gives an undertaking or commitment that any Clearing Member shall

be accepted by an Approved Currencies Delivery Bank for the purposes of By-Law M.4.2 (a).

**M.4.3 Obligations of Seller**

- (a) A Clearing Member holding a short position ("Seller") intending to deliver shall provide to the Clearing Corporation a Delivery Notice by a time, prescribed by the Exchange, on the Last Trading Day, containing such information as the Exchange may prescribe.
- (b) A Delivery Notice, once issued, cannot be withdrawn or cancelled without the written consent of the Clearing Corporation.
- (c)
  - (i) The Seller shall, not later than a time on the Delivery Day prescribed by the Clearing Corporation, have transferred to the Seller's Currency Delivery Account, an amount equivalent to the Currency Contract Unit of the relevant Currency Futures Contract as specified in B-Law M.8
  - (ii) The amount referred to in By-Law M 4.3 (c) (i) must be available for the Clearing Corporation to debit such amount in accordance with By-Law M.5 (a) (i)

**M.4.4 Obligations of Buyer**

- (a) A Clearing Member Holding a long position ("Buyer") at the close of trading on the Last Trading Day shall be required to accept delivery
- (b) In order for a Buyer to accept delivery, such Buyer shall, not later than a time on the Last Trading Day prescribed by the Clearing Corporation, provide to the Clearing Corporation a Currencies Delivery Acceptance Notice that shall include such information as the Clearing Corporation may prescribe.
- (c)
  - (i) The Buyer shall, not later than a time on the Delivery Day prescribed by the Clearing Corporation, have available the Settlement Value in the Buyer's Settlement Account,
  - (ii) The amount referred to in By-Law M 4.4 (c) (i) must be available for the Clearing Corporation to debit such amount in accordance with By-Law M.5 (b) (i)

**M.4.5 Settlement Value**

The Settlement Value shall be calculated as

SV = Q x P where

- SV is the Settlement Value of the Contract, expressed in US Dollars
- Q is the Currency Contract Unit of the relevant Currency Futures Contract as specified in By-Law M.8, and
- P is the invoice price

**M.4.6 Invoice Price**

The invoice price referred to in By-Law M.4.5 shall be the Daily Settlement Price of the relevant Class of Contract on the Last Trading Day

**M.5 Role of Clearing Corporation**

- (a)

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- (i) The Clearing Corporation shall, not later than a time on the Delivery Day prescribed by it, debit the Seller's Currency Delivery Account by the amount referred to in By-Law M.4.3 (c)
- (ii) Provided that the Buyer has complied with By-Law M.4.4, the Clearing Corporation shall, not later than a time on the Delivery Day prescribed by it, credit the Buyer's Currency Delivery Account with the amount referred to in By-Law M.4.3 (c).
- (b)
  - (i) The Clearing Corporation shall, not later than a time on the Delivery Date prescribed by it, debit the Settlement Account of the Buyer by an amount equal to the Settlement Value.
  - (ii) Provided that the Seller has complied with By-Law M.4.3, the Clearing Corporation shall, not later than a time on the Delivery Day prescribed by it, credit the Settlement Account of the Seller by an amount equal to the Settlement Value

**M.6 Default**

**M.6.1 Default by Seller**

- (a) Should a Seller not close out prior to the close of trading on the Last Trading Day a short futures position in respect of which no Delivery Notice has been issued in accordance with By-Law M.4.3 (a) by the time prescribed by the Clearing Corporation, such Seller shall be in Default.
- (b) Should a Seller not make available in the Seller's Currency Delivery Account the amount referred to in By-Law M.4.3 (c) by the time prescribed by the Corporation such Seller shall be in Default.

**M.6.2 Default by Buyer**

- (a) Should a Currency Delivery Acceptance Notice not be provided to the Clearing Corporation by the Buyer in respect of any long position not closed out prior to the close of trading on the Last Trading Day in accordance with By-Law M.4.4 (b), such Buyer may be held to be in Default.
- (b) Should a delivery not be duly accepted by a Buyer or its Agent as provided in these By-Laws, such Buyer shall be in Default.
- (c) Should a Buyer not make available in the Buyer's Settlement Account, by the time on the Delivery Day prescribed by the Clearing Corporation, the amount referred to in By-Law 4.4 (c), such Buyer shall be in Default and the Clearing Corporation is authorized to sell the relevant currency forthwith.

