

Notice No.: RISK-2023-011

Issue Date: 14 April 2023

Subject: Policy for technical delays in transferring funds to Settlement Banks

Notice to all Members,

Subject: Policy for technical delays in transferring funds to Settlement Banks

Pursuant to the DGCX By-Laws, Clearing Rules of DCCC and Notice RISK-2018-039 dated October 02, 2018, the following changes are hereby notified:

Background

Clearing Members are required to take note that payment of “Daily Settlement Amounts” to DCCC must be made by no later than 08:00 hours Dubai time on T+1, as referred to in DCCC Rules E.8.3 relating to Daily Settlements.

Please note the detailed policy outlined below:

Policy

1. Where a Clearing Member has failed to pay to DCCC the relevant “Daily Settlement Amounts” by 08:00 hours Dubai time on T+1, then:
 - a. DCCC will impose trading restrictions on the Clearing Member, which permits only the reduction of open positions held in the accounts of that Clearing Member. For the avoidance of doubt, this will also include positions held on behalf of Clients. Give-up trades, position transfers and any other actions relating to trades/positions to be cleared by DCCC will only be accepted if they reduce the open position held by the Clearing Member.
 - b. The trading restrictions will be removed only:
 - i. Upon receipt of the relevant Daily Settlement Amount, in full, at the DCCC’s settlement bank(s); or
 - ii. Upon receipt of confirmed instructions that funds have been transmitted to the relevant Member’s DCCC’s settlement bank(s) for value the following trading day.
 - iii. The DCCC has absolute discretion to accept or reject a fund transfer confirmation. The confirmation shall be accepted only if the amount is equal to or greater than the shortage amount, and the member’s settlement account should be the beneficiary account.

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2. If a Clearing Member has been unable to pay to the DCCC, the requisite “Daily Settlement Amount”, or provide confirmation that funds have been transmitted to the DCCC’s settlement bank for value the next trading day, then the Clearing Member shall be deemed not to have met the requirements set out in DCCC Rules E.8.3, and hence an “Event of Default” would have occurred as detailed in DCCC Rules H.1.(b).

These amendments shall be applicable with effect from April 15,2023.

Members are requested to take note of the revisions above.

For Dubai Commodities Clearing Corporation

Eren Gegin
Director – Clearing and Risk