

Subject: Introduction of DGCX Shari’ah Compliant Spot Silver Contract

Notice to all Members,

Subject: Introduction of DGCX Shari’ah Compliant Spot Silver Contract

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

DGCX will be launching Shari’ah Compliant Spot Silver Contract (“the Contract”), which will be made available for trading on and from **Friday, 27 October 2023**.

The Contract will be available for trading on the EOS Platform, and will be cleared by DCCC in the normal manner. Attached at Annex I are the Amendments to Part Y of the DGCX By-Laws and the Contract Specifications can be found at Annex II.

The daily settlement price shall be established in accordance with DGCX’s standard procedures and will be used to determine the invoice price for use in delivery process.

The Daily Price Range, No Cancellation and Mandatory Cancellation Ranges shall be as follows:

Contract	*Daily Price Range (in ticks)	No Cancellation Range (In ticks)	Mandatory Cancellation Range (in ticks)
DSSC	300	100	200

*There will be no limits on intra-day price movements and the Daily Price Range shall be relaxed during periods of extreme price volatility.

DCCC has determined the Initial Margin and Delivery Margin rates to be as follows:

Contract	Initial Margin	Delivery Margin
DSSC	\$ 1600	\$ 2300

DGCX and DCCC shall waive all fees on Shari’ah Compliant Spot Silver Contract till the end of 2023 (including Trading Fees, Clearing Fees, and Delivery Fees) and only SCA fees shall be applicable. The following fees shall apply from 1st January 2024 until further notice:

Contract	DSSC
Trading	\$1.50
Clearing	\$0.50
SCA	\$0.03
Delivery	\$1.00

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Members requiring further information with regard to this Notice should contact their Relationship Manager.

For Dubai Gold & Commodities Exchange

Louis Hems
Commercial Director



Amendments to the DGCX By-Laws

Part Y: Shari'ah compliant - DGCX Spot Silver Contract Specification

Y.1. General By-Laws relating to Specifications of Spot Silver Shari'ah Compliant Contracts

Y.1.1. Scope of the By-Law

This By-Law shall apply to Spot Silver Shari'ah Compliant Contracts as described in Part Y of the By-Law.

Y.2. Definitions

Fatwa A Fatwa is a pronouncement on whether a matter is in compliance with the Shari'ah laws as interpreted by a Shari'ah Scholar or by a Shari'ah Board.

Revocation Penalty Shall be the difference between the price of the original SSIN and the price of the Revocation SSIN, and shall be paid by the Member who places the Revocation SSIN on the ATS.

Revocation Spot Silver Intention Notice (Revocation SSIN) A SSIN placed by the Buyer/Seller on the ATS with the intention to revoke an existing SSIN. A Revocation SSIN is subject to a Revocation Penalty.

Spot Silver Intention Notice (SSIN) A SSIN is a revocable expression of interest placed by a Buyer/Seller on the ATS to participate in a purchase and sale transaction of the Spot Silver Shari'ah Compliant Contract for the next Business Day.

Spot Silver Intention Notice (SSIN) Day An Exchange Business Day

Spot Silver Trade Settlement Day The Business Day following the respective SSIN Day.

Substitution Penalty Shall be the difference between the price of the original SSIN and the price of the Substitution SSIN, and shall be paid by the Member who places the Substitution SSIN on the ATS.

Substitution Spot Silver Intention Notice (Substitution SSIN) A SSIN placed by the Buyer/Seller on the ATS with the intention to substitute an existing SSIN. A Substitution SSIN is subject to a Substitution Penalty.

Wa'd (Undertaking) A Wa'd is a unilateral promise or undertaking which refers to an expression of commitment given by one party to another to perform certain action(s) in the future.

Wa'd Compensation As stipulated under the Fatwa, Wa'd Compensation is the difference between the SSIN price of the Spot Silver Shari'ah Compliant Contract and the Final Cash Settlement Price declared by the Exchange on each Business Day for the Spot Silver Shari'ah Compliant Contract.



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Y.3. Trading Hours

The Trading Hours in Spot Silver Shari'ah Compliant Contracts shall be as determined by the Exchange from time to time.

Y.4. Trading Days

The Trading Days in Spot Silver Shari'ah Compliant Contracts shall be as determined by the Exchange from time to time.

Y.5. Physical Delivery Arrangements

Y.5.1. Approved Silver Refiners, Vaults and CMI

The Exchange shall from time to time determine and publish:

- (a) a list of Approved Silver Refiners whose silver bars shall be accepted as deliverable silver in fulfillment of a Spot Silver Shari'ah Compliant Contract;
- (b) a list of Approved Vaults in the UAE in which silver may be stored for delivery in fulfillment of a Spot Silver Shari'ah Compliant Contract and whose certificate as to weight shall be accepted for silver delivered in fulfillment of a Spot Silver Shari'ah Compliant Contract; and
- (c) a list of Approved CMI whose certification as to weight and fineness shall be accepted for silver delivered in fulfillment of A Spot Silver Shari'ah Compliant Contract

Y.5.2. Allocation of SSIN

- (a) At the close of trading on any given SSIN Day, the Clearing Corporation shall randomly allocate SSINs submitted by Buyers on the ATS with SSINs submitted by Sellers on the ATS.
- (b) Where the SSIN is in respect of more than one Contract the Clearing Corporation may allocate such SSIN to more than one Buyer/Seller.
- (c) Following the allocation of SSINs the Clearing Corporation shall, prior to 01:00 hours on the Business Day following the SSIN Day, confirm to the Buyers/Sellers the final allocation of silver required for delivery.

