



# **DGCX BY-LAWS**

**VERSION 2.30**



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## Part A: General

### A.1 Board Approval of These By-Laws

These By-Laws are approved by resolution of the Board in accordance with the Articles of Association.

### A.2 Definitions

In these By-Laws the words standing in the first column below shall, except where inconsistent with the subject or context, bear the meanings set opposite to them respectively in the second column.

Words	Meanings
Affiliated Corporation	A Corporation that: <ul style="list-style-type: none"> <li>(a) beneficially owns a Member;</li> <li>(b) is beneficially owned by that Member; or</li> <li>(c) is owned by the same beneficial owner(s) as that Member.</li> </ul>
Agency Role	DCCC will act as the appointed agent of the seller/buyer to perform the sale/purchase of the Shari'ah Compliant – DGCX Spot Gold Contract on its behalf
Alternative Delivery Process (ADP)	The alternative delivery process as set out in By-Law H.3.
Amendment Notice	As defined in By-Law C.10(a).
American Style Options	An Option Contract which can be exercised at any time between the purchase date and the expiration date.
Appeal Tribunal	The tribunal defined in By-Law F.5.
Approved Currencies Delivery Bank	A bank approved by the Exchange in accordance with the approval process provided for in By-Law M.5.2.
Approved Gold CMI	A DMCC Tradeflow Member lawfully engaged in the business of providing collateral management or inspection services in respect of commodities and approved by the Clearing Corporation for the purpose of certifying the weight and fineness of gold delivered in fulfillment of various classes of Gold Contracts.
Approved Gold Refiner(s)	A refiner of gold approved as such by the Exchange and whose gold bars shall be accepted as deliverable gold in fulfillment of various classes of Contract.
Approved Gold Vault	A vault approved by the Clearing Corporation for the storage of gold for delivery in fulfillment of various classes of Contract.
Approved Securities	Securities accepted by the Clearing Corporation, as notified to the market by way of Notice.
Approved Silver CMI	A DMCC Tradeflow Member lawfully engaged in the business of providing collateral management or inspection services in respect of commodities and approved by the Exchange for the purpose of certifying the weight and fineness of silver delivered in fulfillment of a Silver Futures Contract.



Approved Silver Refiner(s)	A refiner of silver approved as such by the Exchange and whose silver bars shall be accepted as deliverable silver in fulfillment of various classes of Contract.
Approved User(s)	In respect of a Member, an individual approved by the Exchange for the purpose of entering orders on a Trader Work Station of that Member.
Approved Silver Vault	A vault approved by the Exchange for the storage of silver for delivery in fulfillment of various classes of Contract.
Arbitrator	Any arbitrator appointed to arbitrate a dispute under Part G of these By-Laws.
Articles of Association	The Articles of Association of the Exchange.
Asset Allocation	A transaction which is organized and executed in accordance with the provisions described in By-Law D.9.
Automated Trading System or ATS	The electronic system provided by the Exchange to members for trading of Contracts.
BCC Delegate	The person defined as such in By-Law F.2.4.
Block Trade(s)	A transaction which is organized and executed in accordance with the provisions described in By-Law D.9.
Board	The Board of Directors of the Exchange.
Broker Member	The membership category referred to in By-Law C.1.1(a)(i).
Business Conduct Committee or BCC	The committee described in By-Law B.3.5.
Business Day(s)	Any day on which one or more Markets are declared by the Exchange to be open.
Buyer	A buyer of a Contract listed on the Exchange.
By-Laws	These by-Laws of the Exchange as modified, amended or revised from time to time.
Call	A demand for payment of a sum of money made upon a Client.
Call Option Contract	A contract as described in By-Law H.4.2(a).
Cash Only Settlement	Settlement, by payment in cash, between parties to a Contract and the Clearing Corporation, of an amount determined using the Cash Settlement Price, rather than settlement by delivery of the Underlying Physical by the Clearing Corporation.
Cash Only Settlement Contract	A Futures Contract in which the Buyer and Seller agree to satisfy their respective obligations by way of Cash Only Settlement in accordance with the Individual Contract Specifications for that Contract.
Cash Settlement Day	In respect of a Cash Only Settlement Contract, the day on which Final Cash Settlement Price is declared.
Cash Settlement Price	An amount equivalent to the difference between the Final Cash Settlement Price of a Contract and the previous Daily Settlement Price of that Contract.



Central Order Book	The Exchange's order book, in which all submitted orders and any modifications thereto are held until matched, expired or withdrawn.
Chief Executive	The Chief Executive of the Exchange appointed by the Board in accordance with the Articles of Association.
Class of Contracts	All those Contracts that have the same Individual Contract Specifications as more particularly described in By-Law H.1.
Classes of Contracts	More than one Class of Contract.
Clearing Rules	The Clearing Rules of the Clearing Corporation.
Clearing Corporation	Dubai Commodities Clearing Corporation DMCC.
Clearing Guarantee	A guarantee by a Guarantor Clearing Member in the form prescribed by the Exchange from time to time pursuant to which that Guarantor Clearing Member guarantees to each Member (other than the Guaranteed Member) Contracts entered into by that Guaranteed Member and agrees to accept for registration in its name with the Clearing Corporation all contracts entered into by that Guaranteed Member.
Clearing Member	Any firm or corporation which has been admitted to membership of the Clearing Corporation and who has not resigned that membership or whose membership of the Clearing Corporation has not been terminated or suspended.
Client	In relation to a Member, any person, firm or corporation on behalf of whom the Member trades, or proposes to trade a Contract, or from whom the Member accepts instructions to trade a Contract.
Client Account	An account held by a Member in the name of all or some of its Clients for the purpose of recording transactions made by that Member on behalf of the Client(s) to which such account relates, and designated as a Client(s) segregated account.
Close of Trading or Close	Such time on a Business Day as is designated by the Exchange from time to time as the closing time for trading in all or any Contracts.
Close Out	The matching of an Open Position with a corresponding Open Position and effecting the settlement of each Open Position against the other.
Committee	A committee of Members or other persons appointed by the Board to undertake tasks or responsibilities specified by the Board.
Commodity Swap	A financial transaction in which the parties agree by private negotiation to exchange cash flows based upon the future movement of the price of a commodity.
Contract(s)	A Futures, Option or Spot Contract, in any case traded on the Exchange or capable of being traded on the Exchange.
Contract Premium	The premium at which an Option Contract is traded.



Contract Specification	In relation to a Class of Contracts, that forms part of these By-Laws that deals with the particular features of that Class of Contracts.
Contract Unit	In the case of a Futures or Spot Contract, a certain number, weight or volume of a specific commodity which forms the subject of that Futures or Spot Contract and in the case of an Option Contract, the Underlying Futures Contract on which that Option Contract is based.
Corporation	Includes any company or other body corporate wherever and however incorporated or established.
Corporate Action	A cash and/or scrip dividend, a bonus or scrip issue, a rights issue, a share split, subdivision or consolidation, a demerger or any other event affecting or giving rise to a right or entitlement attaching or accruing to the Shares of, or ownership of Shares in, a company; or a takeover, merger or any arrangement, transaction or series of transactions which will or may result in the acquisition by any person or persons or any associated person or person of a substantial proportion of the shares of a company; or any other event which, in the opinion of the Exchange, necessitates an amendment to be made to terms of a Futures Contract in respect of the shares of a company.
Cum-date	The Last Trading Day for a stock with the Corporate Action entitlement.
Currency Contract Unit	An amount of currency specified as the contract unit for a Class of Contracts in Part M. of the By-Laws.
Currencies Delivery Acceptance Notice	A notice provided to the Clearing Corporation in accordance with By-Law M.5.5.
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.
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 as described in By-Law M.1.
Daily Settlement Price	The official daily quotation for each Contract traded on the Exchange for each Delivery Month (in the case of Futures Contracts) and for each Series (in the case of Option Contracts), each as determined by the Exchange for the purpose of margining and settling by the Clearing Corporation.
Declaration Date	The day on which an Option Contract may be exercised by the Buyer of that Contract.
Default	<ul style="list-style-type: none"> <li>(a) A failure by a Member duly to perform or comply with any obligation to make payment or make or accept delivery under the terms of a Futures, or an Option Contract;</li> <li>(b) a failure by a Member to comply with any other obligation under the terms of an Option Contract or a Futures Contract or to satisfy any liability to provide Margin;</li> <li>(c) a Member failing to satisfy the Exchange at any time that it meets any minimum Net Current Assets requirement for membership from time to time stipulated by the Exchange;</li> </ul>



	<ul style="list-style-type: none"> <li>(d) a Member being or being declared in default under the default rules of any designated exchange or a clearing house or being or being declared in breach as to the financial requirements of membership of, or being refused membership of, or suspended or expelled from membership of, any designated exchange or clearing house; or</li> <li>(e) any event that would be an event of default under the Clearing Rules (regardless of whether the Member is a Clearing Member).</li> </ul>
Delivery Day	A day on which delivery may occur in satisfaction of a Futures Contract as specified within the Individual Contract Specifications.
Delivery Margin	An amount of Margin (other than Initial Margin or Special Margin) specified from time to time by the Exchange as being payable in relation to a Class of Contracts during, or immediately prior to, the period in which a Delivery Notice may be issued for that Class of Contracts.
Delivery Month	In relation to a Class of Contract, the calendar month for which delivery or Cash Only Settlement in fulfillment of such Contracts occurs.
Delivery Notice	An advice, containing such information as is prescribed by the Exchange and the Clearing Corporation, issued to the Clearing Corporation by a Seller intending to deliver a commodity in satisfaction of a Futures Contract.
Delivery limit	The maximum Short/Long Open Position that can be tendered for delivery in fulfillment of various classes of Contracts.
DMCC	Dubai Multi Commodities Centre Authority.
Dubai Law	The federal laws of the United Arab Emirates as applied in the Emirate of Dubai and/or any law which is in force only in the Emirate of Dubai.
European Style Options	An Option Contract which can only be exercised on the Last Trading Day.
Exchange	Dubai Gold and Commodities Exchange DMCC.
Exchange for Physical Transaction	<p>A transaction where:</p> <ul style="list-style-type: none"> <li>(a) a bona fide physical transaction, as determined by the Exchange, in a commodity or instrument is completed and physical delivery takes place at the time of the transaction or is intended by both parties to take place at a later time; and</li> <li>(b) at or about the same time a Futures Contract, opposite in effect, is traded by a Member or Members on behalf of these parties, the Contract being such that the Underlying Physical bears a commercial relationship to the subject commodity of the physical transaction; and</li> <li>(c) the quantity or amount of the commodity covered by the Futures Contract is commercially equivalent to that of the physical transaction.</li> </ul>
Exchange for Swap Transaction	A transaction where:



	<ul style="list-style-type: none"> <li>(a) a bona fide Commodity Swap transaction, as determined by the Exchange, is completed; and</li> <li>(b) at or about the same time a Futures Contract, opposite in effect, is traded by a Member or Members on behalf of these parties, the Contract being such that the Underlying Physical bears a commercial relationship to the subject commodity of the Commodity Swap transaction; and</li> <li>(c) the quantity or amount of the commodity covered by the Futures Contract is commercially equivalent to that of the Commodity Swap transaction.</li> </ul>
Exchange System	Any trading system or computer system relating to any Contract utilized by the Exchange, including but without limitation the ATS, for any purpose including (without limitation) in connection with the trading platform.
Expiry Month	The calendar month in which an Option Contract expires.
Expiry Date	A marker indicating, for the convenience of Market Participants, an approximate date for the Last Trading Day for a Class of Contracts.
Ex-Date	The Trading Day from which a stock is traded without a previously declared Corporate Action entitlement.
FATF	The Financial Action Task Force on Money Laundering (Grouped 'Action Financière sur le Blanchiment de Capitaux).
FATF Recommendations	The FATF's "Forty Recommendations" dated 20 June 2003, together with the FATF "Special Recommendations on Terrorist Financing" dated 31 October 2001, each as amended or supplemented from time to time, and together with any other recommendations or guidelines issued from time to time by FATF in relation to money laundering.
Final Cash Settlement Price	A price determined, which satisfies the obligations of participants to Open Positions in a Contract at Close on the Last Trading Day. Such price being published by the Exchange, which is calculated in accordance with a transparent formula and/or methodology as detailed in the Contract Specifications.
Futures Contract	<p>A contract designated by the Exchange as a Futures Contract, and in which:</p> <ul style="list-style-type: none"> <li>(a) the Seller agrees to deliver, and the Buyer agrees to accept delivery of the commodity which is the subject of that Contract, in accordance with the Individual Contract Specifications for that contract; or</li> <li>(b) the Seller and the Buyer agree to satisfy their respective obligations by way of Cash Only Settlement, in accordance with the Individual Contract Specifications for that contract.</li> </ul>
Futures Price	The price at which a Futures Contract is bought or sold.
Guaranteed Member	Each Member who is not a Clearing Member and has traded or proposes to trade in a Contract and is using the services of a Guarantor Clearing Member to clear such Contract.





Guarantor Clearing Member	In relation to a Member, a Clearing Member acting as principal vis-à-vis the Clearing Corporation in relation to an Open Position resulting from a Contract to which that Member is a Party in Part B of these By-Laws.
House Account	Any account held by a Member other than a Client Account.
Individual Contract Specifications	The terms and specifications applicable to a particular Class of Contracts determined by the Exchange and as referred to in Part H of these By-Laws.
Initial Margin	The amount which a Member requires to be paid by a Client in respect of a Contract.
Introducing Broker Member or IB Member	The membership category referred to in By-Law C.1.1(a)(iii) ("IB") Member.
Last Trading Day	The last day on which trading is permitted within a Class of Contracts for a particular Delivery Month.
Margin	Initial Margin, Delivery Margin, Special Margin, Variation Margin, and/or any such other form of Margin as the Clearing Corporation shall apply.
Market or Markets	A market in one or more of the Classes of Contracts available to be traded on the Exchange.
Market Close	The time specified by the Exchange for the cessation of trading in Contracts on that Trading Day.
Market Halt	A period of time when trading in a Market has been temporarily suspended by the Exchange as set out in By-Law D.5.4
Market Open	The time specified by the Exchange for the commencement of trading in Contracts on that Trading Day.
Market Participant	A Member or a Client.
Maximum Securities Percentage	A percentage amount specified from time to time by the Exchange as the maximum percentage of a Call for Initial Margin, Delivery Margin or Special Margin that can be satisfied by delivery of Approved Securities.
Member	Any person who has been admitted to membership of the Exchange in accordance with Part C of these By-Laws and who has not resigned or whose membership has not been terminated by the Exchange, and includes Broker Members, Trade Members, IB Members and such other categories and/or sub-categories of membership created by the Exchange from time to time.
Membership Committee	The committee described in By-Law B.3.4.



**Net Current Tangible Assets**

In relation to a Member, the sum of the values of the current assets owned by the Member or prospective Member as the case may be (such value being the lower of cost or market value) less the sum of any liabilities (secured and unsecured) attaching to those assets or to the Member or prospective Member generally (and in the case of a partnership, attaching to the assets of the partnership or to the partners generally).

For the purpose of this definition, “assets” shall not include: (a) the value attributed to any future tax benefits, goodwill, patent, trademark, membership rights granted by the Exchange, preliminary expenses or similar items which in the opinion of the auditors of the Exchange are treated in current internationally accepted accounting practice as intangible; (b) the value attributed to any debt owed to the Member which is disputed or may otherwise be regarded as doubtful; or (c) any asset which is not capable of being realised within twelve (12) months on a going concern basis.

For the purpose of this definition, “**liabilities**” shall include all non-current and current liabilities which in the opinion of the auditors of the Exchange are treated as liabilities in accordance with current internationally accepted accounting practice but may, if the Exchange so approves, having regard to all the circumstances, exclude approved subordinated debt.

**Nominated Broker Member**

In relation to an IB Member, the Broker Member with whom the IB Member has executed an agreement as described in Part C of the By-Laws.

**Non-transfer Period**

As set out in By-Law C.5.1(b).

**Notice**

A Delivery or a Tender Notice.

**Open Position**

An Open Position exists where the obligations under a Contract held by a party which has not been closed out are yet to be performed.

**Open Trading**

The period of Trading in a particular Contract during which bids and offers may be made, accepted, matched, cancelled and amended.

**Option Contract**

A Contract designated by the Exchange as an Option Contract. The style of Option shall be either American Style Option or European Style Option.

**Order System**

A software application, satisfactory to the Exchange, for entering orders into the ATS.

**Physical Emergency**

Where the physical functions of the Exchange are, or are threatened to be, severely and adversely affected by an event external to the Exchange such as (but not limited to) fire, accident, flood, bomb threat, threat of violence, substantially inclement weather, power failure, communication breakdown, computer or systems breakdown or malfunction, or danger to personnel.

**Prescribed Procedure**

Such procedures as the Exchange shall publish to the market by way of Notice from time to time.

**Put Option Contract**

A Contract as described in By-Law H.4.2 (b).



Quanto Futures	A derivative product in which the underlying asset is denominated in a currency other than the currency in which the derivative is settled in cash.
Register	The register described in By-Law C.5.2.
Representative	In relation to a Member, a director, officer, partner, employee or agent of the Member.
Request for Arbitration	A request by a Member or a Client to submit a dispute to arbitration in accordance with Part G of these By-Laws.
Risk Disclosure Statement	A statement to be obtained in accordance with By-Law E.3(b) by a Member trading on behalf of a Client.
SCA	Securities and Commodities Authority.
Secured Creditors	Any creditors whose debt is secured in a manner which at law gives it priority over unsecured creditors upon the liquidation, winding up or insolvency of a Member.
Seller	A seller of a Contract listed on the Exchange.
Series	A Class of Option Contracts with the same Underlying Futures Contract, Strike Price and Delivery Month.
Settlement Price	In relation to a Contract, the Daily Settlement Price on the Last Trading Day.
Settlement Value	In a Contract Specification, the amount payable by a Buyer to the Clearing Corporation, and payable by the Clearing Corporation to a Seller in relation to the obligations of the Buyer and Seller to receive or make delivery in fulfillment of a Contract.
Special Margin	An amount of Margin specified from time to time by the Exchange as being payable in relation to a Class of Contracts, and which is not Initial Margin, Variation Margin or Delivery Margin.
Spread Position	The simultaneous holding of a bought/sold futures position in a Class of Contract with one Delivery Month and a sold/bought position in the same Class of Contract with a different Delivery Month.
Strike Price	The price at which a Buyer of a Call Option Contract or a Put Option Contract shall be registered as the buyer or seller, as the case may be, of the Underlying Futures Contract, upon the exercise of the Option.
Tender Notice	An advice, containing such information as is prescribed by the Exchange and the Clearing Corporation, issued to the Clearing Corporation by a Buyer intending to take delivery of a commodity in satisfaction of a Futures Contract.
Trade Member	The membership category referred to in By-Law C.1.1(a)(ii).
Trader Work Station or TWS	A computer terminal of a Member that is approved by the Exchange and that is connected to the ATS or any other trading system of the Exchange for the purpose of trading on the Markets of the Exchange.



