

**Migration of Commodity Products to SGX-QUEST:
Amendments to Futures Trading Rules**

Current Rules		New Rules	
Chapter 1: General Matters		Chapter 1: General Matters	
1.1	Market Title The Markets comprise the SGX-DT Market, the JADE Market and such other markets as provided under this Rules from time to time.	1.1	Market Title The Markets comprise the SGX-DT Market and such other markets as provided under this Rules from time to time.
Chapter 4: Listing and Trading of Contracts		Chapter 4: Listing and Trading of Contracts	
4.	Introduction to Contracts Traded on the Market The Exchange offers Contracts which are broadly divided into Futures Contracts and Option Contracts. For the avoidance of doubt, there is no trading of Commodities on the JADE Market and trading is limited to Futures Contracts on an underlying Commodity.	4.	Introduction to Contracts Traded on the Market The Exchange offers Contracts which are broadly divided into Futures Contracts and Option Contracts.
4.1	Rules Applicable to All Classes of Contracts Listed on the Markets	4.1	Rules Applicable to All Classes of Contracts Listed on the Markets
4.1.6	<u>Trade Matching Algorithms</u> Trade matching algorithms are specific to the Market and the Contract. The trade matching algorithms applicable to Contracts traded on the SGX-DT Market and JADE Market are set out more fully in the Regulatory Notices. ² The Exchange may determine the applicable trade matching algorithms for a Contract. If the Exchange wishes to apply a new or different trade matching algorithm to a new or an existing Contract, the Exchange shall notify all Members of its intention to do so via a Regulatory Notice, at least three (3) weeks prior to the application of such algorithm to a Contract. 4.1.6 (footnote (2)): See Regulatory Notices 4.1.6(A) and 4.1.6(B).	4.1.6	<u>Trade Matching Algorithms</u> Trade matching algorithms may be specific to the Market and the Contract. The applicable trade matching algorithms are set out more fully in the Regulatory Notice ² . The Exchange may determine the applicable trade matching algorithms for a Contract. If the Exchange wishes to apply a new or different trade matching algorithm to a new or an existing Contract, the Exchange shall notify all Members of its intention to do so via a Regulatory Notice, at least three (3) weeks prior to the application of such algorithm to a Contract. 4.1.6 (footnote (2)): See Regulatory Notice 4.1.6.

**Migration of Commodity Products to SGX-QUEST:
Amendments to Futures Trading Rules**

Current Rules		New Rules	
4.1.8 (c)	<p><u>Error Trades</u></p> <p>the error trade policy administered by the Exchange is specific to the Market in which a Contract is traded. These error trade policies are set out more fully in the Regulatory Notices.³ Upon the occurrence of an error trade, the Exchange retains the discretion to cancel or reprice such error trade in accordance with its error trade policy. The Exchange may impose any condition on the cancellation or repricing of an error trade, including the charging of fees for requests to cancel or reprice any error trade;</p> <p>4.1.8 (footnote (3)): See Regulatory Notices 4.1.8(A) and 4.1.8(B).</p>	4.1.8 (c)	<p><u>Error Trades</u></p> <p>the error trade policy administered by the Exchange may be specific to the Market or a Contract. The Exchange’s error trade policies are set out more fully in the Regulatory Notice.³ Upon the occurrence of an error trade, the Exchange retains the discretion to cancel or reprice such error trade in accordance with its error trade policy. The Exchange may impose any condition on the cancellation or repricing of an error trade, including the charging of fees for requests to cancel or reprice any error trade;</p> <p>4.1.8 (footnote (3)): See Regulatory Notice 4.1.8</p>
Chapter 5: Physical Delivery		Chapter 5: Physical Delivery	
5.	Overview	5.	Overview
	<p>This Chapter is only applicable to deliverable Futures Contracts traded on the JADE Market. This Chapter relates mainly to the Exchange’s role as a facilitator in the delivery of Title Documents and the underlying Commodity. The Exchange seeks to mitigate delivery risks by facilitating delivery of Title Documents via the Clearing House and the delivery of the underlying Commodity between the Buyer and the Seller. The Clearing Rules and this Rules focus on the obligations of the Member effecting delivery via the Clearing House, whereas the relevant Contract Specifications focuses on the physical delivery obligations of the Buyer and Seller upon the maturity of the deliverable Futures Contract.</p>		<p>This Chapter is only applicable to deliverable Commodity Futures Contracts. This Chapter relates mainly to the Exchange’s role as a facilitator in the delivery of Title Documents and the underlying Commodity. The Exchange seeks to mitigate delivery risks by facilitating delivery of Title Documents via the Clearing House and the delivery of the underlying Commodity between the Buyer and the Seller. The Clearing Rules and this Rules focus on the obligations of the Member effecting delivery via the Clearing House, whereas the relevant Contract Specifications focuses on the physical delivery obligations of the Buyer and Seller upon the maturity of the deliverable Commodity Futures Contract.</p>
5.2	Designated Ports, Factories, Surveyors, Samplers and Analysts	5.2	Designated Ports, Factories, Surveyors, Samplers and Analysts