Y.5.3. Silver to be Represented by an Electronic Silver Warrant

Silver that is the subject of a Delivery Notice shall be stored in an Approved Vault and shall be represented by an Electronic Silver Warrant that complies with the requirements of these By-Laws. Each Warrant shall specify the number of silver bars represented by the Warrant.

Y.5.4. Roles of Clearing Corporation and DMCC for the Spot Silver Shari'ah Compliant Contract

Y.5.4.1. Clearing Corporation to Act as Seller's Agent



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Each Seller who has placed a SSIN on the ATS shall be deemed to appoint the Clearing Corporation to act as its agent to perform one or more the following to the extent necessary to effect the delivery of silver subject to that SSIN:

- (a) to instruct an Approved Vault to cancel a Warrant representing such silver stored in the Approved Vault; and/or
- (b) to instruct an Approved Vault to issue two or more Warrants representing such silver in place of the cancelled Warrant; and/or
- (c) to instruct DMCC to endorse by way of transfer to a Buyer or Buyers determined by the Clearing Corporation, the Warrant or Warrants representing such silver.

Y.5.4.2. DMCC May Act on Behalf of Clearing Corporation

The Clearing Corporation may, with the agreement of DMCC, authorize DMCC to act on its behalf to perform any of the acts referred to in By Law Y.5.4.

Y.5.5. Delivery Procedure

- (a) Where a SSIN is allocated by the Clearing Corporation to one Buyer, on the Spot Silver Trade Settlement Day the Clearing Corporation shall instruct DMCC, on behalf of the Seller to endorse the relevant Warrant or Warrants by way of transfer to the Buyer.
- (b) Where a SSIN is allocated by the Clearing Corporation to more than one Buyer, on the Delivery Day the Clearing Corporation shall instruct the Approved Vault in which the silver represented by the Warrant to cancel the Warrant and to issue two or more Warrants in place of the cancelled Warrant. The Clearing Corporation shall instruct DMCC, on behalf of the Seller to endorse the relevant Warrants by way of transfer to the Buyers.
- (c) The transfer of Warrants to the Buyer is subject to receipt of payment which shall occur no later than 13:00 hours on the Spot Silver Trade Settlement Day.

Y.5.6. Delivery Day

The Delivery Day shall be the next succeeding Business Day following the Last Trading Day.

Y.5.7. Settlement Value

The Settlement Value shall be calculated as

$$SV = 900 \times P$$

Where



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SV is the Settlement Value of the Contract, expressed in US Dollars, and

P is the Invoice Price, expressed in US Dollars per troy ounce

Y.5.8. Invoice Price

The Invoice Price referred to in By-Law Y.5.7. shall be the Daily Settlement Price of the relevant Class of Contract on the Last Trading Day

Y.5.9. Payment

- (a) By no later than 08:00 hours on the Delivery Day the Buyer to whom a Delivery Notice is allocated shall pay to the Clearing Corporation the Settlement Value.
- (b) By no later than 10:00 hours on the Delivery Day, and subject to the completion of the endorsements referred to in By-Law Y.5.5., the Clearing Corporation shall pay the Settlement Value to the Seller.

Y.5.10. Default

Y.5.10.1 Default by Seller

Should a Seller fail to deliver Silver that conforms to in all relevant aspects to the description in By-Law Y.6., such Seller shall be in default.

Y.5.10.2. Default by Buyer

- (a) Should payment for any delivery not be made by the Buyer by the time prescribed by the Clearing Corporation, such Buyer shall be in default.
- (b) Should delivery not be duly accepted by a Buyer or its agent as provided in these By-Laws, such Buyer shall be in Default.

Y.6. Contract Specification for Spot Silver Shari'ah Compliant

The Contract size shall be 900 troy ounces.

Y.6.1. Minimum Price Movement

The minimum price movement shall be US\$ 0.001.

Y.6.2. Tick Value

The tick value shall be US\$ 0.90.

Y.6.3 Final Settlement Price

The Final Settlement Price shall be the Daily Settlement Price on each Business Day.

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Y.6.4. Delivery

The Contract shall be physically-delivered in accordance with By-Law Y.5.

Y.6.5. Quality Specification

Silver that is delivered under the Spot Silver Shari’ah Compliant Contracts shall be of Either 999 or 999.9 purity of 900-ounce Silver bar of “UAE Good Delivery” quality specification, as determined by DMCC from time to time. Weight tolerance of 150 troy ounces is accepted.

DGCX SHARIAH SPOT SILVER CONTRACT SPECIFICATION

Contract Type	Shariah Compliant
Contract Name	Spot Silver Shariah Compliant
Contract Symbol	DSSC
Underlying	Either 999 or 999.9 purity of 900-ounce Silver bar of “UAE Good Delivery” specification. Weight tolerance of 150 troy ounces.
Contract Size	900 Troy Ounces
Notional Contract Value	900 x Price
Trading Currency	USD
Settlement Currency	USD
Price Quote	US Dollars per Troy Ounce
Tick Size	USD 0.001
Tick Value	USD 0.90
Settlement Basis	Physical Delivery
Final Settlement Price (FSP)	FSP shall be the Daily Settlement Price on each Exchange Business Day
Trading Days	Exchange Business Days
Trading Hours	07:00 – 20:00 Hours Dubai time
Max Order Size	200 Lots
Wholesale Trades	Block Trade facility is available.
Delivery Process	Delivery through DMCC Tradeflow system. On T+1 pay-in of funds and delivery-in of Silver Warrant to DMCC by 10:00 AM. Pay-out of funds and delivery-out of Silver Warrant between 12:00 PM and 14:00 PM



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Delivery Margin	See link: www.dgcx.ae/initial-margins
No Cancellation Range	See link: www.dgcx.ae/price-limits

* See Exchange By-Laws Part Y