Trading Day	A day on which one or more markets of the Exchange are open for business.
Trading Rights	The rights of a Member described in By-Law C.2.1(b).
Transferee	A Member which acquires its membership by way of transfer from another Member.
Transferor	A Member which transfers its membership to another Member.
Underlying Futures Contract	The Futures Contract upon which an Option Contract is based.
Underlying Physical	In relation to a Futures Contract, the asset, index, reference rate or any other thing, excluding a Futures Contract, whose price is a primary determinant of the value of the Contract.
UserID	A unique access code given to each Approved User in order to access the ATS through a Trader Workstation.
Variation Margin	At any point in time, the difference between the value of a contract at that time and the value of the contract determined at the previous Daily Settlement Price.
Warrant Member	A person who is registered by DMCC Tradeflow as a member of the Warrant System.
Warrant System	The electronic system owned by DMCC for the issue, transfer and pledging of Warrants in relation to commodities stored inside the United Arab Emirates.
Warrant Issuing Member	A Warrant Member lawfully engaged in the business of storing or arranging for the storage of commodities for profit and registered by DMCC as an authorized issuer of Warrants.
Warrant	A paper certificate or electronic document representing and evidencing ownership of goods at a storage facility owned and operated by a DMCC Tradeflow Member and issued by that DMCC Tradeflow Member through the DMCC Tradeflow System and held by DMCC.
Wholesale Trading Facilities	Transactions which are organized and executed outside the Central Order Book, and in accordance with the provisions set out in By-Law D.9.



## **A.3 Interpretation**

### **A.3.1 Numbers**

In these By-Laws words importing the singular number only shall include the plural number and vice versa.

### **A.3.2 Reference to Person**

- (a) the word “person” and words importing a person or persons shall include individuals, corporations, companies and firms, and the word “firms” shall include partnerships;
- (b) “in writing” or “written” shall include any document that is written, typed, printed or lithographed, or partly one and partly another, and including any other mode of representing or reproducing words or data in a visible form, including electronically produced, displayed and recorded matter;
- (c) “control” or “controlled” and similar expressions mean the power to direct the management and policies of the relevant firm or corporation;
- (d) “listing” and “to list” shall refer to a Class of Contracts available for trading on a facility operated by the Exchange;
- (e) “publishing” and “to publish” shall refer to making information available to the public or to Members by any means including electronic means; and
- (f) “trading” and “to trade” and similar expressions shall refer to the buying and selling of Contracts listed on the Exchange.

### **A.3.3 Gender**

In these By-Laws words importing the masculine gender shall include the feminine or neuter gender.

### **A.3.4 Headings**

In these By-Laws headings shall not affect interpretation.

### **A.3.5 Knowledge of a Member**

In these By-Laws references to knowledge of a Member that is a corporation shall include reference to the knowledge of a director, officer or employee of that corporation

### **A.3.6 Severability**

If at any time any provision of these By-laws becomes illegal, invalid or unenforceable in any respect the legality, validity or enforceability of the remaining provisions of these By-Laws shall in no way be affected or impaired thereby.

### **A.3.7 Exercise of Power by Exchange or Board**

Where these By-Laws confer on the Exchange or the Board a power to do or to refrain from doing some act or to exercise a discretion, a reference to the Exchange or Board includes:

- (a) in the case of the Exchange, a reference to the Board, the Chief Executive, or other officer of the Exchange authorized by the Board or Chief Executive to exercise that power or who is otherwise properly authorized to exercise that power, and
- (b) in the case of the Board, a reference to the Chief Executive or other officer of the Exchange authorized by the Board or Chief Executive to exercise that power or who is otherwise properly authorized to exercise that power.

### **A.3.8 Exclusion of Liability**

Neither the Exchange nor any of its directors or other officers nor any of its employees nor any member of any committee shall, except in the case of fraud or willful misconduct, be under any liability whatsoever in contract, in tort



(including but not limited to negligence), or under any other theory of law to any Member or other person in respect of the matters set out in By-Law A.3.8.(a) and (b).

- (a) Any act of omission taken or omitted to be taken pursuant to duties, powers and/or authorities contained in the By-Laws, including in relation to the following:
  - (i) The setting and dissemination of Daily Settlement Prices, or other prices pursuant to these By-Laws;
  - (ii) The cancellation of orders, price adjustment of trades, and invalidation of trades pursuant to these By-Laws;
  - (iii) The listing or delisting of any producer or brand or maintenance of any such listing;
  - (iv) The initiation or enforcement of disciplinary or emergency procedures; and
  - (v) Any other events not set out in (i) to (iv) above.
- (b) Any failure, malfunction, delay or other defect in or affecting any computer system, or other communications media or facilities used by the Exchange, its Members or others, whether at the Exchange or otherwise.

#### **A.3.9 Notices**

- (a) All notices required to be given under or in connection with these By-Laws shall be delivered by the ATS, publication in its periodical publications or individual notification as appropriate. Unless specifically provided otherwise, any notification or other communication which is required to be made in writing by any By-Law may be made by any means of communication producing or permitting reproduction of a written or printed text of the notice.
- (b) Notices shall be deemed to have been received when effectively delivered to the recipient's electronic mail address, fax number or address, as the case may be.
- (c) The addressee of a notice deemed delivered in accordance with this By-Law A.3.9 shall act in accordance with the terms of that notice unless he can prove that he did not receive that notice.



## **Part B: Management of the Exchange**

### **B.1 The Board**

#### **B 1.1 Responsibility of the Board**

The Board is responsible for the governance of the Exchange in accordance with the terms of the Articles of Association and these By-Laws.

#### **B 1.2 Delegation by the Board**

The Board, may, by resolution, delegate to a Committee or to a member of the staff of the Exchange any powers or functions exercisable by it according to these By-Laws.

### **B.2 The Chief Executive**

#### **B.2.1 Responsibility of the Chief Executive**

The Chief Executive shall be responsible for the day to day management of the Exchange and for the implementation of these By-Laws.

#### **B. 2.2 Delegation by the Chief Executive**

The Chief Executive may, by written notice, delegate to an office holder of the Exchange, any powers or functions exercisable by him according to these By-Laws.

### **B.3 Committees**

#### **B.3.1 Board to Appoint Committees**

The Board shall appoint such Committees as it sees fit to advise it on matters relating to the governance of the Exchange. Such Committees may include, but not be limited to, the Membership Committee, the Business Conduct Committee and the Trading Committee.

#### **B.3.2 Membership of Committees**

- (a) Persons appointed to a Committee may be:
- (i) Members or directors, officers, partners or employees of Members;
  - (ii) employees of the Exchange; or
  - (iii) other persons whose experience and expertise is regarded by the Board as appropriate to the role of the Committee.
- (b) Membership of a Committee shall be for a term of one year, and may be renewed any number of times.
- (c) The Board may terminate a person's membership of a Committee at any time and at its discretion.
- (d) A person shall only be appointed to a Committee on the condition that he agrees to act as a Committee member in the interests of the Exchange and to treat as confidential all information he obtains as a Committee member, except:
- (i) in relation to information that is in the public domain; and
  - (ii) to the extent necessary to report to the Board or to an office holder of the Exchange; and
  - (iii) as required by law.



### **B.3.3 Functions and Powers of Committees**

A Committee shall perform such functions as the Board may determine from time to time and shall exercise such powers as the Board may delegate to it, consistent with the Articles of Association and these By-Laws.

### **B.3.4 Membership Committee**

The Membership Committee shall:

- (a) advise the Board on admission criteria and procedures for membership in the Exchange;
- (b) review applications for membership in the Exchange and to make recommendations to the Board in relation to such applications; and
- (c) undertake such other activities in relation to membership in the Exchange as the Board may refer from time to time to the Membership Committee.

### **B.3.5 Business Conduct Committee**

The functions and powers of the Business Conduct Committee shall be to:

- (a) exercise jurisdiction over Members with respect to conduct, trading practices, sales practices and trading ethics in accordance with these By-Laws;
- (b) to take disciplinary actions in accordance with these By-Laws; and
- (c) to undertake such other activities as the Board may refer from time to time to the Business Conduct Committee.

### **B.3.6 Trading Committee**

The functions of the Trading Committee shall be to advise the Board on all matters pertaining to trading on the Exchange, in accordance with the By-laws and procedures relating to such trading.





## **Part C: Membership of the Exchange**

### **C.1 Membership Structure**

#### **C.1.1 Categories of Membership**

- (a) A Member may be admitted as:
  - (i) a Broker Member; or
  - (ii) a Trade Member, or
  - (iii) an Introducing Broker (IB Member)
- (b) There shall be one or more sub-categories of Trade Member, designated by reference to a commodity or group of commodities and to which the trading rights of that sub-category of membership shall pertain.
- (c) The Exchange may create such other categories of membership as it sees fit, having regard to the efficient operation of the Markets of the Exchange.

#### **C.1.2 Transfer of Status or Rights**

Membership status and rights are transferable, subject to the terms set out in these By-Laws.

### **C.2 Membership Rights and Obligations**

#### **C.2.1 Membership Rights**

- (a) A Member shall be entitled to represent itself as a Member of the Exchange.
- (b) Subject to these By-Laws:
  - (i) A Trade Member shall be entitled to trade on Markets operated by the Exchange for its own account.
  - (ii) A Broker member shall be entitled to trade on Markets operated by the Exchange for its own account and on behalf of Clients.
  - (iii) An IB Member shall be entitled to trade on Markets operated by the Exchange for its own account, provided he is authorized in writing to do so by its Nominated Broker Member.
- (c) An IB Member shall be entitled:
  - (i) to introduce Clients or potential Clients to its Nominated Broker Member on such terms as may be agreed between the IB Member and the Nominated Broker Member, and
  - (ii) to advise such Clients or potential Clients in relation to trading on Markets operated by the Exchange, provided that the IB Member does not receive monies or securities from, or on behalf of Clients or potential Clients in relation to such trading.



### **C.2.2 Membership Obligations**

- (a) Members shall be bound by these By-Laws.
- (b) A Member shall at all times comply, and ensure that its Representatives comply, with these By-Laws.
- (c) A Member shall notify the Exchange immediately upon becoming aware that it has or any of its Representatives have breached any provision of these By-Laws.
- (d) A Member shall cooperate with any Committee or member of staff of the Exchange in the performance by such Committee or member of staff of its respective duties.
- (e) A Member must not submit information to the Exchange that it knows, or ought reasonably to know, to be false or misleading.
- (f) A Member shall be responsible for all orders entered into the ATS by way of any TWS allocated to the Member, and shall become a party to each trade so executed.
- (g) A Member shall pay the following fees in such amounts and at such times as the Exchange may determine from time to time:
  - (i) an application fee for admission as a Member;
  - (ii) an admission fee;
  - (iii) an annual membership fee; and
  - (iv) a transaction fee for each Contract which is traded by the Member (whether as principal or on behalf of a Client).

In determining the fees to be paid by Members the Exchange may determine different levels of fees for different categories of Members.

- (h) The Exchange may determine different levels of fee payable by Broker Members, by each sub category of Trade Member and by IB Members.
- (i) Payment shall be due on such date as may be determined by the Exchange.
- (j) Annual membership fees and (if any) access fees shall be payable notwithstanding the suspension of a Member's membership status.
- (k) A Member that fails to pay an annual membership fee within one (1) month of the due date shall be immediately suspended, unless the Exchange grants an extension for payment, until such time as the total outstanding fees are paid, together with interest at such rate as the Exchange may determine.
- (l) Should the non-payment of fees not be remedied within a further one (1) month of the due date, as extended, the Exchange may terminate the defaulting Member's membership, and/or may pursue any outstanding fees and interest charges from such Member.



### **C.3 Admission of Members**

#### **C.3.1 Eligibility**

A firm or Corporation is eligible to apply for membership in the Exchange.

#### **C.3.2 Application Process**

- (a) An applicant for membership of the Exchange shall lodge with the Exchange an application, in such form and providing such undertakings, information and documents as the Exchange shall from time to time require, together with any application fee as determined by the Exchange. Such undertakings, information and documents may include undertakings, information and/or documents described in the FATF Recommendations with respect to the identification of customers, counterparties and/or depositors of funds.
- (b) The application shall include an undertaking, signed by a duly authorized officer of the applicant, in a form specified by the Exchange, that it agrees to be bound by these By-Laws.
- (c) The Exchange shall consider the application and may request from the applicant for such further information as it considers necessary.
- (d) The Exchange shall not be obliged to furnish any reason for its decision to approve or reject the application.
- (e) In determining whether to approve an application, the Exchange shall be entitled to consider the business integrity, financial probity and standard of training and experience of the applicant and its directors, partners, officers and employees, and such other matters as the Exchange regards as relevant from time to time.

#### **C.3.3 Membership Status**

- (a) An applicant shall become a Member when:
  - (i) the approval process described in By-Law C.3.2 has been completed and the Exchange has notified the applicant in writing of its approval of the application;
  - (ii) the applicant has paid to the Exchange such admission fee as the Exchange may determine from time to time; and
  - (iii) the applicant has lodged with the Exchange a statement of its Net Current Tangible Assets and Secured Creditors in such form as the Exchange shall from time to time prescribe,provided that, if the applicant has not complied with By-Laws C.3.3 (a)(ii) and C.3.3 (a)(iii) within two months of the issuing by the Exchange of the written notification referred to in By-Law C.3.3(a)(i), the Exchange's approval shall be deemed to have lapsed.
- (b) A Member shall not be entitled to exercise its Trading Rights until:
  - (i) it has been admitted as a Clearing Member by the Clearing Corporation; or
  - (ii) it has provided to the Exchange a duly signed Clearing Guarantee.
- (c) A Member who is guaranteed by a Clearing Member may not be guaranteed by another Clearing Member without first having obtained a written release from the first Clearing Member.
- (d) Such written release shall not be withheld unless the Member seeking the release has failed to pay a debt to the first Clearing Member arising from trading on the Exchange.



#### **C.3.4 Nominated Broker Member for IB Member**

- (a) Prior to commencing operations an IB Member shall execute an agreement in writing with a Nominated Broker Member entitling the IB Member to deal on behalf of Clients, and which agreement shall govern the terms on which the IB Member shall introduce Clients and potential Clients to the Nominated Broker Member.
- (b) An IB Member is not entitled to have more than one (1) Nominated Broker Member at any time.
- (c) An IB Member shall lodge with the Exchange a notification, in a form prescribed by the Exchange, of the name of its Nominated Broker Member.
- (d) An IB Member may change its Nominated Broker Member at any time by advising the Exchange in writing, in such form as the Exchange may prescribe.

#### **C.4 Suspension of Membership and Trading Rights**

##### **C.4.1 Consequences of Suspension of Membership**

- (a) Subject to By-Law C.4.4, the Trading Rights of a Member shall cease entirely for the duration of any period of suspension of the membership of that Member.
- (b) No suspension or termination of membership shall affect the Member's ability or obligation to comply with any direction given or condition imposed pursuant to these By-Laws or in any way affect the operation of these By-Laws.

##### **C.4.2 Grounds for Immediate Suspension of Trading Rights**

A Member's Trading Rights on the Exchange shall be immediately and automatically suspended if at any time:

- (a) the Member is a Clearing Member in respect of which the Exchange has received written notice from the Clearing Corporation that the Clearing Corporation has suspended or terminated the Member's membership of the Clearing Corporation or has refused to register trades in the name of the Member;
- (b) the Member is not a Clearing Member and the Exchange has received written notice from the Clearing Corporation that the Clearing Corporation has suspended or terminated the status of the Member's Guarantor Clearing Member as a Clearing Member or has refused to register trades in the name of that Guarantor Clearing Member;
- (c) the Member is not a Clearing Member and there is no Clearing Guarantee in existence from a Clearing Member on behalf of the Member;
- (d) the Member's Guarantor Clearing Member notifies the Exchange in writing that it will no longer accept the registration of trades in the name of the Member;
- (e) a liquidator, receiver, manager or administrator or similar officer is appointed in respect of the Member and/or its property, or if the Member or a partner of the Member becomes, or is deemed to be, bankrupt or insolvent and/or is unable to pay its debts as they fall due;
- (f) the Member fails to pay any fee referred to in By-Law C.2.2(g) or any other financial liability arising under these By-Laws, in either case by the relevant due date, unless the Exchange grants an extension of time for payment;
- (g) the Member fails to comply with any other obligation under these By-Laws, after the expiry of any grace period granted by the Exchange, if any, unless the Exchange waives such breach in accordance with its powers under these By-Laws;
- (h) the Member fails to comply with an arbitration award made against it in accordance with Part G of these By-Laws.



#### **C.4.3 Grounds for Discretionary Suspension of Trading Rights**

- (a) Without prejudice to any other action which the Exchange may take, a Member's membership status may be suspended where:
- (i) the Member fails to lodge the certificate referred to in By-Law C.9.5(c) within seven (7) days of the due date referred to in that By-Law; and/or
  - (ii) the value of the Net Current Tangible Assets of the Member at any time falls below the minimum required by the Exchange; and/or
  - (iii) the bankruptcy of a partner (in the case of a firm) or a director or other officer (in the case of a corporation) of the Member; and/or
  - (iv) the Member has been found by a court or by SCA to have violated any rule or regulation of SCA or a law of the United Arab Emirates.
- (b) Where a Member is suspended under By Law C.4.3(a), the suspension shall be effective at the expiry of the period specified in that By-Law (as such period may be extended by the BCC either before or after the expiration of that period) and the Member shall be liable to pay a fine of such amount as is prescribed by the Exchange from time to time as the appropriate fine for such failure.
- (c) Failure to pay a fine imposed under By-Law C.4.3(b) within fourteen (14) days of the Member being notified of the imposition of the fine shall result in automatic suspension of the Member or, where the Member is already under suspension, continuation of that suspension until the fine is paid in full.
- (d) If the BCC is of the opinion that the Member has demonstrated that it will be able to comply with any obligation under By-Laws C4.2 or C4.3 but only after the deadline applying thereto, the BCC may, at its absolute discretion, allow the Member up to ten (10) Business Days within which to do so, and the suspension will be effective at the expiration of the time granted if the Member has not achieved compliance at that time.

#### **C.4.4 Liquidation of Existing Open Positions**

Clients of a Member whose membership status is suspended under By-Law C.4.3 may instruct a Broker Member to trade on their behalf, provided all relevant arrangements have been put in place by the Client with the Broker Member.

#### **C.4.5 Transfer of Open Positions**

Where a Member's membership status is suspended under By-Laws C.4.2 or C.4.3, the Board may direct the transfer of Open Positions in accordance with the process set out in By-Law F.6.