**Migration of Commodity Products to SGX-QUEST:
Amendments to Futures Trading Rules**

Current Rules		New Rules	
	<p>The Exchange shall maintain a list of Designated Ports, factories, surveyors, samplers and analysts as contemplated in the relevant Contract Specifications. A current and updated list of such Designated Ports, factories, surveyors, samplers and analysts shall be available on the website maintained by JADE.¹ The Exchange may from time to time list or de-list any Designated Ports, factories, surveyors, samplers or analysts with regard to existing or new Contract Months or both (unless otherwise provided in the relevant Contract Specifications) as the Exchange may determine in its absolute discretion. “Designated Ports” refers to any of the Exchange-designated ports of loading as indicated in the relevant Contract Specifications.</p> <p>Footnote 1: http://www.jadeexchange.com.</p>		<p>The Exchange shall maintain a list of Designated Ports, factories, surveyors, samplers and analysts as contemplated in the relevant Contract Specifications. A current and updated list of such Designated Ports, factories, surveyors, samplers and analysts shall be available on the Exchange’s website: The Exchange may from time to time list or de-list any Designated Ports, factories, surveyors, samplers or analysts with regard to existing or new Contract Months or both (unless otherwise provided in the relevant Contract Specifications) as the Exchange may determine in its absolute discretion. “Designated Ports” refers to any of the Exchange-designated ports of loading as indicated in the relevant Contract Specifications.</p> <p>Footnote 1: http://www.jadeexchange.com.</p>
Chapter 6: Dispute Resolution and Arbitration		Chapter 6: Dispute Resolution and Arbitration	
6.	Overview	6.	Overview
	<p>This Chapter deals with dispute resolution between Members with respect to Contracts traded on the Markets. The Exchange recognises that the fair, speedy and cost-effective resolution of disputes between Members is important to the health of the Markets. Arbitration of such disputes in a neutral forum with the aid of specialist experts instills market confidence. Arbitration involving Contracts shall be before the Singapore International Arbitration Centre (“SIAC”)¹ or such other forums as the parties may agree. The Exchange does not provide any in-house arbitral forum. Under this Rules, arbitration is not compulsory unless a dispute involves a Contract traded on the JADE Market. With respect to Contracts traded on the JADE Market, when any disputing Member elects to resolve the dispute via arbitration before the SIAC, the other disputing Member is compelled to submit to such arbitration. If neither Member elects for arbitration, the</p>		<p>This Chapter deals with dispute resolution between Members with respect to Contracts traded on the Markets. The Exchange recognises that the fair, speedy and cost-effective resolution of disputes between Members is important to the health of the Markets. Arbitration of such disputes in a neutral forum with the aid of specialist experts instills market confidence. Arbitration involving Contracts shall be before the Singapore International Arbitration Centre (“SIAC”)¹ or such other forums as the parties may agree. The Exchange does not provide any in-house arbitral forum. Under this Rules, arbitration is not compulsory unless a dispute involves a deliverable Commodity Futures Contract. With respect to such contracts, when any disputing Member elects to resolve the dispute via arbitration before the SIAC, the other disputing Member is compelled to submit to such arbitration. If neither Member</p>