**M.7 Currency Options Contracts**

**M.7.1 Contract Unit**

One Currency Futures Contract

**M.7.2 Minimum premium fluctuations**

As determined by the Exchange

**M.7.3 Quotation of Strike Prices**

As determined by the Exchange

**M.7.4 Expiry Months**

As determined by the Exchange

**M.7.5 Declaration Date**

As determined by the Exchange

**M.7.6 Time at which trading ceases on Declaration Date**

As determined by the Exchange

**M.8 Specifications for Individual Currency Futures Contracts**

**M.8.1 Scope of By-Law**

This By-Law M.8 sets out the specifications for Currency Futures Contracts relating to individual currencies that the Exchange has approved for trading.

**M.8.2 Specifications for Euro Futures Contracts**

- (a) The Currency Contract Unit for Euro Futures Contracts is fifty thousand (50,000) Euros.
- (b) The minimum price fluctuation for Euro Futures Contracts is 0.0001 US Dollars per Euro.

**M.8.3 Specifications for British Pounds Sterling Futures Contracts**

- (a) The Currency Contract Unit for British Pounds Sterling Futures Contracts is fifty thousand (50,000) British Pounds Sterling.
- (b) The minimum price fluctuation for British Pounds Sterling Futures Contracts is 0.0001 US Dollars per British Pound Sterling.

**M.8.4 Specifications for Japanese Yen Futures Contracts**

- (a) The Currency Contract Unit for Japanese Yen Futures Contracts is five million (5,000,000) Japanese Yen
- (b) The minimum price fluctuation for Japanese Yen Futures Contracts is 0.000001 US Dollars per Japanese Yen.

## Annexure 2- Currency Futures Contract Specifications

### Dubai Euro-Dollar FX Futures Contract

<b>Symbol</b>	DEUR
<b>Contract Size</b>	€ 50,000
<b>Trading Months</b>	Mar, Jun, Sep and Dec
<b>Last Trading Day</b>	2 business days before 3 <sup>rd</sup> Wednesday of Expiry month
<b>Settlement Date</b>	3 <sup>rd</sup> Wednesday of Expiry Month
<b>Price Quote</b>	US\$ quoted in Cents per €
<b>Minimum Tick Size</b>	US\$ 0.0001 per € or \$ 5 per tick
<b>Initial Margin</b>	USD 1,200
<b>Spread Position Margin</b>	Nil on matched positions.
<b>Extra Margin</b>	In case of additional volatility, an Extra Margin as deemed fit by the Exchange; will be imposed on all open positions.
<b>Trading Days and hours</b>	Monday through Friday 1000 – 2130 Hrs (GMT + 4 hours)
<b>Maximum Order Size</b>	Banks and institutions promoted by Banks – 500 Lots All other entities – 200 Lots
<b>Price Limit</b>	No Price Limits* ( <b>Note 1</b> )

### Dubai Sterling-Dollar FX Futures Contract

<b>Symbol</b>	DGBP
<b>Contract Size</b>	£ 50,000
<b>Trading Months</b>	Mar, Jun, Sep and Dec
<b>Last Trading Day</b>	2 business days before 3 <sup>rd</sup> Wednesday of Expiry month
<b>Settlement Date</b>	3 <sup>rd</sup> Wednesday of Expiry Month
<b>Price Quote</b>	US\$ quoted in Cents per £
<b>Minimum Tick Size</b>	US\$ 0.0001 per £ or \$ 5 per tick
<b>Initial Margin</b>	USD 1400
<b>Spread Position Margin</b>	Nil on matched positions.
<b>Extra Margin</b>	In case of additional volatility, an Extra Margin as deemed fit by the Exchange; will be imposed on all open positions.
<b>Trading Days and hours</b>	Monday through Friday 1000 – 2130 Hrs (GMT + 4 hours)
<b>Maximum Order Size</b>	Banks and institutions promoted by Banks – 500 Lots All other entities – 200 Lots

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<b>Price Limit</b>	No Price Limits* ( <b>Note 1</b> )
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**Dubai Yen-Dollar FX Futures Contract**