#### **C.4.6 Lifting of Suspension of Trading Rights**

- (a) Where a Member's Trading Rights have been suspended in accordance with By-Law C.4.2(a), such suspension shall be lifted when the Clearing Corporation notifies the Exchange in writing that the suspension from the Clearing Corporation has been lifted or the refusal to register trades in the name of that Member has been lifted or the Member obtains a Clearing Guarantee.
- (b) Where a Member's Trading Rights have been suspended in accordance with By-Law C.4.2(b) or (c), such suspension shall be lifted when the Member obtains a Clearing Guarantee and the Board has considered the matter in terms of Part F of these By-Laws. If a resolution is made pursuant to By-Law F.2, the suspension will not be lifted until the Board has considered whether any action should be taken pursuant to By-Law F.2, or unless the Exchange earlier determines to reinstate the entitlement to trade subject to the Member satisfying the provisions of By-Laws C.4.2(b) and (c).
- (c) Where a Member's Trading Rights have been suspended in accordance with By-Law C.4.2(e), such suspension shall be lifted at the conclusion of any liquidation, receivership, administration or other insolvency-related procedure affecting that Member and resulting in such Member remaining solvent, unless the Exchange in its absolute discretion determines otherwise.



- (d) Where a Member's Trading Rights have been suspended in accordance with By-Law C.4.2(f), such suspension shall be lifted when the sum due is paid together with interest at such rate as may be determined by the Exchange.
- (e) Where a Member's Trading Rights have been suspended in accordance with By-Law C.4.3(a)(i), the suspension shall be lifted as soon as the certificate referred to in By-Law C.9.5(c) has been received by the Exchange unless prior to receipt of such certificate, the Member's Trading Rights have been suspended for reasons other than, or in addition to, the Member's failure to lodge such certificate.
- (f) Where a Member's Trading Rights have been suspended in accordance with By-Law C.4.3 (a)(ii), the suspension shall be lifted upon the Member demonstrating to the satisfaction of the BCC that it has achieved compliance and is able to maintain compliance with By-Law C.4.3 (a)(ii).

## **C.5 Transfer of Membership**

### **C.5.1 Entitlement to Transfer**

- (a) Subject to these By-Laws, a Member is entitled to transfer its membership to a person accepted by the Exchange as a Member. An IB Member is not entitled to transfer its membership.
- (b) The Exchange may impose a restriction on the initial transfer of membership to the effect that no Member may transfer its membership within such initial period as may be designated by the Exchange as a period in which transfers of membership may not be made (a "Non-transfer Period").
- (c) No transfer of membership shall be effective unless:
  - (i) any Non-transfer Period shall have expired;
  - (ii) the Transferor shall first have paid to the Exchange all monies owed by it to the Exchange;
  - (iii) the Transferor shall first have closed out all Open Positions held on behalf of Clients in accordance with instructions from those Clients or transferred all such Open Positions to another Member entitled under these By-Laws to hold Open Positions on behalf of Clients, provided that such transfer of Open Positions do not occur without the consent of those Clients.

### **C.5.2 Transfer Procedures - Bids and Offers for Memberships**

For each category and sub-category of membership the Exchange shall maintain a register (the "**Register**") of offer prices submitted by Members wishing to transfer their membership. Members and non-members wishing to accept bids or offers in the Register should contact the Exchange to do so.

### **C.5.3 Transfer Procedures - Transferee**

- (a) A prospective Transferee must satisfy the application requirements set out in By-Law C.3.2 and C.3.3, including payment of such application fees as may be prescribed by the Exchange.
- (b) Following approval by the Exchange of the Transferee's application under By-Law C.3.2, the Transferee may advise the Exchange of its bid price to be incorporated in the Register for the category of membership for which he has applied.

### **C.5.4 Membership Status**

A prospective Transferee shall be granted membership status when:

- (a) The approval process described in By-Law C.3.2 and C.3.3 has been completed and the Exchange has notified the applicant in writing of its approval of the application;
- (b) the Transferor has complied with the provisions of By-Law C.5.1(b);



- (c) the Transferee has paid to the Exchange such admission fee and other fees as the Exchange may determine from time to time; and
- (d) the Transferee has lodged with the Exchange a statement of its Net Current Tangible Assets and Secured Creditors in such form as the Exchange shall from time to time prescribe, provided however that, if the applicant has not complied with By-Laws C.3.3(a)(ii) and C.3.3(a)(iii) within two (2) months of the issuing by the Exchange of the written notification referred to in By-Law C.3.3(a)(i), the Exchange's approval shall be deemed to have lapsed.

#### **C.5.5 Transfers between Affiliated Corporations and Partners of a Member**

By-Laws C.5.1 to C.5.4 shall not apply to:

- (a) transfers between Affiliated Corporations; or
- (b) in the case of a Member that is a firm, a transfer to a partner in that firm or to a corporation that is beneficially owned by a partner in that firm.

### **C.6 Termination of Membership**

#### **C.6.1 Termination of Membership Status**

Should the acts or omissions that gave rise to the suspension of a Member under By-Laws C4.2 or C4.3 not be remedied within one (1) month of the suspension date, or such other date as determined by the Exchange, the Board may without further notice terminate the membership status of the Member.

#### **C.6.2 No Entitlement to Refund of Fees**

There shall be no entitlement to a refund of any portion of the fees paid to the Exchange by a Member upon the suspension or termination of the Member's membership status.

#### **C.6.3 Notification of Suspension or Termination**

- (a) Where the membership of a Member has been suspended or terminated or a Member has given notice of resignation the Exchange shall cause a notice to that effect to be issued to that Member and may make any public announcements relating to the same, and may notify such other persons of, such suspension, termination or resignation (as the case may be) as it sees fit.
- (b) The Exchange shall advise SCA of the suspension, termination or resignation (as the case may be) of the membership of any Member and all subsequent action taken by the Exchange in respect of that Member.
- (c) The Exchange may, in any notice published pursuant to By-Law C.6.3(a), indicate the grounds on which the relevant decision was made.

#### **C.6.4 Clearing Guarantee to Continue in Effect**

A Clearing Guarantee shall continue in effect in relation to any trades conducted prior to the suspension, pursuant to By-Law C4.2 (b) or C4.2 (d), of the Trading Rights of the Guaranteed Member to which that Clearing Guarantee relates.

#### **C.6.5 Continuation of Liability**

The termination of a Member shall not in any way diminish any liability which that Member may have incurred to the Exchange or to the Clearing Corporation or any other Member arising out of its activities and obligations as a Member and such liabilities shall continue to subsist for a period of twelve (12) month from the date of termination or until satisfied or discharged.

### **C.7 Changes in Control and Changes in Directors or Shareholders**

#### **C.7.1 Notification of Proposed Changes in Control and Application for Approval**



A Member must forthwith submit to the Exchange full particulars of any proposed changes in control of the Member together with an application for approval where there is proposed in relation to a Member:

- (a) in the case of a firm, a change in the partners (including the admission of a new partner whether or not that is consequent upon the death or retirement of a partner); or
- (b) in the case of a corporation:
  - (i) the transfer of fifteen per cent (15%) or more of the issued share capital; or
  - (ii) the transfer of such lesser percentage of the issued share capital whereby one party becomes the holder of fifteen per cent (15%) or more of the issued share capital; or
  - (iii) the issue of any new shares (or option in relation thereto) whereby one party becomes the holder of fifteen per cent (15%) or more of the issued share capital; or
- (c) in the case of a firm or a corporation, the entering into of any agreement, as a result of which the control of the Member becomes or may become vested in persons other than those recorded with the Exchange.

#### **C.7.2 Exchange to Consider Application for Approval**

- (a) When the Exchange receives an application for approval pursuant to By-Law C.7.1 it shall consider the application and may request for such further information as it deems necessary.
- (b) In considering whether or not to give its approval under By-Law C.7.1, the Exchange shall have regard to the same factors that it would have considered if it were considering the new partner or new controlling person (as the case may be) for membership on the Exchange.

#### **C.7.3 Effective Implementation of Changes**

Implementation of a change in the shareholders of a Member pursuant to By-Law C.7.1 shall be deemed to have occurred when both of the following steps have been concluded:

- (a) an application for such change has been approved by the Exchange; and
- (b) the Member has lodged with the Exchange a written acknowledgment that the changes referred to in the application have occurred.

#### **C.7.4 Approval to Lapse**

If the implementation of any change referred to in By-Law C.7.3(a) does not occur within two (2) months after the date of approval of the application by the Exchange, or such other time as the Exchange may allow, that approval shall be deemed to have lapsed.

#### **C.7.5 Changes without Prior Approval**

Should changes of the nature described in By-Law C.7.1 occur without the prior approval of the Exchange, the Board shall be entitled without further notice or hearing and notwithstanding any other provision of these By-Laws to terminate the Member's membership status or take any of the actions provided for in Part F on the basis that the Member is in breach of the By-Laws.

#### **C.7.6 Change in Directors and Shareholding**

A Member which is a corporation must notify the Exchange in writing of any change in its directors or change in shareholding in excess of five per cent (5%) of the issued share capital of that Member within twenty-one (21) days of either such occurrence.

### **C.8 Resignation of Membership**

#### **C.8.1 Notice of Resignation**





A Member may resign by giving written notice to the Exchange of its intention to do so.

#### **C.8.2 No Refund of Fees Upon Resignation**

There shall be no entitlement to a refund of any portion of the fees paid to the Exchange by a Member upon the resignation of that Member.

#### **C.8.3 Continuation of Liability**

The resignation of a Member shall not in any way diminish any liability which that Member may have incurred to the Exchange or to the Clearing Corporation or any other Member arising out of its activities and obligations as a Member and such shall continue to subsist for a period of twelve (12) month from the date of resignation or until satisfied or discharged.

#### **C.8.4 Exchange to Consent to Resignation**

- (a) The resignation of a Member shall not be effective unless and until the Exchange consents thereto in writing.
- (b) Where the resignation of a Member is expressed to become effective after a period of time the resignation shall not be effective until the later of that date and the date upon which the Exchange consents thereto in writing.
- (c) A Member who resigns shall surrender to the Exchange any certificate of membership that has been issued by the Exchange in relation to that membership.

#### **C.8.5 Open Positions Held by Resigning Member**

Where a Member has resigned, the Open Positions held by that Member (whether on its own behalf or on behalf of Clients), shall be dealt with in accordance with By-Law F.6.

### **C.9 Continuing Obligations**

#### **C.9.1 Compliance with By-Laws and Notification of Breaches**

A Member shall:

- (a) at all times comply with, and ensure that its Representatives comply with, these By-Laws and with any condition on which any exemption from these By-Laws is granted;
- (b) notify the Exchange immediately upon becoming aware that it has or any of its Representatives have breached any provision of these By-Laws or any law relating to the regulation of markets operated by the Exchange;
- (c) ensure that at all times it has the necessary approvals and permissions from relevant regulatory authorities that permit the Member to transact business on the Exchange, and to notify the Exchange immediately upon becoming aware that any approval or permission has lapsed and/or been withdrawn;
- (d) notify the Exchange immediately upon becoming aware that any regulatory body is investigating and/or instituting proceedings against it;
- (e) pay such fees and charges as are owed to the Exchange and/or the Clearing Corporation; and
- (f) provide the Exchange with such contact information as the Exchange may require from time to time, and to immediately notify the Exchange of any changes to such information.

#### **C.9.2 Cooperation and communication with the Exchange and Provision of Records**

- (a) Members shall retain records concerning the Member's trading and financial position whether for client or principal trading and the Exchange may itself inspect the records of the Member or may appoint a person or persons to inspect the records on its behalf.



- (b) The Exchange may request the Clearing Corporation to provide any information in its possession concerning a Clearing Member and may request the Clearing Corporation to conduct an inspection of the Clearing Member, or to appoint a person or persons to conduct an inspection, to assist the Exchange to obtain information for the purposes of this By-Law C.9.2. Each Member hereby authorises the Clearing Corporation to comply with such requests.
- (c) The Exchange shall, and is duly authorized by its Members to, provide to SCA all information requested by SCA relating to the operations of the Exchange or a Member and positions held by that Member.
- (d) Except as provided by these By-Laws or as required by law the Exchange shall keep confidential information concerning Members or positions held by them and shall only disclose such information to any other party as provided by these By-Laws, as required by law or for the purposes of discharging any of its functions or obligations under the By-Laws including, without limiting the generality of the foregoing, the provision of information to any insurers, to the Clearing Corporation or to a provider of delivery facilities.
- (e) Each Member shall give access to each of SCA and the Exchange to enter into its offices at any time requested by SCA or the Exchange for the purposes of supervision of and monitoring the compliance with these By-Laws and SCA laws, rules and regulations.

### **C.9.3 Undertakings**

A Member shall lodge with the Exchange on request a duly executed undertaking in the form determined from time to time by the Exchange and to the effect set out in By-Law C.3.2(b).

### **C.9.4 Notification of External Administration**

A Member must notify the Exchange in writing immediately upon the happening of any one or more of the following:

- (a) the appointment of a receiver, liquidator or other insolvency practitioner in respect of the property of the Member; and/or
- (b) the bankruptcy of any partner (in the case of a firm) or director or other officer (in the case of a corporation) of the Member.

### **C.9.5 Maintenance of Specified Net Current Tangible Assets and Provision of Periodic Financial Reports**

Each Member shall:

- (a) ensure that at all times the value of its Net Current Tangible Assets is not less than the minimum value determined therefore by the Exchange;
- (b) in the event that the value of the Net Current Tangible Assets falls below the minimum value determined thereof by the Exchange immediately notify the Exchange, and within twenty-four (24) hours or such other time as determined by the Exchange, and immediately thereafter lodge with the Exchange a detailed Financial Statement in a form approved by the Exchange; and
- (c) provide to the Exchange a certificate from the Member's auditors that NCTA has been maintained at or above the minimum value, as determined from time to time by the Exchange, within three (3) months of the end of each of its financial years.



#### **C.9.6 Prohibited Employment**

- (a) A Member shall not employ any person who has been a Member or Representative of a Member if:
  - (i) that person has to the knowledge of the Member taken part or been concerned in any failure to comply with the By-Laws;
  - (ii) such failure has been found by the Board or BCC pursuant to Part F to have occurred ; and
  - (iii) the Board or BCC has determined that this By-Law C.9.6 shall apply in relation to that person.
- (b) For the purposes of By-Law C.9.6, the words “**to employ**” and cognate expressions shall include agreeing or arranging with a person for that person to act as the Member’s Representative and/or to advise or solicit instructions from other persons or to have dealings on that Member’s behalf in relation to Contracts.

#### **C.9.7 Maintenance of Accounting Records**

- (a) Each Member must maintain such accounting records as:
  - (i) correctly record and explain the transactions and financial position of that Member; and
  - (ii) enable the Exchange conveniently to ascertain that Member’s compliance with these By-Laws.
- (b) Such accounting records are to be maintained in a form and at a location that will enable them to be conveniently and properly audited.

#### **C.9.8 Compliance with Applicable Law**

Each Member shall comply with all law applicable to it in the jurisdiction of its incorporation and/or commercial registration.

#### **C.10 Amendments to the By-Laws**

- (a) The Exchange may from time to time amend these By-Laws by written notice delivered to the Members (an “Amendment Notice”). Any such amendment shall take effect on the day falling fourteen (14) days after the date of the Amendment Notice (or on such later date as the Exchange may specify) and may take effect so as to apply to Open Positions existing at the time such amendment(s) come into effect if the Exchange so determines.
- (b) Subject to By-Law C.8.4, any Member who does not wish to be bound by an Amendment Notice may resign its membership in the Exchange by written notice to the Exchange within fourteen (14) days after the date of that Amendment Notice.

#### **C.11 Severability**

If at any time any provision of these By-Laws becomes illegal, invalid or unenforceable in any respect the legality, validity or enforceability of the remaining provisions of these By-Laws shall in no way be affected or impaired thereby.



## **Part D: Trading on the Exchange**

### **D.1 Trading Platform**

**D.1.1** Trading on the Exchange shall take place on the ATS or on such other facility as the Exchange may approve.

### **D.2 Trading Days and Hours**

#### **D.2.1 Trading Days**

Those days on which one or more markets of the Exchange are open for business.

#### **D.2.2 Designated Trading Hours**

The Board shall declare the designated hours for trading for each Contract listed on the Exchange.

### **D.3 Prohibited Practices**

- (a) No Member shall manipulate or attempt to manipulate or otherwise abuse or attempt to abuse the market or create or attempt to create an artificial market.
- (b) No Member shall enter into or attempt to enter into a transaction or series of transactions designed to create an artificial market whereby prices and turnover do not truly reflect the business transacted.
- (c) No Member shall undertake or attempt to undertake wash or fictitious transactions.
- (d) No Member shall enter into or attempt to enter into a transaction or series of transactions based on material, non-public information relating to any Contract(s) that are made available for trading on the Exchange.
- (e) No Member shall demonstrate or attempt to demonstrate that a trade has taken place when it has not in fact occurred nor shall any Member mislead or attempt to mislead the Exchange as to the nature of any transaction.
- (f) No Member shall, either intentionally or unintentionally, create or attempt to create a disorderly market.
- (g) No Member shall trade, place orders to trader or encourage any other Member to trade in the same direction (buying or selling) as a Client order with a view to realizing a profit or avoiding a loss, pursuant to any price movement brought about by such Client order.
- (h) An Approved User must not knowingly enter an order into the ATS where there does not exist an intent to trade.
- (i) An Approved User must not delay the entry of an order into the ATS once it has been received.
- (j) No Member shall mislead or attempt to mislead the Exchange as to the nature of any orders or transactions.
- (k) No Member shall manipulate or attempt to manipulate any prices or indices set or published by the Exchange.
- (l) No Member shall undertake, attempt to undertake, procure that another Member undertakes or attempts to procure that another Member undertakes any behavior that is contrary to applicable law or regulation preventing market abuse.

### **D.4 Proprietary Trading; Trading Records**

A Member must maintain records of each trade made by its Representatives for a House Account for a period of not less than ten (10) years from the date of such trade, containing:

- (a) the time and date of receipt of instructions;



- (b) the nature of the instructions received;
- (c) the person who received the instructions;
- (d) the time and date of transmission of those instructions, and the person who transmitted the instructions;
- (e) the time and date of execution of those instructions, and the person who executed the instructions; and
- (f) any other information as determined from time to time by the Exchange.

## **D.5 Trading System**

### **D.5.1 Trading to Take place on ATS**

- (a) Except where otherwise determined by the Exchange, all trading shall take place on the ATS.
- (b) Access to the ATS shall be by way of:
  - (i) Trade Work Stations approved by the Exchange as to technical specifications and location and any other factors that the Exchange may determine at its sole discretion to be relevant; and
  - (ii) UserID(s) allocated to Members on such terms and conditions (including, without limitation, the number of Approved Users to whom UserIDs may be allocated) as the Exchange may determine at its sole discretion.
- (c) The Exchange may disconnect any UserID allocated to an Approved User if it is of the opinion that the continued access of the ATS by that Approved User will affect the orderly conduct of the market.
- (d) The Exchange may, from time to time, issue written directions and guidelines regarding the procedures to be followed in using the Trader Work Stations.
- (e) A Member shall ensure that all employees that it allows access to the ATS are sufficiently trained, are aware of all relevant By-Laws, and that appropriate procedures and controls are in place to govern all activities undertaken on the ATS. These shall include, but not be limited to, pre-trade risk controls and monitoring for Prohibited Practices as set out in By-Law D.3.

### **D.5.2 Approved Users**

- (a) No person shall be permitted to trade through a TWS connected to the ATS unless such person has been authorized to trade by a Member and has been registered with the Exchange as an Approved User. A person who is:
  - (i) a director or other officer, employee or agent of a Member; or
  - (ii) a Client of a Member,and in either case who has been authorized to trade by that Member, is eligible to apply to the Exchange for registration as an Approved User.
- (b) A Member may withdraw an authorization to trade at any time at its sole discretion.
- (c) A Member who allows a person who is not an Approved User access to a TWS may have its trading rights suspended by the Exchange for a period to be determined by the Exchange.

### **D.5.3 Connections to the ATS**

- (a) The Chief Executive may, where he considers it necessary in the interests of a fair, orderly and transparent market, determine that a Member shall not provide a connection to the ATS in relation to particular Clients, a particular class of Client, or in relation to a particular Order System.



- (b) Subject to the By-Laws, the allocation of UserIDs and the approval of Trader Work Stations shall be at the absolute discretion of the Exchange, and the Exchange may:
  - (i) determine the number of UserIDs to be issued to a particular Member;
  - (ii) determine the required specifications and location of any Trader Work Stations approved for the purpose of By-Law D.5.1(b)(i); and
  - (iii) disable any UserID as required when it is of the view that continued use of such UserID will affect the operation of a fair, orderly and transparent Market.

#### **D.5.4 Market Halts Emergency Termination of a Trading Session and Subsequent Resumption**

For the purposes of this By-Law D.5.4, trading may be suspended by the Exchange in the case of an event, or when conditions or circumstances prevail, which in the Exchange's opinion threatens or prevents the orderly conduct of business. Such events may include, but are not limited to:

- (a) an event occurring outside the Exchange's control; or
- (b) a technical failure or failures including, but not limited to a failure of the ATS, a number of Member trading applications, or the electrical power supply to the ATS itself, or any related system or Exchange System.

In the event that trading is suspended by the Exchange as a consequence of an event described in By-Law D.5.4 above, trading will be resumed when, in the opinion of the Exchange, business may be resumed on an orderly basis.

In the event that trading in one or more Contracts is suspended at or around the time specified for the establishment of Daily Settlement Prices, the Exchange may in its absolute discretion determine either:

- (a) to change such times for that Trading Day; or
- (b) to set such prices at levels determined by it as being a fair reflection of the market, as it sees fit.

In the event that trading in one or more Contracts is suspended and the Exchange determines that it may not be resumed either:

- (a) before Market Close; or
- (b) within sufficient time prior to Market Close to allow an orderly close to the market

then it may determine that trading in one or more Contracts should be resumed but that the relevant scheduled closing time should be delayed to a later time.

#### **D.5.5 Order and Trade Invalidation and Cancellation**

- (a) Subject to By-Law D.5.5 (d) the Exchange may, in its sole discretion, cancel an order and insert an order or direct a Member to withdraw an order, where in the opinion of the Exchange 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 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(ies) to the trade.
- (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) No decision of the Exchange under this By-Law D.5.5 shall be subject to appeal.



#### **D.5.6 Limitation of liability**

- (a) Neither the Exchange nor the developer of any Exchange System will accept or bear any liability whatsoever in respect of the operation of any Exchange System or otherwise, whether for any breach of a provision of any relevant legislation, any act or omission (whether negligent or not), damage to physical property, any direct or indirect losses including but not limited to lost profits, loss of files, loss of contracts, loss of data or use of data (including any error in information supplied or made available), loss of operation time or loss of use of equipment or process, economic loss, loss of reputation or losses or damages incidental or consequential to the installation, use or operation of the Exchange Systems. All warranties and conditions, both express and implied as to condition, description, quality, performance, durability, or fitness for the purpose or otherwise of any of the Exchange Systems or any component thereof are excluded except as required by law; and the Exchange does not warrant or forecast that the Exchange Systems or any component thereof or any services performed in respect thereof will meet the requirements of any user, or that operation of the Exchange Systems will be uninterrupted or error-free, or that any services performed in respect of the Exchange Systems will be uninterrupted or error-free. Nothing in this By-Law D.5.6(a) shall limit any liability of a developer of any Exchange Systems to the Exchange.
- (b) Every exemption from liability, defence or immunity applicable to the Exchange or to which the Exchange is entitled under By-Law D.5.6(a) shall also be available and shall extend to protect the officers, agents and employees of each of the Exchange, the Clearing Corporation and any developer of any Exchange System.

#### **D.5.7 Clearing Arrangements Prior to Trading**

A Member shall not permit an Approved User to enter an order into the ATS unless the Member is entitled to exercise its Trading Rights under By-Law C.3.3(b).

### **D.6 Daily Settlement Price**

#### **D.6.1 Daily Settlement Prices for Futures Contracts**

The Exchange shall on each Business Day determine and publish a Daily Settlement Price for each class of Future Contract listed on the Exchange at that time.

For those Contracts for which By-Law S applies, the Daily Settlement Price shall be determined by a fair value calculation using the official daily closing price of the underlying equity established by the relevant primary market. Where such daily closing price is not available, the Exchange shall determine the Daily Settlement Price, at its absolute discretion, on the basis of a fair value calculation which is consistent with cash market values of the shares the subject of such Contract.

For all other Contracts, the Exchange shall determine the Daily Settlement Price in accordance with the relevant procedures which shall be published to the market from time to time.

#### **D.6.2 Daily Settlement Prices for Option Contracts**

The Exchange will maintain continuous information on market activity on each Business Day, both for each series of each Options Contract and for the underlying Futures Contract. Using this information, implied volatilities will be calculated and from these the Exchange will calculate Daily Settlement Prices.

### **D.7 Confidentiality**

#### **D.7.1 Open Positions and Exchange Trading History**

The Exchange acknowledges that any Member's information relating to its Open Positions and Exchange trading history, other than information which is in the public domain, is confidential to that Member. The following conditions shall apply to any such information received by the Exchange, regardless of the source of that information:



- (a) the Exchange will be entitled to use any such confidential information internally for the purposes of discharging any of its functions or obligations under law, regulation, ordinance, rule or direction of any legislature or government authority having jurisdiction with respect to the Exchange;
- (b) the Exchange will be entitled to use, distribute, supply, provide, make available, sell or otherwise deal with such confidential information to or for the benefit of any third party only as mentioned in By-Law D.7.1(c) or for the purposes of discharging any of its functions or obligations under any law, regulation, ordinance, rule or direction of any legislature or government authority having jurisdiction with respect to the Exchange;
- (c) the Exchange will be entitled to use, distribute, supply, provide, make available, sell or otherwise deal with such confidential information to or for the benefit of any securities commission, futures exchange or stock exchange within the UAE or elsewhere having functions and powers with respect to regulation of futures markets or securities markets where the Exchange or its delegate is satisfied that the disclosure of the information will assist that body to perform or exercise those powers of functions; and
- (d) subject to By-Laws D.7.1 (a), (b) and (c), the Exchange will not use, distribute, supply, provide, make available, sell or otherwise deal with such confidential information to or for the benefit of any third party, including any third party that has, or whose director(s), employee(s) or consultant(s) has had, any trading interests upon the Exchange.

#### **D.7.2 Exchange to Seek Consent**

Where the Exchange considers it necessary or desirable to use or disseminate any information relating to the Open Positions or Exchange trading history of any Member other than as is provided for under this By-Law D.7, the Exchange shall seek the prior consent of that Member to such use or dissemination and shall provide to such Member:

- (a) particulars sufficient to identify the nature of the information;
- (b) the name and address of each person to whom it is proposed to disseminate that information;
- (c) a description of the manner in which and the purposes for which it proposes to disseminate that information; and
- (d) a description of the circumstances in which and the conditions upon which it is proposed that the use or dissemination will take place.

#### **D.7.3 Deemed Consent**

- (a) Any Member approached by the Exchange under By-Law D.7.2 may give or withhold its consent to any use or dissemination of its information in its absolute discretion. In the event the Member fails to notify the Exchange of its consent or refusal within seven (7) days of the Exchange seeking compliance with By-Law D.7.2, the Member shall be deemed to have consented to such use or dissemination of the information.
- (b) Any refusal or withholding of consent shall be binding upon the Exchange.

#### **D.7.4 Exchange to Obtain Confidentiality Undertaking**

Notwithstanding any consent given under By-Law D.7.2, the Exchange will, as a condition of use or dissemination of any information under By-Law D.7.2, obtain from any person to whom information is disseminated under By-Law D.7.2, a written confidentiality undertaking expressed to be for the benefit of the Exchange and of the relevant Member and the Exchange is appointed as the agent of the Member for that purpose. That undertaking shall restrict any use or dissemination by that person of the information to the use or dissemination as notified by the Exchange under By-Law D.7.2.

#### **D.7.5 Dispensation of Confidentiality Undertaking**

The condition described in By-Law D.7.4 may be waived by the agreement of the Member concerned.

#### **D.7.6 Definition of Third Party and Exchange**





- (a) In this By-Law D.7, “third party” means any party other than the Member or the Exchange and its related companies.
- (b) In this By-Law D.7, “Exchange” includes any related companies of the Exchange.

#### **D.7.7 Confidentiality of Information Obtained Pursuant to Part F**

All information obtained by the Board, BCC or Exchange staff and reports supplied to them pursuant to Part F of these By-Laws shall be kept confidential by them and shall not be disclosed to any other person including members of the Board except:

- (a) as provided by the By-Laws or for the purpose of conducting an investigation or proceedings relating to a breach or alleged or potential breach of the By-Laws;
- (b) to a duly constituted public authority either entitled to require provision of the information, or which in the opinion of the BCC, the Board or Chief Executive should be provided with the information;
- (c) to another exchange or futures association pursuant to arrangements to share information in relation to linked contracts or otherwise;
- (d) in such other circumstances as the BCC or the Board or Chief Executive determines it to be in the interest of the Exchange, its Markets its Members or the public, for it to do so; and/or
- (e) where compelled by law.

#### **D.7.8 Permitted Disclosure**

Information or reports obtained by the Board, BCC or Exchange staff may be disclosed to the Exchange or the Clearing Corporation or to the Exchange’s external advisers who have been instructed in relation to the particular matter but shall otherwise continue to be subject to By-Law D.7.7.

### **D.8 Trading Disruptions**

#### **D.8.1 Exchange Powers to Deal with Undesirable Situation or Practice**

- (a) If, in the opinion of the Exchange, an undesirable situation or practice has developed or is developing, the Exchange may take any steps whatsoever to correct the situation or practice and may give directions to Members accordingly.
- (b) The Exchange may, but is not obliged to, consult with, obtain a report from, or take advice from other persons as it sees fit to assist it in making a decision to deal with an undesirable situation or practice.
- (c) If the Exchange consults with, seeks a report from, or seeks advice from, any person, the Exchange may make a decision prior to any consultation, or receipt of report or advice, and need not take any consultation, report or advice into consideration in making its decision.
- (d) Upon a determination by the Exchange that the undesirable situation or practice has sufficiently abated to permit the orderly functioning of the Exchange, the Exchange shall order restoration of trading and the removal of any restrictions which may have been imposed under this By-Law, and may make such additional orders (including, but not limited to, extending trading hours) as it deems necessary or appropriate to minimise the effect of the situation or practice.

#### **D.8.2 Description of Undesirable Situations and Practices**

An undesirable situation or practice is a situation or practice which threatens or may threaten fair, orderly and transparent trading in, or liquidation, settlement, exercise or delivery of, any Contract or class thereof, and may, without affecting the generality thereof, be:

- (a) a Physical Emergency;



- (b) a systems or communications failure causing a general loss of access to the Exchange's trading and/or clearing systems;
- (c) a situation or practice which is contrary to the maintenance of a fair, orderly and transparent market; and/or
- (d) action or proposed action by a government, government instrumentality, exchange or any other body in Dubai, the United Arab Emirates or elsewhere, or any exceptional or unforeseen circumstance, which is at variance with or which threatens or may threaten just and equitable principles of trading or the public interest.

#### **D.8.3 Steps Which the Exchange May Take in Dealing with an Undesirable Situation or Practice**

Without affecting the generality of By-Law D.8.1, the steps which the Exchange may, but is not obliged to take in dealing with an undesirable situation or practice, include any one or more of the following:

- (a) suspending or curtailing trading in a Class of Contracts for any one or more trading months for such period as it specifies;
- (b) limiting trading in any Class of Contract to closing out of Open Positions;
- (c) deferring settlement of Contracts and/or extending the date for settlement of a Contract for such period as it determines;
- (d) cancelling or amending a Contract;
- (e) directing that any Contract be closed out forthwith or be invoiced back to a fixed date and/or at a price determined by it;
- (f) permitting any merchantable lot of a particular commodity equal to or superior to the commodity or the financial instrument as specified in any Contract to be tendered subject to appropriate conditions as to compensation;
- (g) fixing an amount of compensation payable under By-Law D.8.3 (f);
- (h) directing that Contracts be settled at a price other than that provided for by these By-Laws, in such manner as it may determine;
- (i) giving directions to Members to act in such manner as will in its opinion correct or assist in overcoming the situation or practice including, but not limited to, directions in relation to Open Positions;
- (j) refraining from taking any action which it considers inappropriate; or
- (k) requesting the Clearing Corporation to exercise its powers under the Clearing Corporation Rules relating to the situation or practice.

#### **D.8.4 Inability to Declare Settlement Price**

- (a) If in the opinion of the Exchange or the Clearing Corporation a situation or practice may prevent or has prevented the Settlement Price for a Class of Contract from being declared in accordance with the Individual Contract Specifications for that Class of Contract, the Exchange or the Clearing Corporation may take any steps it deems necessary in the circumstances to correct such situation or practice so as to enable the Settlement Price to be declared and may give direction to Members accordingly.
- (b) Without affecting the generality of By-Law D.8.4(a), the steps which the Clearing Corporation may take include requesting the Exchange to exercise its powers under this By-Law D.8.4

#### **D.8.5 Exchange Decision is Binding**

Any decision of the Exchange or the Clearing Corporation under this By-Law D.8 shall be binding upon all the Members and their Representatives and Clients.

#### **D.8.6 Contravention of Exchange Decision Deemed to be Breach of By-Laws**



A Member contravening or failing to observe a decision or direction of the Exchange or the Clearing Corporation under this By-Law D.8 will be liable to the same sanctions, including fining, suspension or expulsion from membership, as if a breach of the By-Laws of the Exchange had been committed.

## **D.9 Wholesale Trading Facilities**

The Exchange may make available from time to time facilities that permit Members to organize and execute transactions, subject this By-Law outside of the Central Order Book. Members must retain all information relating to the use of Wholesale Trading Facilities for ten (10) years.

### **D.9.1 Exchange for Physical and Exchange for Swap Transactions**

- (a) Exchange for Physical Transactions and Exchange for Swap Transactions may be transacted only in Contracts which have been designated for those purposes, and during the hours specified by the Exchange.
- (b) The price at which an Exchange for Physical Transactions or Exchange for Swap Transactions may be transacted must be within the daily high/low trading range of the Contract.
- (c) Once an Exchange for Physical Transaction or Exchange for Swap Transaction has been negotiated it must be submitted to the Exchange in accordance with the procedures as published to the market from time to time by the Exchange.

### **D.9.2 Block Trade Facility**

- (a) The Block Trade Facility may be used to organize and execute transactions only in Contracts which have been designated for that purpose, and during the hours specified by the Exchange.
- (b) The Exchange shall publish the minimum volume thresholds for each Contract, and where a strategy involves the trading of two or more different Contracts, then the smaller of the minimum volume thresholds will apply, and where the trading involves two or more different Delivery/Expiry Months, the minimum volume threshold will apply to the lot size of each leg of the trade, where relevant.
- (c) Where a Member receives an order which meets or exceeds the minimum volume threshold, he may aggregate orders on the matching side only, in order to facilitate the execution of the Block Trade.
- (d) Members should ensure when negotiating a Block Trade that their Clients and potential counterparty(ies) are made aware that the price being quoted is a Block Trade price.
- (e) Once a Block Trade has been negotiated it must be submitted to the Exchange in accordance with the procedures as published to the market from time to time by the Exchange.

### **D.9.3 Asset Allocations**

- (a) Asset Allocation Transactions may be organized and executed only in Contracts which have been designated for that purpose, and during the hours specified by the Exchange.
- (b) When submitting an Asset Allocation Transaction to the Exchange for registration, the Member must specify the price for each component leg of the Transaction.
- (c) The price for each component leg of an Asset Allocation Transaction must be within the daily high/low trading range of the respective Contract.

### **D.9.4 Prohibitions**

No transaction subject to By-Law D.9 may be negotiated where:

- (a) the parties to each side of the Block Trade, Asset Allocation, physical transaction or the Commodity Swap transaction, as the case may be, are the same or are acting on behalf of the same person; or



- (b) where both sides of the futures trade are taken out by the same Member on its own account or are taken out on behalf of the same Client

**D.9.5 Exchange may Prescribe Additional Provisions**

The Exchange may, where it believes that it is necessary in order to maintain a fair, orderly, transparent market, prescribe additional provisions in relation to the execution of Exchange for Physical Transaction, Exchange for Swap Transactions, Asset Allocations, and transactions organized and executed under the Block Trading Facility.

**D.9.6 Publication of Details of Wholesale Trading Facility Activity**

The Exchange shall publish, on each Business day, transactions organized and executed in accordance with the provisions set out in By-Law D.9.



## **Part E: Trading on behalf of Clients**

### **E.1 Interpretation of “Member”**

In this By-Law Part E “**Member**” shall include a Representative of a Member.

### **E.2 Entitlement to Trade on Behalf of Clients**

#### **E.2.1 Trade Members Prohibited from Trading on Behalf of Clients**

Except as provided in By-Law E.2.3, no Trade Member shall trade on behalf of another person, or accept instructions to trade on behalf of another person.