<b>Symbol</b>	DJPY
<b>Contract Size</b>	¥ 5,000,000
<b>Trading Months</b>	Mar, Jun, Sep and Dec
<b>Last Trading Day</b>	2 business days before 3 <sup>rd</sup> Wednesday of Expiry month
<b>Settlement Date</b>	3 <sup>rd</sup> Wednesday of Expiry Month
<b>Price Quote</b>	US\$ quoted in Cents per 100 ¥
<b>Minimum Tick Size</b>	US\$ 0.000001 per ¥ or \$ 5 per tick
<b>Initial Margin</b>	USD 1000
<b>Spread Position Margin</b>	Nil on matched positions.
<b>Extra Margin</b>	In case of additional volatility, an Extra Margin as deemed fit by the Exchange; will be imposed on all open positions.
<b>Trading Days and hours</b>	Monday through Friday 1000 – 2130 Hrs (GMT + 4 hours)
<b>Maximum Order Size</b>	Banks and institutions promoted by Banks – 500 Lots All other entities – 200 Lots
<b>Price Limit</b>	No Price Limits* ( <b>Note 1</b> )

**Note 1** – There will be no limits on intra-day price movements, however to restrict data-entry errors; system will not allow entry of orders having prices higher or lower than 2 US cents as compared to the previous day's settlement price. Exchange shall relax the intra-day price range for the prices of the contract approaching the 2 US cents limit.

**Currency Delivery Procedure:**

- 1. Euro and Sterling Pounds contracts** - In case of a short position at the expiry of contract, the clearing member is required to have the currency (as per their open position) available for debit in the their delivery account latest by 10.00 am on the delivery day. The DCCC will debit the delivery account of the clearing members having short positions on the delivery date and credit the delivery account of the clearing member having a long position in the respective currency contract on the delivery date.
- 2. Yen contracts** - In case of a short position at the expiry of contract, the clearing member is required to have the currency (as per their open position) available for debit in the said delivery account latest by 10.00 am on the delivery day. The DCCC will debit the delivery account of the clearing members having short positions on the delivery date and credit the delivery account of the clearing members having a long position in the respective currency contract on the day following the delivery day.



**Funds Settlement:**

1. **Daily Marking-to-market** – Relevant Clearing members are required to pay-in funds (in US dollars) an amount determined by the Corporation in its mark to market procedures on daily basis.
2. **Final Funds Settlement** - Clearing members having long positions at the expiry of contract are required to pay-in funds (in US dollars) into their settlement account maintained with the clearing banks latest by 10.00 am on delivery day. DCCC shall credit the funds due (in US dollars), to the clearing member who has fulfilled their currency delivery obligations thereafter.

**Annexure 3 – FX Futures Contract Calendar**

Contract Symbol	Contract Month	Trading Start Date	Last Trading Date	Delivery Date
DGBP	Sep-2006	12-Jun-2006, Mon	18-Sep-2006, Mon	20-Sep-2006, Wed
	Dec-2006	12-Jun-2006, Mon	18-Dec-2006, Mon	20-Dec-2006, Wed
	Mar-2007	12-Jun-2006, Mon	19-Mar-2007, Mon	21-Mar-2007, Wed
	Jun-2007	12-Jun-2006, Mon	18-Jun-2007, Mon	20-Jun-2007, Wed
DEUR	Sep-2006	12-Jun-2006, Mon	18-Sep-2006, Mon	20-Sep-2006, Wed
	Dec-2006	12-Jun-2006, Mon	18-Dec-2006, Mon	20-Dec-2006, Wed
	Mar-2007	12-Jun-2006, Mon	19-Mar-2007, Mon	21-Mar-2007, Wed
	Jun-2007	12-Jun-2006, Mon	18-Jun-2007, Mon	20-Jun-2007, Wed
DJPY	Sep-2006	12-Jun-2006, Mon	18-Sep-2006, Mon	20-Sep-2006, Wed
	Dec-2006	12-Jun-2006, Mon	18-Dec-2006, Mon	20-Dec-2006, Wed
	Mar-2007	12-Jun-2006, Mon	19-Mar-2007, Mon	21-Mar-2007, Wed
	Jun-2007	12-Jun-2006, Mon	18-Jun-2007, Mon	20-Jun-2007, Wed