#### **E.2.2 Broker Members’ Entitlement to Trade on Behalf of Clients**

- (a) Except as provided in By-Law E.2.3, no Broker Member shall trade on behalf of a Client, or accept instructions to trade on behalf of a Client, without first being approved by the Exchange as being entitled to do so.
- (b) A Broker Member, or an applicant wishing to become a Broker Member, may submit an application to the Exchange, in a form approved by the Exchange, for approval to trade on behalf of Clients.
- (c) The Exchange may seek such information as it deems relevant in relation to a person making an application under By-Law E.2.2 (b).
- (d) The Exchange shall consider the application and may call for such further information as it considers necessary.
- (e) The Exchange shall not be obliged to furnish any reason for its decision to approve or reject the application.

#### **E.2.3 Trading on Behalf of Affiliated Corporations**

By-laws E.2.1 and E.2.2 do not apply to:

- (a) a Member that is a Corporation if every Client on whose behalf that Member trades or accepts instructions to trade is an Affiliated Corporation; or
- (b) a Member that is a firm if every Client on whose behalf that Member trades or accepts instructions to trade is:
  - (i) a partner in the firm; or
  - (ii) a Corporation that is beneficially owned by a partner in the firm.

### **E.3 Client Agreement Form and Risk Disclosure Statement**

Prior to accepting instructions to trade on behalf of a Client, trading on behalf of a Client or accepting monies from a Client in relation to such trading or instructions, a Member shall:

- (a) enter into a Client Agreement with that Client, in a form that complies with the minimum requirements specified by the Exchange, and
- (b) provide to the Client a Risk Disclosure Statement, in a form that complies with the minimum requirements specified by the Exchange, and receive from the Client, an acknowledgement in writing that the Client has read and understood such Risk Disclosure Statement.

### **E.4 General Standards Regarding Identification of Members and Clients**

- (a) Prior to accepting instructions from a Client, a Member shall obtain such documents and/or information as the Exchange may specify from time to time, whether specified on the basis of the FATF Recommendations or



otherwise, in order to ensure that the Client's identity and the source of funds to be used by the Client in trading are established by the Member.

- (b) A Member shall provide such further documents and/information as the Exchange may specify from time to time in order to ensure ongoing compliance by the Member with any relevant FATF Recommendation(s), to the extent that such FATF Recommendation(s) do not conflict with Dubai Law. For the purpose of this By-Law, a FATF Regulation will only conflict with Dubai Law to the extent that compliance with such FATF Recommendation would result in a breach of Dubai Law, and such FATF Recommendation shall not conflict with Dubai Law merely by imposing a more onerous obligation than the equivalent provision (if any) under Dubai Law.
- (c) A Member shall retain records of the information obtained in accordance with By-Law E.4(a) for a period of not less than ten (10) years, or such longer period as may be provided for in the FATF Recommendations.

#### **E.5 Handling Client Instructions and Orders**

- (a) Members must act on behalf of a Client only in accordance with the instructions of that Client, unless to do so would be contrary to these By-Laws.
- (b) Member acting on behalf of Clients must maintain internal records of instructions received from Clients and trades executed for Clients for a period of not less than ten (10) years from the date of each such trade, containing:
  - (i) the nature of the instructions received;
  - (ii) the name of the Client;
  - (iii) the name of the person who gave the instructions;
  - (iv) the time and date of receipt of the instructions, and the name of the person who received the instructions;
  - (v) the time and date of transmission of the instructions, and the name of the person who transmitted the instructions; and
  - (vi) the time and date of execution of the instructions, and the name of the person who executed the instructions.
- (c) Members shall ensure that all orders are entered into the ATS as soon as they are received and in the sequence in which they are received, unless the Member can demonstrate to the satisfaction of the Exchange that:
  - (i) the Member's Client instructed the Member, in respect of particular orders made on behalf of that Client, not to enter such orders in order of receipt; or
  - (ii) in not entering those orders in sequence of receipt, the Member was acting in the best interests of that Client.
- (d) A Member shall not disclose another person's order to trade except:
  - (i) to the extent necessary to enter the order into the ATS, or
  - (ii) to an officer of the Exchange designated by the Exchange as being entitled to receive such information.
- (e) A Member must not offer or allocate trades to a Client unless those trades have been entered into pursuant to instructions previously received from that Client.
- (f) A Member shall allocate trades to Clients in the sequence in which orders are received unless it would be fair and equitable, as determined by the Exchange, to do otherwise.



- (g) A Member shall confirm in writing to a Client all the details prescribed by the Exchange of the transactions made for the Client no later than the Business Day immediately following the day of the transaction.

#### **E.6 Personal Account Trading**

- (a) No person shall at any time trade or initiate a trade in any Contract for his own account where he has or is likely to have knowledge or information about any Client orders of any Member to trade, or instructions to trade, in the same or similar commodity.
- (b) For the purpose of this By-Law, a person shall be deemed to have traded for its own account if he trades for any entity, person or account:
  - (i) in which that person has a beneficial interest, including a Member's House Account in which the person has a financial interest;
  - (ii) in which that person might by exercise of some discretion have a beneficial interest, including a Member's House Account in which the person has, or may have, a financial interest;
  - (iii) over which that person exercises any control (other than an account of the Member of which the person is a director, partner or employee where such control is exercised in that capacity); or
  - (iv) which is a corporation in whose shares that person has a financial interest.
- (c) No officer or employee of the Exchange and/or member of the Board shall make or cause trades to be made for its own account in any Market or in any other commodity or contract which trades on the Exchange, wherever such trade is made or initiated.

#### **E.7 Dual Trading Prohibition**

- (a) No Member or Representative of a Member shall initiate a trade for that Member's House Account in a Contract, where that Representative is holding or is likely to hold the Member's Client orders to trade, or for any reason is likely to have knowledge or information of the Member's Client orders to trade, in the same or similar commodity.
- (b) The Exchange may in its absolute discretion from time to time prescribe Classes of Contracts for the purposes of this By-Law E.7.
- (c) For the purposes of this By-Law E.7. "a Client" of a Member which is a Corporation shall include a company controlled by that Member or a company which controls that Member.

#### **E.8 Taking Opposite Side of Client Trade**

A Member shall not knowingly execute an order on behalf of a Client with the effect that:

- (a) the Member, or
- (b) any entity of which the Member is a director, officer, partner, employee or agent, or
- (d) any director, officer, partner, employee or agent of the Member, or
- (d) any person trading for an account in which the Member has a financial interest, assumes the opposite side of the transaction.

#### **E.9 Handling Client Monies**

A Member who receives Client monies must comply with this By-Law E.9.

##### **E.9.1 Client Money**



All money received by the Member from Clients or by a person acting on behalf of the Client must be deposited in a Client Account.

#### **E.9.2 Description of Money to be Paid into a Client Account**

Only the following monies should be paid into a Client Account:

- (a) all money received by the Member from a Client or from a person acting on behalf of that Client;
- (b) interest on the amount from time to time standing to the credit of that account; and
- (c) any other money as required by the By-Laws or as a matter of law to be paid by the Member into a Client Account.

#### **E.9.3 When Money shall be Paid into a Client Account**

- (a) Money must be paid into a Client Account on the day it is received by the Member, or on the next Business Day.
- (b) For the avoidance of doubt, nothing in these By-Laws shall prevent a Member from having more than one Client Account, provided that such Member keeps adequate records to show the rights of each Client to monies held in any Client Account held in the Client's name or otherwise on the Client's behalf.

#### **E.9.4 Permitted Withdrawal from a Client Account**

Withdrawals from a Client Account made in any of the following circumstances are permissible:

- (a) paying Margin and the settling of dealings;
- (b) making a payment to, or in accordance with the written direction of, a person entitled to the money;
- (c) defraying brokerage and other proper charges;
- (d) paying to the Member any sum to which the Member is entitled, whether under contract, at law or pursuant to these By-Laws; and
- (e) making a payment that is otherwise authorised by law.

#### **E.9.5 Requirement to Deposit Additional Monies in Client Account**

- (a) Where five (5) clear Business Days (inclusive of the day of the Call) after a Call has been made on a Client for Margin in accordance with the By-Laws, or after such Call should have been made in accordance with the By-Laws and the Call which has or should have been made has not been satisfied by payment of monies into a Client Account or lodgment of Approved Securities, the Member that made such Call shall pay into the relevant Client's Client Account an amount of money not less than:
  - (i) the liability of the Client under such a Call; or
  - (ii) the amount which the Member would be obliged to seek from the Client by way of Call on the day after five (5) clear Business Days (inclusive of the day on which the Call was or should have been made) has elapsed, whichever is the lesser.
- (b) Such monies deposited into the relevant Client's Account in accordance with the By-Laws may only be withdrawn in accordance with By-Law E.9.4.
- (c) In addition to the payment obligation under By-Law E.9.5(a), a Member must pay into a Client's Client Account such amount as has been called for from, and not paid by, that Client in order to cover debit balances of that Client Account resulting from realised losses or otherwise, within five (5) clear Business Days after such call has been made.

#### **E.9.6 Prohibited Agreements**





A Member is prohibited from making any agreement with a Client that the Client's money is not to be held or does not need to be held in a segregated account for the benefit of the Client.

#### **E.9.7 Separation of Member's Trading Liabilities From Clients' Trading Liabilities**

No Member shall use a Client Account to meet any liabilities (whether for Margin or otherwise) which relate to trading by that Member on its own behalf or on behalf of a Corporation related to it.

#### **E.9.8 Accounting Records for Withdrawals**

A Member shall at all times maintain such accounting records as accurately indicate each withdrawal from a Client Account.

### **E.10 Margins and Obligation of Close Out**

#### **E.10.1 Calling Initial Margin**

- (a) Prior to executing a Client's instructions, a Member shall issue a Call to that Client for the minimum Initial Margin that is determined from time to time by the Clearing Corporation in such manner as the Clearing Corporation sees fit, or such larger amount of Initial Margin that the Member deems appropriate in the circumstances.
- (b) A Member shall not set-off the Initial Margin on another Contract due from the Client to the Member unless that other contract is for the opposite position in the same delivery month and in respect of the same commodity.

#### **E.10.2 Calling Variation Margin**

- (a) Subject to By-Law E.10.2(b), Members must Call Variation Margin from the Client when the Client has a net debit Variation Margin, unless the Client is a Clearing Member and the Contracts are registered with the Clearing Corporation in the name of that Clearing Member.
- (b) Where the amount of a Call in By-Law E.10.2(a) would be less than an amount prescribed by the Clearing Corporation, the making of such a Call shall be at the discretion of the Member.

#### **E.10.3 Calling Delivery Margin**

A Member must call Delivery Margin from the Client at a time prescribed by the Clearing Corporation in relation to a particular Class of Contracts.

#### **E.10.4 Calling Special Margin**

A Member shall call Special Margin from the Client immediately following the determination by the Clearing Corporation that a Special Margin shall apply to that Class of Contracts.

#### **E.10.5 Liability for Margins**

- (a) Liability of the Client for Initial Margin shall arise upon execution of the instructions given by the Client, irrespective of the time when the Call is made.
- (b) Liability of the Client for Variation Margin shall arise at the same time as the Variation Margin comes into existence, irrespective of the time when any Call is made.
- (c) Liability of the Client for Delivery Margin shall arise when prescribed by the Clearing Corporation under By-Law E.10.3 in respect of the Class of Contracts to which the relevant Contract belongs.
- (d) Liability of the Client for Special Margin shall arise when the Clearing Corporation determines under By-Law E.10.4 that Special Margin shall apply to the Class of Contracts to which the relevant Contract belongs.



#### **E.10.6 Satisfaction of Calls for Margin**

- (a) Calls for Initial Margin, Delivery Margin and Special Margin must be satisfied by:
  - (i) cash payment; or
  - (ii) (at the discretion of the relevant Member) cash payment and Approved Securities, with the value of such Approved Securities not to exceed the Maximum Securities Percentage.
- (b) If the Member receives Approved Securities in accordance with By-Law E.10.6(a), such Approved Securities shall be retained by the Member until the liability of the Client is extinguished either by the relevant Contract(s) being closed out or payment being made by a Buyer or delivery in accordance with the relevant Contract(s) being effected by a Seller. If the liability of the Client is not so extinguished, the Approved Securities may be realised by the Member and the proceeds applied against that liability.
- (c) Liability of the Client for Initial Margin must be covered at all times.
- (d) Calls for Variation Margin must be satisfied by cash payment.

#### **E.10.7 Time for Payment of Margins**

- (a) Where a Call is made for Margin, the Member making that Call shall stipulate the period during which:
  - (i) (in the case of Calls for Initial Margin, Delivery Margin or Special Margin) payment and/or lodgment of Approved Securities must be made; or
  - (ii) (in the case of Variation Margin) payment must be made,such period not to be greater than the period prescribed by the Clearing Corporation.
- (b) No Member shall provide credit for a Client beyond the periods specified in By-Law E.10.7.
- (c) Time shall be of the essence in respect of payment or lodgment under By-Law E.10.7.
- (d) A Member will not be in breach of By-Law E.10.7(b) where the Member exercises a reasonable discretion, as determined by the Exchange, not to Close Out in accordance with By-Law E.10.9.

#### **E.10.8 Spread Positions**

- (a) Where a Member holds a Spread Position on behalf of a Client, that Member shall make a Call on that Client for an Initial Margin of not less than the amount required for that Spread Position, as determined from time to time by the Clearing Corporation.
- (b) When one leg of a Spread Position is in the first (spot) Delivery Month the Initial Margin required on that leg shall not be less than the amount required from time to time by the Clearing Corporation on the first (spot) Delivery Month. Under these circumstances the other leg of the Spread Position shall attract the normal Initial Margin requirements.

#### **E.10.9 Obligation of Close Out**

- (a) Subject to By-Law E.10.7(c), where a Client is in default by failing to pay a Call or to lodge Approved Securities within the time prescribed under By-Law E.10.7, a Member must, immediately upon expiry of the prescribed time period, Close Out to the extent necessary to counter the Call, all or any existing Open Positions in any Market held by that Member on account of that Client.
- (b) A Member shall not be liable to the Client for any loss sustained by the Client as a result of that Member closing out Open Positions in accordance with By-Law E.10.9(a).
- (c) A Member shall not be obliged to Close Out futures positions in accordance with By-Law E.10.7(a) where the Member exercises a reasonable discretion, as determined by the Exchange not to do so.



## **Part F: Market Regulation**

### **F.1 Investigation Function**

#### **F.1.1 Liability of Member for Representative's Actions**

Any breach of the By-Laws by a Representative of a Member, whether or not acting within authority granted by the Member, shall be deemed to have been committed by that Member.

#### **F.1.2 Jurisdiction of Exchange Over Former Member**

Proceedings may be commenced under the provisions of this Part F against a former Member within twelve (12) months after that former Member ceased to be a Member, and such former Member shall be bound by any decision or finding or penalty imposed.

#### **F.1.3 Exchange Investigation Function**

The Exchange has responsibility for the supervision of the Exchange's Markets and the investigation of potential or alleged breaches of the By-Laws with the Exchange being responsible for undertaking:

- (a) such investigations as it sees fit;
- (b) such investigation, as it sees fit, of any allegations by a Market Participant or any other person which it considers to warrant investigation;
- (c) maintenance of a program of inspections of the records and operations of Members for the purpose of ensuring compliance with, and detecting breaches of, the By-Laws and in particular ensuring that Members have appropriate procedures in place to prevent the occurrence of such breaches;
- (d) maintenance of a program for the monitoring of the Exchange's Markets and trading, and Open Positions held by Members and their Clients, for the purpose of ensuring a fair, orderly and transparent Market;
- (e) ensuring that Members lodge financial statements as required by the By-Laws;
- (f) referring breaches of the By-Laws to the BCC or the Board where it considers that a breach of the By-Laws may have occurred;
- (g) co-opting the services of the auditors of the Exchange and such other persons as the BCC may approve, to assist in its activities; and
- (h) referring matters to SCA where SCA has jurisdiction over such matters or by agreement between the Exchange and SCA.

### **F.2 Disciplinary Powers**

#### **F.2.1 General Disciplinary Powers of the Board and the BCC**

Where the Board or the BCC is, whether upon reference to it under the By-Laws or on its own motion or otherwise, satisfied that a Member has been guilty of a breach of the By-Laws or other misconduct or has made a materially false or misleading statement in the course of an application for membership status or registration relating to the Member, the Board or the BCC, as the case may be, shall have the following powers:

- (a) in the case of the Board, to terminate the membership status of any Member;
- (b) in the case of the Board and the BCC, to suspend a Member for a period as determined by the Board or the BCC, as the case may be;
- (c) to fine a Member such amount as may be determined by the Exchange;



- (d) to reprimand a Member;
- (e) to direct that a Member not employ or continue to employ a particular Representative, for a period as determined by the Exchange;
- (f) to bring a matter to a Member's notice;
- (g) to impose conditions in relation to any actions taken under this By-Law F.2 or in relation to the future conduct of a Member including, but not limited to:
  - (i) measures to ensure future compliance;
  - (ii) directions that a Member desist from specified conduct, and
  - (iii) directions in relation to Open Positions;
- (h) in the case of the BCC, to refer the question of penalty to the Board in accordance with its powers with or without a recommendation as to the nature of any penalty or action which the BCC considers appropriate; and
- (i) in the case of the Board in determining any such penalty to rely upon any finding made by the BCC, as the case may be, under this Part F;
- (j) order payment of all or part of the Exchange's costs of the relevant investigation and disciplinary procedure.

#### **F.2.2 Matters to be Taken into Account in Exercise of Disciplinary Powers**

In relation to the exercise of disciplinary powers:

- (a) the Board or the BCC, before imposing any penalty, shall satisfy itself that any proposed penalty is reasonable in the circumstances;
- (b) the powers exercisable under this Part F are not mutually exclusive and the Board or the BCC, as the case may be, may exercise one or more of such powers in relation to a breach;
- (c) where a penalty is imposed pursuant to this Part F, no further proceedings shall be taken against the Member pursuant to the By-Laws in relation to the allegations which were the subject of the proposed proceedings insofar as they were disclosed to, or known by, the Board or the BCC as the case may be;
- (d) a member of the Board or the BCC who is also a member of the other such body shall not be precluded from taking part in the deliberations of the Board or the BCC by reason of the fact that such member of the Board took part in deliberations of the other body in relation to the same matter; and
- (e) where the Board or the BCC makes a decision to suspend or terminate or gives an order to stop trading under this Part F, such decision must be made by a two thirds majority of the members of the Board or the BCC (as the case may be) who are present at the relevant meeting and entitled to vote.

#### **F.2.3 Board Powers Regarding Interim Suspension of a Member Pending Conduct of Proceedings**

- (a) The Board may, notwithstanding any other provision of this Part F, by unanimous resolution of those present at a meeting and entitled to vote and on the basis that it reasonably believes it is necessary to do so in the interests of the public, or the Exchange, or its Markets, suspend a Member, pending the conduct of proceedings in accordance with this Part F.
- (b) Such suspension shall not be for more than twenty-one (21) days but may be extended from time to time by a unanimous resolution of those present and entitled to vote at a subsequent meeting.
- (c) Where a suspension is made pursuant to this By-Law F.2.3, disciplinary proceedings shall commence within twenty-one (21) days or within the period of any extension.



#### **F.2.4 Exchange Staff Powers**

- (a) Where, as a result of investigation, inspection or otherwise it appears to the reasonable satisfaction of the Chief Executive, or his nominee from the staff of the Exchange, or such other member or members of the staff of the Exchange as may be approved by the BCC (each such person being hereafter referred to as the “**BCC Delegate**”) that a breach of the By-Laws has been committed by a Member and that the breach is as determined by the BCC, the BCC Delegate may:
- (i) suspend the trading rights of the Member; or
  - (ii) determine that no further action need be taken in relation to such breach; or
  - (iii) cause the breach to be brought to the notice of the Member and for such notice to be recorded on the Member’s file and on any other relevant file maintained by the Exchange; or
  - (iv) a Member may, within ten (10) Business Days of being advised of a decision made under this By-Law F.2.4 (a) appeal the matter to the BCC on the payment of a fee determined by the Exchange.
- (b) Exchange staff can grant exemptions from the By-Laws, as determined by the Board.

#### **F.2.5 General Power of the Board or the BCC to Require Attendance**

- (a) Where the Board or the BCC has reason to believe that any Member may have committed a breach of the By-Laws, the Board or the BCC, as the case may be, may require that Member or a Representative of that Member or any other Member or Representative appear before it and furnish to the Board or the BCC such information and explanations and answer questions concerning the matter as the Board or the BCC may reasonably require.
- (b) Where the trading rights of a Member have been suspended in accordance with By-Law F.2.4(a)(i), the BCC may require that Member or a representative of that Member to appear before it and furnish to it such information and explanations and answer any questions concerning the matter as the BCC may reasonably require.
- (c) Failure to comply with the requirements of By-Laws F.2.5 (a) or (b) shall be a breach of the By-Laws.

### **F.3 Hearing Procedures**

#### **F.3.1 Member to be Notified of Hearing**

Where the Board or the BCC decides to proceed with a hearing of an alleged breach, it will notify the relevant Member as to:

- (a) the By-Law(s) which it is alleged have been breached;
- (b) the general nature of information which was considered in deciding to proceed with a hearing; and
- (c) when the Member is required to appear before it to respond to the alleged breach.

#### **F.3.2 Right of Legal Representation**

Members or other persons appearing before the Board or the BCC shall be entitled to be accompanied by a legal representative.

#### **F.3.3 Proceedings to be Recorded in Writing**

Proceedings in the presence of the Member or other affected person may be recorded either in writing and/or by electronic means and if so recorded, a copy or transcript of an electronic recording shall be made available to persons present during the proceedings.



#### **F.3.4 Hearings**

Hearings by the Board or the BCC for the purposes of the exercise of powers under this Part F shall be conducted in a fair manner and shall be subject to the direction and control of the chairman of the Board or the BCC (as the case may be). Proceedings shall be conducted informally and need not have regard to the rules of evidence.

- (a) Hearing in person
  - (i) A Member who is the subject of proceedings may make submissions (including written submissions) to the Board or BCC or to provide explanations in relation to any matter under consideration including the question of penalty and shall appear before the Board or BCC (as the case may be) to answer any questions as required by the Board or BCC (as the case may be).
  - (ii) A Member who is the subject of the proceedings shall, at the Chairman's discretion, be entitled to direct questions through the Chairman to the Exchange staff present at the proceedings.
  - (iii) The Board or the BCC may be assisted by such legal or other advisers as the Board or the BCC considers appropriate.
- (b) Hearing on paper
  - (i) The Board or the BCC may, where any affected parties agree, proceed to consider a particular matter on papers without conducting a hearing or personally hearing from the parties
  - (ii) Where the Exchange agrees to proceedings being conducted in such manner, parties shall make any written submissions by a date advised by the Exchange.

#### **F.3.5 Role of Exchange Staff in Hearings**

- (a) Representatives of the Exchange staff shall be entitled to address the Board or the BCC on allegations referred to it either by the Exchange or the BCC (as the case may be) and may ask questions of the relevant Member or person.
- (b) If the Board or the BCC finds against the Member or person, the person representing the Exchange staff may address the Board or the BCC (as the case may be) on the question of penalty.
- (c) Exchange staff concerned in the particular matter shall be entitled to attend the proceedings.

#### **F.3.5 Adjournments**

The Board or the BCC may adjourn any proceedings from time to time as it sees fit.

### **F.4 Appeal from Original Decisions of the BCC and BCC Delegates**

#### **F.4.1 Appropriate Appeal Forum**

Where there has been a finding of a breach of the By-Laws and the imposition of a penalty on a Member, the Member may, within ten (10) Business Days of notification of the decision, appeal the decision to:

- (a) the Board, where the BCC makes a finding and imposes a monetary penalty or more serious penalty; or
- (b) the BCC, where a BCC Delegate makes a finding and imposes a penalty.

#### **F.4.2 Decisions that can be made on Appeal**

The Board or the BCC (as the case may be) may:



- (a) consider the appeal and confirm the finding and/or penalty;
- (b) consider the appeal and cancel or vary the finding and/or penalty; or
- (c) not consider the appeal but elect to deal with the matter again pursuant to its own powers and in accordance with the By-Laws.

#### **F.4.3 Appeal Process**

Unless an election is made to deal with the matter again pursuant to By-Law F.4.2(c), an appellant shall:

- (a) be entitled to make written submissions to the Board or the BCC (as the case may be) which shall be provided by a date notified by the Exchange;
- (b) not be entitled to appear before the Board or the BCC (as the case may be); and
- (c) pay any appeal fee as determined by the Exchange, such fee being refundable at the discretion of the Board or the BCC (as the case may be).

#### **F.4.4 Continuation of Suspension Pending Appeal**

Unless the Board or the BCC (as the case may be) determines otherwise, pending the determination of any appeal, any suspension imposed shall commence immediately and shall continue until the appeal is determined.

#### **F.4.5 No Member of BCC to Hear an Appeal**

A member of the BCC will be ineligible to hear an appeal from a decision they made as a member of the BCC.

### **F.5 Appeal Tribunal**

#### **F.5.1 Jurisdiction of Appeal Tribunal**

The Appeal Tribunal is an independent person or persons appointed by the Board to be utilised where a Member or Applicant for membership status gives, within three (3) days after the notification of a decision, written notice to the Exchange indicating that it wishes to appeal against the decision of:

- (a) the Exchange to refuse an Applicant its application for membership status; or
- (b) the Board's original decision made under By-Law F.2.1 (i.e. not the Board's appeal decision).

#### **F.5.2 Operation of Appeal Tribunal**

- (a) The Board shall, within twenty-one (21) days after receipt of a notice of appeal under By-Law F.5.1, appoint an independent person or persons (the "Appeal Tribunal") to review the decision and notify the appellant.
- (b) A decision of the Appeal Tribunal shall be deemed to be the decision of the Board.
- (c) The Appeal Tribunal shall make its decision as expeditiously as possible and no later than two (2) months after its appointment.
- (d) In making its decision, the Appeal Tribunal shall have regard to the same criteria as the Board is required to consider the same criteria pursuant to these By-Laws, in considering an application for membership status or disciplinary action (as the case may be).
- (e) Where the Appeal Tribunal is constituted by more than one (1) person its decision shall be by a majority of those persons.
- (f) Where a member of the Appeal Tribunal is unable or unwilling to act or continue to act, the remaining members of the Appeal Tribunal shall constitute the Appeal Tribunal.



- (g) In the event of a person who is the sole member of the Appeal Tribunal being unable or unwilling to act, the Board will, on request of the appellant, appoint a new Appeal Tribunal and no further fee will be payable by the appellant.
- (h) In the event that the Appeal Tribunal is unable to reach a decision the decision of the Board shall stand.
- (i) It shall be a condition of the submission of an appeal to the Appeal Tribunal that the appellant and the Exchange release the Appeal Tribunal from any claims, suits or actions for damages or for costs in respect of any decision made by the Appeal Tribunal in good faith.

### **F.5.3 Notice of Appeal by the Appellant to the Exchange**

Any notice given by the appellant to the Exchange under By-Law F.5.1 shall:

- (a) be given within three (3) Business Days after the decision of the Board or the BCC (as the case may be);
- (b) include an address for service; and
- (c) be accompanied by such fee as the Exchange may determine, payable to the Exchange, which fee shall be refundable if:
  - (i) a decision of the Board to refuse an application for membership status is reversed; or
  - (ii) a termination of membership status is cancelled or reduced to a suspension, fine, reprimand, direction or other order, a suspension is reduced or cancelled, or a fine is reduced or cancelled.

### **F.5.4 Appeal Tribunal process**

Unless the Appeal Tribunal otherwise determines:

- (a) neither the appellant nor the Exchange shall be entitled to appear before the Appeal Tribunal, but each shall be entitled to make written submissions to the Appeal Tribunal;
- (b) any written submissions by the appellant shall be lodged with the Exchange, and any submissions by the Exchange shall be served upon the appellant at its address for service, no later than ten (10) Business Days after notice of the appointment of the Appeal Tribunal is given;
- (c) all such submissions shall be provided by the Exchange to the Appeal Tribunal upon lodgement by the appellant or upon service upon the appellant or upon the appointment of the Appeal Tribunal (whichever is the later);
- (d) the Appeal Tribunal shall be entitled to call for such written or oral explanations, or clarification of the written submissions, from the Exchange or the appellant, as it sees fit; and
- (e) subject to this By-Law F.5.4, proceedings of the Appeal Tribunal shall be in private.

### **F.5.5 Status of Decisions Pending Appeal Tribunal Determination**

Pending a decision of the Appeal Tribunal and unless the Appeal Tribunal otherwise determines:

- (a) any decision to refuse membership status shall stand;
- (b) any suspension imposed by the Board shall remain in force;
- (c) any termination of membership status shall be deemed to be a suspension; and
- (d) any fine imposed shall not be required to be paid.

## **F.6 Actions in Relation to Open Positions or Order Not to Trade or on Suspension, Termination or Resignation**

### **F.6.1 Board Order of Transfer of Open Positions**





Where, under this Part F or another provision of the By-Laws, a Member's membership status has been suspended or terminated, or the Member has been ordered not to trade on a specified Market or Markets, or the Member has resigned, the Board may direct that the Open Positions held by the Member, whether on its own behalf or on behalf of Clients, shall be transferred to another Member, either:

- (a) by operation of any power of attorney given by the Client to any member or members of the Board; or
- (b) by operation of the agency created by By-Law F.6.7.

#### **F.6.2 Board Discretion**

In deciding whether to make such a direction pursuant to By-Law F.6.2, the Board may take into account whether indebtedness of that Client to that Member has been satisfied.

#### **F.6.3 Transfer Subject to Clearing Corporation Rules**

Any such transfer of Open Positions will be subject to the Clearing Corporation Rules where applicable.

#### **F.6.4 Commission**

The Member to whom such Open Positions are transferred shall be entitled to commission on any subsequent trades.

#### **F.6.5 Board Nominee**

The Board may nominate one of its members to take all action in the name of the Member referred to in By-Law F.6.1, and to execute all documents and do all things necessary to give effect to such transfer.

#### **F.6.6 Board may Appoint a Member to Assist**

The Board may appoint a Member of the Exchange to assist the Board and act at the Board's direction in relation to the management of the business of the first named Member.

#### **F.6.7 Appointment of Board as Agent**

Each Member shall be deemed to have irrevocably appointed each member of the Board jointly and severally as its duly authorised agent to do all things and execute all documents, in the name of the Member or otherwise, necessary to transfer any Open Positions held by that Member in the circumstances described in By-Law F.6.1

### **F.7 Carrying into Effect of Disciplinary Provisions**

#### **F.7.1 Payment of Fines and Costs**

Any fine or cost is a debt to the Exchange due and payable by the Member on whom it is imposed or by whom it is payable, and shall be payable within ten (10) Business Days of a decision being notified to a Member unless expressly provided otherwise in the By-Laws.

#### **F.7.2 Exchange may Terminate Membership Status**

If the fine or cost referred to is not paid by the Member by the due date the Exchange may terminate the membership status of that Member.

#### **F.7.3 Exchange may Pursue Legal Action**

Notwithstanding any termination of membership status, the Exchange may by legal action pursue payment of the fine or cost or may accept security thereof or may agree to payment by instalments over a period of time.

### **F.8 Notification of Disciplinary Action**

#### **F.8.1 Exchange may make Announcement**



In relation to any decision made by the Board or the BCC pursuant to this Part F the Exchange may make such public announcement and notify such persons as it sees fit and may include the identity of the Member and the grounds for such decision in any such notification.

**F.8.2 Publication and Right of Appeal**

No public announcement or notification referred to in By-Law F.8.1 will take place where the Member has exercised any right of appeal against the decision and that appeal has not been finalized.



## **Part G: Resolution and arbitration of disputes; governing law**

### **G.1 Notification and Request for Arbitration**

A Member shall notify the Exchange of any dispute arising with another Member or Client in connection with any Market and/or these By-Laws and which is not resolved within thirty (30) days after that Member first became aware of that dispute. In notifying the Exchange, the Member shall request that the dispute be subject to the provisions of these By-Laws.

### **G.2 Dispute Resolution and Arbitration**

- (a) The parties to any such dispute shall negotiate in good faith to resolve any dispute arising between them in respect of these By-Laws, in the light of any guidelines offered by the Exchange with a view to conciliation and settlement. If any dispute referred to in By-Law G.1 above continues unresolved for more than thirty (30) days from the day on which notification was (or should have been) given to the Exchange under By-Law G.1 or on such sooner date as may be agreed by the relevant parties, it shall be referred to arbitration in Dubai under the auspices and in accordance with the Rules of Arbitration of the Dubai International Arbitration Centre (the "**DIAC Rules**"), the DIAC Rules being incorporated into this clause by reference.
- (b) The number of arbitrators shall be three. Each party shall appoint one arbitrator of its choice from the list of arbitrators maintained by the Exchange. The two arbitrators shall within one week of the appointment of the second arbitrator appoint a third arbitrator.
- (c) The arbitration shall be conducted in English.
- (d) In the event of any inconsistency between the DIAC Rules and applicable law and procedure in the Emirate of Dubai, the inconsistency shall be resolved by reference to applicable law and procedure in the Emirate of Dubai.

### **G.3 Governing Law**

The laws of the Emirate of Dubai and all applicable laws of the United Arab Emirates shall govern all disputes arising under these By-Laws.

### **G.4 Jurisdiction**

Any disputes arising in connection with or under these By-Laws shall be, to the extent that no other court or arbitral body or tribunal has been provided for in these By-Laws in relation to such disputes, subject to the jurisdiction of the courts of the Emirate of Dubai and the parties submit to the jurisdiction of those courts.



## **Part H: General Market By-Laws**

### **H.1 By-Laws Applicable to all Classes of Contract Listed on the Exchange**

#### **H.1.1 Listing and Terms of Contracts**

- (a) The Exchange may, from time to time and in its absolute discretion, list a Class of Contracts for trading on the Exchange with the terms of each Contract comprising:
  - (i) the Individual Contract Specifications for the particular Class of Contract;
  - (ii) the applicable generic By-Laws in this Part H; and
  - (iii) any other particular By-Laws which provides constitutes a term of a Contract.
- (b) If there is a conflict between a provision of the Individual Contract Specifications and another provision of the By-Laws, the provision of the Individual Contract Specifications shall prevail.
- (c) Each Contract within a Class of Contracts which is listed shall be traded on the Exchange in accordance with these By-Laws.
- (d) Upon listing, the Expiry Date of each Class of Contracts shall be labeled within the ATS.
- (e) In the event of a conflict between the Expiry Date and the Last Trading Day as determined in accordance with the Individual Contract Specifications, the Last Trading Day shall be determined in accordance with the relevant Individual Contract Specifications.

#### **H.1.2 Delisting of Classes of Contracts**

- (a) The Exchange may, from time to time and in its absolute discretion, delist any Class of Contracts from those listed for trading on the Exchange.
- (b) If there are no Open Positions in the relevant Class of Contracts which the Exchange wishes to delist, any delisting shall become effective at such time as the Exchange shall determine.
- (c) If there are Open Positions in the relevant Class of Contracts which the Exchange wishes to delist, trading shall be permitted only to enable the closing out of those Open Positions, except to the extent that the Exchange deems such trading to be necessary for the maintenance of a fair, orderly and transparent market.

#### **H.1.3 Publication of Decisions, Prescriptions, Determinations**

Where these By-Laws or the Individual Contract Specifications give the Exchange or the Clearing Corporation the power to make prescriptions or determinations (or decisions described in like terms) and to publish them or record them in a document, failure to so publish or record them shall not invalidate the prescription, determination or decision.

#### **H.1.4 Trading Hours**

The Exchange shall determine trading hours for all Classes of Contracts.

### **H.2 By-laws Applicable to all Classes of Contracts Listed on the Exchange**

#### **H.2.1 Effect of Contracts and Obligations of Buyers and Sellers**

The effect of a Futures Contract is that the Seller will deliver and the Buyer will accept delivery of the commodity which is the subject of the Futures Contract, as agreed between the parties and in accordance with the Individual Contract Specifications for that Futures Contract.

The effect of an Options Contract is that the rights and obligations of each Option Contract shall be granted to each Seller and Buyer, as agreed between the parties and in accordance with the relevant Individual Contract Specifications.



### **H.2.2 Default**

- (a) If:
- (i) a Seller of a Futures Contract does not give delivery as required by these By-Laws; or
  - (ii) a Buyer of a Futures Contract does not take delivery as required by these By-Laws,
- that Seller or Buyer (as the case may be) shall be in Default.
- (b) In the event of Default at settlement of a Futures Contract, the rights of a Member whose Client is in Default shall be as specified in the relevant Individual Contract Specifications.

In addition, a Member shall be declared to be in Default upon the notification of the Clearing Corporation.

### **H.2.3 Documents and Payments**

Documents must be taken up and given to Clearing Members without prejudice to and regardless of any question in dispute and such questions shall be resolved between the parties. All differences, interest and other charges are for prompt settlement.

### **H.2.4 Clearing Through the Clearing Corporation**

- (a) All Contracts made between Members shall be cleared through Clearing Corporation in accordance with the Clearing Rules.
- (b) The Clearing Rules shall, to the extent applicable to a Member, be binding on each such Member.

## **H.3. Alternative Delivery Process (ADP)**

- (a) The Exchange shall determine those Classes of Contracts for which this Alternative Delivery Process (ADP) may be used to fulfill the delivery obligations arising from the relevant Class of Contracts.
- (b) Where ADP is permitted, the Buyer and Seller whose delivery obligations have been matched/allocated by the Clearing Corporation, may agree to fulfil such delivery obligations by whatever alternative means they mutually agree.
- (c) Subject to the mutual agreement of both Buyer and Seller, the Clearing Corporation will, upon instruction from both Buyer and Seller, remove the delivery obligations that have arisen as a result of the matching/allocation process undertaken by the Clearing Corporation.
- (d) The removal of the delivery obligations shall be considered full and final settlement of the obligations arising from the relevant Class of Contracts.

## **H.4 Rules Applicable to Option Contracts Listed on the Exchange**

### **H.4.1 General**

- (a) Option Contracts shall be options over Futures Contracts, which expire on the Declaration Date determined by the Exchange.
- (b) Options Contracts may be Put Option Contracts or Call Option Contracts.

### **H.4.2 Effect of Option Contracts**

- (a) Call Option Contracts

In the case of Call Option Contracts:

- (i) the Buyer of the Call Option Contract acquires, in consideration for a Contract Premium and at a Strike Price selected from a list of such prices determined under the relevant Individual Contract



Specifications and agreed between the parties, the right to a bought futures position in the Underlying Futures Contract specified as the Contract Unit in the Individual Contract Specifications for that Call Option Contract; and

- (ii) in the event that the Buyer of the Call Option Contract exercises that right, a Seller as appointed by the Clearing Corporation in accordance with the Clearing Corporation Rules shall be vested with a sold futures position in the Underlying Futures Contract at the same price and in the same Delivery Month as that assumed by the Buyer of the Call Option Contract; and
- (iii) where a Call Option Contract is exercised, the resulting Futures Contract shall be registered at the Strike Price agreed in accordance with By-Law H.4.2(a)(i).

(b) Put Option Contracts

In the case of Put Option Contracts:

- (i) the Buyer of the Put Option Contract acquires, in consideration for a Contract Premium and at a Strike Price selected from a list of such prices determined under the relevant Individual Contract Specifications and agreed between the parties, the right to a sold futures position in the Underlying Futures Contract specified as the Contract Unit in the Individual Contract Specifications for that Put Option Contract;
- (ii) if the Buyer of the Put Option Contract exercises that right, a Seller appointed by the Clearing Corporation in accordance with the Clearing Corporation Rules shall be vested with a bought futures position in the relevant Underlying Futures Contract at the same price and in the same Delivery Month as that assumed by the Buyer of the Put Option Contract; and
- (iii) where a Put Option Contract over a Futures Contract is exercised, the resulting Futures Contract shall be registered at the Strike Price agreed in accordance with By-Law H.4.2(b)(i).

#### **H.4.3 Rights of Buyer and Seller**

(a) Right of Buyer and Seller to Close Out

- (i) The Buyer of an Option Contract may, prior to the expiration of trading on the Declaration Date, sell an Option Contract of the same Series as that Option Contract bought, in which case the bought and sold positions may be closed out.
- (ii) The Seller of an Option Contract may, prior to the expiration of trading on the Declaration Date, buy an Option Contract in the same Series as that Option Contract sold, in which case the sold and bought positions may be closed out.

(b) Right of Buyer to Exercise

The Buyer of an Option Contract may:

- (i) in respect of American Style Options and subject to By-Law H.4.3 (c) exercise the Option at any time prior to the time determined by the Exchange for lodging Exercise Notices in the relevant Option Contract, in which case the Buyer shall become the holder of a bought futures position (in the case of a Call Option Contract), or the holder of a sold futures position (in the case of a Put Option Contract), in the Underlying Futures Contract in the same Delivery Month and at the same price as the Strike Price of the Option Contract bought; or
- (ii) in respect of European Style Options and subject to By-Law H.4.3(c) exercise the Option only at the time determined by the Exchange for lodging Exercise Notices in the relevant Option Contract, in which case the Buyer shall become the holder of a bought futures position (in the case of a Call Option Contract), or the holder of a sold futures position (in the case of a Put Option Contract), in the Underlying Futures Contract in the same Delivery Month and at the same price as the Strike Price of the Option Contract bought; or



- (iii) allow the Clearing Corporation, on the Declaration Date, automatically to exercise the Option Contract or let it lapse, in accordance with the relevant Individual Contract Specifications.

(c) **No Right of Buyer to Exercise Out-of-Money Option Contracts**

The Buyer shall not have the right to exercise an out-of-the-money Option Contract.

**H.4.4 Premium**

- (a) An Option Contract shall be entered into in consideration of a Contract Premium payable by the Buyer.
- (b) The Contract Premium shall be calculated in accordance with these By-Laws and payment thereof shall be governed by the Margin payment requirements set out in Part E of these By-Laws.

**H.4.5 Strike Prices**

Strike Prices shall be determined and published by the Exchange from time to time.

**H.4.6 Lodgement of Exercise Notices in Respect of Option Contracts**

- (a) Exercise of an Option may be carried out by lodging an Exercise Notice electronically with the Clearing Corporation in a form determined by the Clearing Corporation.
- (b) A Member who holds a Call Option Contract or a Put Option Contract on behalf of a Client may exercise the Option provided that the Member has received the relevant instructions from the Client prior to the time for lodgement of the Exercise Notice.

**H.4.7 Exercise/Expiry of all Option Contracts on Declaration Date**

On the Declaration Date of Option Contracts, the Clearing Corporation shall, unless otherwise directed by an Exercise Notice:

- (a) exercise all in-the-money Option Contracts(as set out in By-Law H.4.8); and
- (b) allow all other Option Contracts to expire.

**H.4.8 Option Contracts which are In-The-Money**

An Option over a Futures Contract is in-the-money if the Daily Settlement Price during the Delivery Month of the Underlying Futures Contract on the Declaration Date is greater than the Strike Price in the case of a Call Option Contract, or is less than the Strike Price in the case of a Put Option Contract.

**H.4.9 Notification to Sellers**

- (a) Nature of notification

Upon receipt of an Exercise Notice, the Clearing Corporation will notify the Seller that the Seller has become the holder of a sold futures position, in the case of a Call Option Contract, or the holder of a bought futures position in the case of a Put Option Contract, in the underlying Futures Contract in the same month and at a price equal to the Strike Price of the Option Contract sold.

- (b) Timing of notification on Declaration Day

On the Declaration Date, the Seller will receive such notification after the Exercise Notice is lodged in the relevant Exchange System and by not later than the time determined by the Exchange for each relevant Option Contract.



(c) Timing of notification on other Business Days

On all other Business Days, the Seller will receive such notification after the conclusion of business processing at the end of the day on which the Exercise Notice was lodged by the Seller and by not later than the time determined by the Exchange for each relevant Option Contract.

**H.4.10 Obligations of Member on Exercise of Option Contracts**

Where the Seller has become the holder of a futures position pursuant to the exercise of an Option Contract, the Seller shall comply with the provisions of these By-Laws relating to the futures positions.





## **Part I: Gold Futures and Options Contract Specification**

### **I.1. General By-Law relating to Specifications of Gold Futures Contracts**

#### **I.1.1. Scope of the By-Law**

This By-Law shall apply to Gold Futures Contracts.

### **I.2. Trading Hours**

The Trading Hours in Gold Futures Contracts shall be as determined by the Exchange from time to time.

### **I.3. Trading Days**

The Trading Days in Gold Futures Contracts shall be as determined by the Exchange from time to time.

### **I.4. Contract Specification for Gold Futures**

The Contract size shall be 32 troy ounces of refined gold.

#### **I.4.1. Delivery Months**

The Exchange shall make available for trading the following Delivery Months: February, April, June, August, October and December such that at all times there shall be six (6) Delivery Months available for trading.

#### **I.4.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.10.

#### **I.4.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the last Business Day of the Delivery Month.

#### **I.4.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the Daily Settlement Price on the Last Trading Day.

#### **I.4.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

### **I.5. Contract Specification for India Gold Quanto Futures**

The Contract size shall be 1 lot

#### **I.5.1. Delivery Months**

The Exchange shall make available for trading the following Delivery Months: February, April, June, August, October and December such that at all times there shall be six (6) Delivery Months available for trading.

#### **I.5.2. Minimum Price Movement**

The minimum price movement shall be US\$ 1.

#### **I.5.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the Last Business Day of the Delivery Month.

#### **I.5.4. Final Cash Settlement Price**



The Final Cash Settlement Price shall be the benchmark reference gold futures price that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **I.5.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

### **I.6. Contract Specification of Shanghai Gold Futures**

The Contract size shall be 1,000 grammes (1kg)

#### **I.6.1. Delivery Months**

The Exchange shall make available for trading the following Delivery Months: February, April, June, August, October and December such that at all times there shall be six (6) Delivery Months available for trading.

#### **I.6.2. Minimum Price Movement**

The minimum price movement shall be CNH 0.01.

#### **I.6.3 Last Trading Day**

The Last Trading Day shall be the fifteenth (15<sup>th</sup>) calendar day of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the following Business Day.

#### **I.6.4. Business Day**

A Business Day shall be a day on which Markets are declared open by the Exchange and a day on which the relevant reference market is declared open by the appropriate authorities.

#### **I.6.5. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the Shanghai Gold Benchmark Price PM as published by the Shanghai Gold Exchange, or successor on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **I.6.6. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.



## **Part J: Silver Futures and Options Contract Specification**

### **J.1. General By-Law relating to Specifications of Silver Futures Contracts**

#### **J.1.1. Scope of the By-Law**

This By-Law shall apply to Silver Futures Contracts.

### **J.2. Trading Hours**

The Trading Hours in Silver Futures Contracts shall be as determined by the Exchange from time to time.

### **J.3. Trading Days**

The Trading Days in Silver Futures Contracts shall be as determined by the Exchange from time to time.

### **J.4. Contract Specification for Silver Futures**

The Contract size shall be 1,000 troy ounces of refined silver (plus or minus 10%) of 0.999 fineness, cast in one (1) bar by an Approved Silver Refiner and located in an Approved Silver Vault.

#### **J.4.1. Delivery Months**

The Exchange shall make available for trading the following Delivery Months: February, April, June, August, and November such that at all times there shall be five (5) Delivery Months available for trading.

#### **J.4.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.005.

#### **J.4.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the last Business Day of the Delivery Month.

#### **J.4.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the benchmark reference silver futures price that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **J.4.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.



**Part K: Dubai Steel Rebar Futures and Options Contract Specification (suspended)**



**Part L: HSFO 380CST Futures and Options Contract Specification (suspended)**



## 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 the By-Law

This By-Law shall apply to Currency Futures and Options Contracts.

### M.2. Trading Hours

The Trading Hours in Currency Futures and Options Contracts shall be as determined by the Exchange from time to time.

### M.3. Trading Days

The Trading Days in Currency Futures and Options Contracts shall be as determined by the Exchange from time to time.

### M.4. Business Day

A Business Day shall be a day on which Markets are declared to be open by the Exchange and a day on which banks are open for the respective currencies.

### M.5. Physical Delivery Arrangements

#### M.5.1 Compliance with Government Regulations

- (a) Delivery of currencies, where applicable 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.5.2. 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.5.3. Clearing Members to Have Delivery Accounts

- (a) It is the responsibility of each Clearing Member that proposes to accept delivery in its own name of a Currency Futures Contract, to have opened a Currency Delivery Account, denominated in US Dollars and the relevant currency, with the 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 the Approved Currencies Delivery Bank for the purposes of By-Law M.5.3.(a).

#### M.5.4. Obligations of Seller

- (a) A Clearing Member holding a short position ("**Seller**") at the Close of Trading on the Last Trading Day, shall provide to the Clearing Corporation a Delivery Notice by a time prescribed by the Exchange, on the Business Day following 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 agreement of the Clearing Corporation.
- (c) The Seller shall, not later than a time on the Delivery Day prescribed by the Clearing Corporation, transfer to the relevant Currency Delivery Account of the Clearing Corporation at the Approved Currencies Delivery Bank,



an amount equal to the Currency Contract Unit of the relevant Currency Futures Contract as specified in the relevant By-Law.

#### **M.5.5. Obligations of Buyer**

- (a) A Clearing Member holding a long position (“**Buyer**”) at the Close of Trading on the Last Trading Day shall provide to the Clearing Corporation a Currencies Delivery Acceptance Notice by a time prescribed by the Exchange on the Business Day following the Last Trading Day, containing such information as the Exchange may prescribe.
- (b) The Buyer shall, not later than a time on the Delivery Day prescribed by the Clearing Corporation, transfer to the US Dollar Currency Delivery Account of the Clearing Corporation at the Approved Currencies Delivery Bank, the Settlement Value.

#### **M.5.6. Matching of Instructions**

The matching of Buyers and Sellers will be completed on a time priority basis based upon the receipt of the respective Delivery Notice/Currencies Delivery Acceptance Notice.

#### **M.5.7. Settlement Value**

The Settlement Value shall be calculated as  
 $SV = Q \times P$

Where

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

Q is the Currency Contract Unit of the relevant Currency Futures Contracts as specified in the relevant By-Law, and  
P is the Invoice Price

#### **M.5.8. Invoice Price**

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

#### **M.5.9. Role of Clearing Corporation**

- (a) The Clearing Corporation shall, following receipt of the transfer referred to in By-Law M.5.4. (c) transfer to the US Dollar account of the Seller at the Approved Currencies Delivery Bank, the Settlement Value calculated in accordance with By-Law M.5.7.
- (b) The Clearing Corporation shall, following receipt of the transfer referred to in By-Law M.5.5. (b), transfer to the relevant currency account of the Buyer, an amount equal to the Currency Contract Unit of the relevant Currency Futures Contracts as specified in the relevant By-Law.

#### **M.5.10. Default**

##### **M.5.10.1 Default by Seller**

- (a) Should a Seller not deliver by the time prescribed by the Exchange a Delivery Notice referred to in By-Law M.5.4.(a), or that the Delivery Notice does not contain the information prescribed by the Exchange, such Seller shall be in default.
- (b) Should a Seller not execute the transfer referred to in By-Law M.5.4.(c) by the time prescribed by the Clearing Corporation, such Seller shall be in default.

##### **M.5.10.2. Default by Buyer**

- (a) Should a Buyer not deliver by the time prescribed by the Exchange a Currencies Delivery Acceptance Notice referred to in By-Law M.5.5. (a), or that the Currencies Delivery Acceptance Notice does not contain the information prescribed by the Exchange, such Buyer shall 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.

**M.6. Contract Specification for US Dollar – Russian Rouble (RUB) Futures Contracts**

The Contract size and Currency Contract Unit shall be US Dollars fifty thousand (50,000)

**M.6.1. Delivery Months**

The Exchange shall make available for trading quarterly Delivery Months: March, June, September and December, such that at all times there shall be three (3) Delivery Months available for trading.

**M.6.2. Minimum Price Movement**

The minimum price movement shall be RUB 0.001.

**M.6.3. Last Trading Day**

The Last Trading Day shall be the fourteenth (14<sup>th</sup>) calendar day of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the succeeding Business Day.

**M.6.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the official US Dollar – Russian Rouble (RUB) fixing issued by the Bank of Russia, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day.

**M.6.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**M.7. Contract Specification for US Dollar – South African Rand (ZAR) Futures Contracts**

The Contract size and Currency Contract Unit shall be US Dollars fifty thousand (50,000)

**M.7.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be three (3) Delivery Months available for trading.

**M.7.2. Minimum Price Movement**

The minimum price movement shall be ZAR 0.001.

**M.7.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the third Wednesday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**M.7.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the official US Dollar – South African Rand (ZAR) fixing issued by the Reserve Bank of South Africa, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day.

**M.7.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**M.8. Contract Specification for US Dollar – Offshore Chinese Yuan (CNH) Futures Contracts**





The Contract size and Currency Contract Unit shall be US Dollars fifty thousand (50,000)

**M.8.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be twelve (12) Delivery Months available for trading.

**M.8.2. Minimum Price Movement**

The minimum price movement shall be CNH 0.0002.

**M.8.3. Last Trading Day**

The Last Trading Day shall be one (1) Business Day prior to the last Business day of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**M.8.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the official US Dollar – offshore Chinese Yuan (CNH) fixing issued by the Treasury Markets Association of Hong Kong, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day.

**M.8.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**M.9. Contract Specification for Mini Indian Rupee (INRM) – US Dollar Futures Contracts**

The Contract size and Currency Contract Unit shall be Indian Rupee two hundred thousand (INR 200,000)

**M.9.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be twelve (12) Delivery Months available for trading.

**M.9.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.01.

**M.9.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the last Business Day of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**M.9.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the official US Dollar Reference Rate issued by the Reserve Bank of India, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day.

**M.9.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**M.10. Contract Specification for Indian Rupee (INR) – US Dollar Futures Contracts**

The Contract size and Currency Contract Unit shall be Indian Rupee two million (INR 2,000,000)

**M.10.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be twelve (12) Delivery Months available for trading.



**M.10.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.01.

**M.10.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the last Business Day of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**M.10.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the official US Dollar Reference Rate issued by the Reserve Bank of India, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day, rounded to four (4) decimal places.

**M.10.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**M.11. Contract Specification for Indian Rupee (INRI) Quanto Futures Contracts**

The Contract size and Currency Contract Unit shall be US\$ 100 per index point.

**M.11.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be three (3) Delivery Months available for trading.

**M.11.2. Minimum Price Movement**

The minimum price movement shall be 0.0025 index points.

**M.11.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the last Business Day of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**M.11.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the official US Dollar Reference Rate issued by the Reserve Bank of India, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day, rounded to four (4) decimal places.

**M.11.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**M.12. Contract Specification for Japanese Yen (JPY) – US Dollar Futures Contracts**

The Contract size and Currency Contract Unit shall be Japanese Yen five million (JPY 5,000,000).

**M.12.1. Delivery Months**

The Exchange shall make available for trading quarterly Delivery Months: March, June September and December, such that at all times there shall be four (4) Delivery Months available for trading.

**M.12.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.000001.



### **M.12.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the third Wednesday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

### **M.12.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the reference rate that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

### **M.12.5 Physical Delivery**

The Delivery Day shall be the second Business Day following the Last Trading Day.

## **M.13. Contract Specification for British Pounds Sterling (GBP) – US Dollar Futures Contracts**

The Contract size and Currency Contract Unit shall be British Pounds Sterling fifty thousand (GBP 50,000).

### **M.13.1. Delivery Months**

The Exchange shall make available for trading quarterly Delivery Months: March, June September and December, such that at all times there shall be four (4) Delivery Months available for trading.

### **M.13.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.0001.

### **M.13.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the third Wednesday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

### **M.13.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the reference rate that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

### **M.13.5 Physical Delivery**

The Delivery Day shall be the second Business Day following the Last Trading Day.

## **M.14. Contract Specification for Euro (EUR) – US Dollar Futures Contracts**

The Contract size and Currency Contract Unit shall be Euro fifty thousand (EUR 50,000).

### **M.14.1. Delivery Months**

The Exchange shall make available for trading quarterly Delivery Months: March, June September and December, such that at all times there shall be four (4) Delivery Months available for trading.

### **M.14.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.0001

### **M.14.3. Last Trading Day**



The Last Trading Day shall be two (2) Business Days prior to the third Wednesday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**M.14.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the reference rate that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

**M.14.5 Physical Delivery**

The Delivery Day shall be the second Business Day following the Last Trading Day.

**M.15. Contract Specification for Swiss Francs (CHF) – US Dollar Futures Contracts**

The Contract size and Currency Contract Unit shall be Swiss Francs fifty thousand (CHF 50,000).

**M.15.1. Delivery Months**

The Exchange shall make available for trading quarterly Delivery Months: March, June September and December, such that at all times there shall be four (4) Delivery Months available for trading.

**M.15.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.0001.

**M.15.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the third Wednesday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**M.15.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the reference rate that is made publicly available on the Last Trading Day. In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

**M.15.5 Physical Delivery**

The Delivery Day shall be the second Business Day following the Last Trading Day.

**M.16. Contract Specification for Canadian Dollar (CAD) – US Dollar Futures Contracts**

The Contract size and Currency Contract Unit shall be Canadian Dollar fifty thousand (CAD 50,000).

**M.16.1. Delivery Months**

The Exchange shall make available for trading quarterly Delivery Months: March, June September and December, such that at all times there shall be four (4) Delivery Months available for trading.

**M.16.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.0001.

**M.16.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the third Wednesday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.



#### **M.16.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the reference rate that is made publicly available on the Last Trading Day. In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **M.16.5 Physical Delivery**

The Delivery Day shall be the second Business Day following the Last Trading Day.

### **M.17. Contract Specification for Australian Dollar (AUD) – US Dollar Futures Contracts**

The Contract size and Currency Contract Unit shall be Australian Dollar fifty thousand (AUD 50,000).

#### **M.17.1. Delivery Months**

The Exchange shall make available for trading quarterly Delivery Months: March, June September and December, such that at all times there shall be four (4) Delivery Months available for trading.

#### **M.17.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.0001.

#### **M.17.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the third Wednesday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

#### **M.17.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the reference rate that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **M.17.5 Physical Delivery**

The Delivery Day shall be the second Business Day following the Last Trading Day.

### **M.18. Contract Specification for Indian Rupee (INRO) – US Dollar Options Contracts**

The Contract size and Currency Contract Unit shall be one Indian Rupee (INR) – US Dollar Futures Contract

#### **M.18.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be two (2) Delivery Months available for trading.

#### **M.18.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.0001.

#### **M.18.3. Strike Price Intervals**

Strike Price Intervals shall be at INR 0.25 converted to US Dollars to two (2) decimal places, such that at all times there shall be a minimum of eight (8) in-the-money, eight (8) out-of-the-money, and one (1) at-the-money Strike Price available for trading.

#### **M.18.3. Last Trading Day**



The Last Trading Day shall be two (2) Business Days prior to the last Business Day of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**M.18.4 Exercise**

On the Last Trading Day all in-the-money positions are automatically exercised against the Final Cash Settlement Price of the underlying futures contracts.



## **Part N: Crude Oil Futures and Options Contract Specifications**

### **N.1. General By-Law relating to Specifications of Crude Oil Futures Contracts**

#### **N.1.1. Scope of the By-Law**

This By-Law shall apply to Crude Oil Futures Contracts.

### **N.2. Trading Hours**

The Trading Hours in Crude Oil Futures Contracts shall be as determined by the Exchange from time to time.

### **N.3. Trading Days**

The Trading Days in Crude Oil Futures Contracts shall be as determined by the Exchange from time to time.

### **N.4. Business Days**

A Business Day shall be a day on which Markets are declared open by the Exchange and a day on which the relevant reference market is declared open by the appropriate authorities.

### **N.5. Contract Specification for West Texas Intermediate (WTI) Light Sweet Crude Oil Futures**

The Contract size shall be 1,000 barrels.

#### **N.5.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months such that at all times there shall be eighteen (18) monthly Delivery Months and additional ten (10) semi-annual (June and December) Delivery Months available for trading.

#### **N.5.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.01.

#### **N.5.3. Last Trading Day**

The Last Trading Day shall be four (4) Business Days prior to the twenty fifth (25<sup>th</sup>) calendar day of the month preceding the Delivery Month.

#### **N.5.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the relevant reference futures price that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **N.5.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

### **N.6. Contract Specification for Brent Crude Oil Futures**

The Contract size shall be 1,000 barrels.

#### **N.6.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months such that at all times there shall be eighteen (18) monthly Delivery Months available for trading.



**N.6.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.01.

**N.6.3. Last Trading Day**

The Last Trading Day shall be the second last Business Day of the second month preceding the Delivery Month.

**N.6.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the relevant reference futures price that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

**N.6.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**N.7. Contract Specification for DGCX Mini West Texas Intermediate (WTI) Light Sweet Crude Oil Futures**

The Contract size shall be 100 barrels

**N.7.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months such that at all times there shall be twelve (12) monthly Delivery Months available for trading.

**N.7.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.01.

**N.7.3. Last Trading Day**

The Last Trading Day shall be four (4) Business Days prior to the twenty fifth (25<sup>th</sup>) calendar day of the month preceding the Delivery Month.

**N.7.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the relevant reference futures price that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

**N.7.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**N.8. Contract Specification for Dubai India Crude Oil Quanto Crude Oil Futures**

The Contract size shall be 3 barrels.

**N.8.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months such that at all times there shall be two (2) monthly Delivery Months available for trading.

**N.8.2. Minimum Price Movement**





The minimum price movement shall be US\$ 1.

**N.8.3. Last Trading Day**

The Last Trading Day shall be four (4) Business Days prior to the twenty fifth (25<sup>th</sup>) calendar day of the month preceding the Delivery Month.

**N.8.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the Final Cash Settlement Price for the WTI Light Sweet Crude Oil Futures Contract converted using the official US Dollar Reference Rate issued by the Reserve Bank of India, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day.

**N.8.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.



## **Part O: Copper Futures Contract Specifications**

*(Added April 20, 2012)*

### **O.1. General By-Laws relating to Specifications of Copper Futures Contracts**

#### **O.1.1. Scope of the By-Law**

This By-Law shall apply to Copper Futures Contracts.

### **O.2. Trading Hours**

The Trading Hours in Copper Futures Contracts shall be as determined by the Exchange from time to time.

### **O.3. Trading Days**

The Trading Days in Copper Futures Contracts shall be as determined by the Exchange from time to time.

### **O.4. Business Days**

A Business Day shall be a day on which Markets are declared open by the Exchange and a day on which the relevant reference market is declared open by the appropriate authorities.

### **O.5. Contract Specification for Copper Futures**

The Contract size shall be 5 metric tonnes of Grade 1 Electrolyte Copper Cathodes (full plate or cut) conforming to American Society for Testing and Materials (B115-00), or its latest revision.

#### **O.5.1. Delivery Months**

The Exchange shall make available for trading the following Delivery Months: February, April, June, August and November such that at all times there shall be five (5) monthly Delivery Months available for trading.

#### **O.5.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.50.

#### **O.5.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the last Business Day of the Delivery Month.

#### **O.5.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the relevant reference futures price that is made publicly available on the Last Trading Day, using a conversion factor of 2,204.623, rounded to the nearest tick using standard rounding convention.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **O.5.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.



## **Part P: Equity Index Futures and Options Contract Specifications**

*(Added on 05 July 2013)*

### **P.1. General By-Law relating to Specifications of Equity Index Futures Contracts**

#### **P.1.1. Scope of the By-Law**

This By-Law shall apply to Equity Index Futures Contracts as described in Part P of the By-Law.

### **P.2. Trading Hours**

The Trading Hours in Equity Index Futures Contracts shall be as determined by the Exchange from time to time.

### **P.3. Trading Days**

The Trading Days in Equity Index Futures Contracts shall be as determined by the Exchange from time to time.

### **P.4. Business Day**

A Business Day shall be a day on which Markets are declared to be open by the Exchange and a day on which the relevant reference market is declared open by the relevant authorities.

### **P.5. Errors in the Index**

- (a) If, not later than thirty minutes after the publication of the Final Cash Settlement Price for a particular Delivery Month any member of the Exchange notifies the Exchange of, or there otherwise comes to the attention of the Exchange, an alleged or apparent error in the closing price of the relevant Equity Index due to any cause whatsoever other than an error in the weighting of the price for any constituent stock of the Equity Index, then the Exchange shall promptly request the Index Provider to investigate such alleged or apparent error. If in the Index Provider's opinion an error has been made, the Index Provider shall correct the closing price affected thereby which has been or will be used to determine the Final Cash Settlement Price for that delivery month and the Exchange shall re-determine the Final Cash Settlement Price in accordance therewith. No correction of the closing price or the Final Cash Settlement Price shall be made in respect of any error notified to the Exchange or coming to its attention after the expiry of such thirty-minute period.
- (b) Neither the Exchange nor its officers, employees, agents or representatives shall have any liability whatsoever in respect of any decision as to whether or not to correct the closing price or as to the amount of any correction, or as to whether or not to re-determine the Final Cash Settlement Price.

### **P.6. Contract Specification for MSCI India Index Futures (INR)**

The Contract size shall be 25 Index Points x Price.

#### **P.6.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be three (3) Delivery Months and one (1) quarterly Delivery Month available for trading.

#### **P.6.2. Minimum Price Movement**

The minimum price movement shall be 0.5 Index Point

#### **P.6.3. Last Trading Day**

The Last Trading Day shall be the last Thursday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.



**P.6.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the closing price of the MSCI India (INR, Price) Index as published by MSCI, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day.

**P.6.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

**P.7. Contract Specification for MSCI India Index Futures (USD)**

The Contract size shall be 50 Index Points x Price.

**P.7.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be three (3) Delivery Months and four (4) quarterly Delivery Month available for trading.

**P.7.2. Minimum Price Movement**

The minimum price movement shall be 0.25 Index Point.

**P.7.3. Last Trading Day**

The Last Trading Day shall be the third Friday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

**P.7.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the closing price of the MSCI India (USD, NTR) Index as published by MSCI, or equivalent successor rate that is determined by the Exchange, on the Last Trading Day.

**P.7.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.



**Part Q: Plastics Futures and Options Contracts Specifications (suspended)**



## Part R: Shari'ah compliant - DGCX Spot Gold Contract Specification

### R.1. General By-Laws relating to Specifications of Spot Gold Shari'ah Compliant Contracts

#### R.1.1. Scope of the By-Law

This By-Law shall apply to Spot Gold Shari'ah Compliant Contracts.

### R.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 SGIN and the price of the Revocation SGIN, and shall be paid by the Member who places the Revocation SGIN on the ATS.

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

**Spot Gold Intention Notice (SGIN)** A SGIN 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 Gold Shari'ah Compliant Contract for the next Business Day.

**Spot Gold Intention Notice (SGIN) Day** An Exchange Business Day

**Spot Gold Trade Settlement Day** The Business Day following the respective SGIN Day.

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

**Substitution Spot Gold Intention Notice (Substitution SGIN)** A SGIN placed by the Buyer/Seller on the ATS with the intention to substitute an existing SGIN. A Substitution SGIN 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 SGIN price of the Spot Gold Shari'ah Compliant Contract and the Final Cash Settlement Price declared by the Exchange on each Business Day for the Spot Gold Shari'ah Compliant Contract.

### R.3. Trading Hours

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

### R.4. Trading Days

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

### R.5. Physical Delivery Arrangements

#### R.5.1. Approved Gold Refiners, Vaults and CMIs

The Exchange shall from time to time determine and publish:

- (a) a list of Approved Gold Refiners whose gold bars shall be accepted as deliverable gold in fulfillment of a Gold Future Contract;



- (b) a list of Approved Vaults in the UAE in which gold may be stored for delivery in fulfilment of a Spot Gold Shari'ah Compliant Contract and whose certificate as to weight shall be accepted for gold delivered in fulfilment of a Spot Gold Shari'ah Compliant Contract; and
- (c) a list of Approved CMLs whose certification as to weight and fineness shall be accepted for gold delivered in fulfilment of A Spot Gold Shari'ah Compliant Contract.

#### **R.5.2. Allocation of SGINs**

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

#### **R.5.3. Gold to be Represented by a Warrant**

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

#### **R.5.4. Roles of Clearing Corporation and DMCC for the Spot Gold Shari'ah Compliant Contract**

##### **R.5.4.1. Clearing Corporation to Act as Seller's Agent**

Each Seller who has placed a SGIN 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 gold subject to that SGIN:

- (a) to instruct an Approved Vault to cancel a Warrant representing such gold stored in the Approved Vault; and/or
- (b) to instruct an Approved Vault to issue two or more Warrants representing such gold 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 gold.

##### **R.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 R.5.4.**

#### **R.5.5. Delivery Procedure**

- (a) Where a SGIN is allocated by the Clearing Corporation to one Buyer, on the Spot Gold 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 SGIN 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 Gold 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 Gold Trade Settlement Day.

#### **R.5.6. Settlement Value**

The Settlement Value shall be calculated as



$$SV = 32 \times P$$

Where

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

#### **R.5.7. Invoice Price**

The Invoice Price referred to in By-Law R.5.6. shall be the Daily Settlement Price of the relevant Class of Contract on the Last Trading Day

#### **R.5.8. Payment**

- (a) By no later than 10:00 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 12:00 hours on the Delivery Day, and subject to the completion of the endorsements referred to in By-Law R.5.5., the Clearing Corporation shall pay the Settlement Value to the Seller.

#### **R.5.9. Default**

##### **R.5.9.1 Default by Seller**

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

##### **R.5.9.2. 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.

#### **R.6. Contract Specification for Spot Gold Shari'ah Compliant**

The Contract size shall be 32 troy ounces

##### **R.6.1. Minimum Price Movement**

The minimum price movement shall be US\$ 0.10.

##### **R.6.2. Delivery**

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





## **Part S: Single Stock Futures Contract Specifications**

### **S.1. General By-Law relating to Specifications of Single Stock Futures Contract**

#### **S.1.1. Scope of the By-Law**

This By-Law shall apply to Single Stock Futures Contracts.

### **S.2. Trading Hours**

The Trading Hours in Single Stock Futures Contracts shall be as determined by the Exchange from time to time.

### **S.3. Trading Days**

The Trading Days in Single Stock Futures Contracts shall be as determined by the Exchange from time to time.

### **S.4. Business Day**

A Business Day shall be a day on which Markets are declared to be open by the Exchange and a day on which the relevant underlying primary reference market is declared open by the relevant authorities.

### **S.5. Contract Specification for Indian Single Stock Futures**

The Contract size shall be as follows: Group 1: 1 share; Group 2: 5 shares; Group 3: 10 shares; Group 4: 25 shares; and Group 5: 50 shares.

#### **S.5.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be two (2) Delivery Months available for trading.

#### **S.5.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.05.

#### **S.5.3. Last Trading Day**

The Last Trading Day shall be the third (3<sup>rd</sup>) Friday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the preceding Business Day.

#### **S.5.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the closing price of the underlying equity in the primary reference market on the Last Trading Day.

#### **S.5.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.

### **S.6. Contract Specification for US Single Stock Futures**

The Contract size shall be as follows: Group 1: 5 share; Group 2: 50 shares; and Group 3: 100 shares.

#### **S.6.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months, such that at all times there shall be three (3) Delivery Months available for trading.

#### **S.6.2. Minimum Price Movement**



The minimum price movement shall be as follows: Group 1: US\$ 0.20; Group 2: US\$ 0.02; and Group 3: US\$ 0.01.

**S.6.3. Last Trading Day**

The Last Trading Day shall be the third Friday of the Delivery Month, except where that day is not a Business Day, in which case the Last Trading Day shall be the following Business Day.

**S.6.4 Final Cash Settlement Price**

The Final Cash Settlement Price shall be the closing price of the underlying equity in the primary reference market on the Last Trading Day.

**S.6.5 Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.



## **Part T: Aluminium Futures Contract Specifications**

### **T.1. General By-Laws relating to Specifications of Aluminium Futures Contracts**

#### **T.1.1. Scope of the By-Law**

This By-Law shall apply to Aluminium Futures Contracts.

### **T.2. Trading Hours**

The Trading Hours in Aluminium Futures Contracts shall be as determined by the Exchange from time to time.

### **T.3. Trading Days**

The Trading Days in Aluminium Futures Contracts shall be as determined by the Exchange from time to time.

### **T.4. Business Days**

A Business Day shall be a day on which Markets are declared open by the Exchange and a day on which the relevant reference market is declared open by the appropriate authorities.

### **T.5. Contract Specification for Aluminium Futures**

The Contract size shall be 5 metric tonnes of Primary Aluminium of 99.7% purity.

#### **T.5.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months such that at all times there shall be six (6) monthly Delivery Months available for trading.

#### **T.5.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.50.

#### **T.5.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the Third Wednesday of the Delivery Month., except where that day is not a Business Day, in which case the Last Business Day shall be the preceding Business Day

#### **T.5.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the relevant reference futures price that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **T.5.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.



## **Part U: Zinc Futures Contract Specifications**

### **U.1. General By-Laws relating to Specifications of Zinc Futures Contracts**

#### **U.1.1. Scope of the By-Law**

This By-Law shall apply to Zinc Futures Contracts.

### **U.2. Trading Hours**

The Trading Hours in Zinc Futures Contracts shall be as determined by the Exchange from time to time.

### **U.3. Trading Days**

The Trading Days in Zinc Futures Contracts shall be as determined by the Exchange from time to time.

### **U.4. Business Days**

A Business Day shall be a day on which Markets are declared open by the Exchange and a day on which the relevant reference market is declared open by the appropriate authorities.

### **U.5. Contract Specification for Zinc Futures**

The Contract size shall be 5 metric tonnes of special high-grade Zinc of 99.995% purity.

#### **U.5.1. Delivery Months**

The Exchange shall make available for trading monthly Delivery Months such that at all times there shall be six (6) monthly Delivery Months available for trading.

#### **U.5.2. Minimum Price Movement**

The minimum price movement shall be US\$ 0.50.

#### **U.5.3. Last Trading Day**

The Last Trading Day shall be two (2) Business Days prior to the Third Wednesday of the Delivery Month, except where that day is not a Business Day, in which case the Last Business Day shall be the preceding Business Day.

#### **U.5.4. Final Cash Settlement Price**

The Final Cash Settlement Price shall be the relevant reference futures price that is made publicly available on the Last Trading Day.

In the event that this price is not available, the Clearing Corporation shall determine such Final Cash Settlement Price as it considers appropriate, in its absolute discretion.

#### **U.5.5. Cash Settlement Day**

The Cash Settlement Day shall be the Business Day following the Last Trading Day.