**Migration of Commodity Products to SGX-QUEST:
Amendments to Futures Trading Rules**

Current Rules		New Rules	
	<p>Members are free to resolve their dispute in such manner as they deem fit. Save for Contracts traded on the JADE Market, this Chapter does not seek to govern dispute resolution between Member and Customer, or between Customers.²</p> <p>Footnote 1: For more information regarding the procedural rules, fees and other matters please refer to www.siac.org.sg.</p> <p>Footnote 2: With respect to the JADE Market, Customers are bound to submit to arbitration between their respective Members via contractual undertakings provided to their Members. See Rule 6.2.4.</p>		<p>elects for arbitration, the Members are free to resolve their dispute in such manner as they deem fit. Save for deliverable Commodity Futures Contracts, this Chapter does not seek to govern dispute resolution between Member and Customer, or between Customers.²</p> <p>Footnote 1: For more information regarding the procedural rules, fees and other matters please refer to www.siac.org.sg.</p> <p>Footnote 2: With respect to deliverable Commodity Futures Contracts, Customers are bound to submit to arbitration between their respective Members via contractual undertakings provided to their Members. See Rule 6.2.4.</p>
6.2	Dispute Resolution Involving Contracts Traded on the JADE Market	6.2	Dispute Resolution Involving Deliverable Commodity Futures Contracts
6.2.1	<p><u>Dispute Resolution on the JADE Market.</u></p> <p>Where any dispute arises from or in connection with a Contract traded on the JADE Market (other than a complaint of a disciplinary nature), the disputing parties shall first attempt to settle the dispute through any applicable claim procedures set forth in the relevant Contract Specifications. In the absence of such claim procedures, the disputing parties shall attempt to settle the dispute through good faith negotiations, failing which at the election of any disputing Member or the Clearing Member of any of the disputing parties, the dispute shall be settled by arbitration before the SIAC in accordance with the rules of the SIAC.</p>	6.2.1	<p><u>Dispute Resolution Involving Deliverable Commodity Futures Contracts</u></p> <p>Where any dispute arises from or in connection with a deliverable Commodity Futures Contract (other than a complaint of a disciplinary nature), the disputing parties shall first attempt to settle the dispute through any applicable claim procedures set forth in the relevant Contract Specifications. In the absence of such claim procedures, the disputing parties shall attempt to settle the dispute through good faith negotiations, failing which at the election of any disputing Member or the Clearing Member of any of the disputing parties, the dispute shall be settled by arbitration before the SIAC in accordance with the rules of the SIAC.</p>
6.2.4	<u>Customers to Submit to Arbitration</u>	6.2.4	<u>Customers to Submit to Arbitration</u>

**Migration of Commodity Products to SGX-QUEST:
Amendments to Futures Trading Rules**

Current Rules		New Rules	
	<p>Each Member shall cause its Customers and their respective assigns to agree that where there is a dispute arising from or in connection with a Contract traded on the JADE Market:</p> <p>(a) the Customers and their respective assigns shall submit to arbitration before the SIAC at the election of their respective Members;</p> <p>(b) the award of the arbitrator or panel of arbitrators shall be final and binding on the Customers and their respective assigns; and</p> <p>(c) the Customers and their respective assigns shall comply with the applicable post-arbitral procedures set forth in this Rules.</p>		<p>Each Member shall cause its Customers and their respective assigns to agree that where there is a dispute arising from or in connection with a deliverable Commodity Futures Contract:</p> <p>(a) the Customers and their respective assigns shall submit to arbitration before the SIAC at the election of their respective Members;</p> <p>(b) the award of the arbitrator or panel of arbitrators shall be final and binding on the Customers and their respective assigns; and</p> <p>(c) the Customers and their respective assigns shall comply with the applicable post-arbitral procedures set forth in this Rules.</p>
6.3	Post-arbitral Award Procedures for Contracts Traded on the JADE Market	6.3	Post-arbitral Award Procedures for Deliverable Commodity Futures Contracts
8	Definitions and Interpretation	8	Definitions and Interpretation
8.1	<p><u>Definitions</u></p> <p>JADE Refers to Joint Asian Derivatives Pte Ltd;</p> <p>JADE Market Refers to the Market that trades the Contracts that are owned by JADE;</p>	8.1	<p><u>Definitions</u></p> <p>JADE Refers to Joint Asian Derivatives Pte Ltd;</p> <p>JADE Market Refers to the Market that trades the Contracts that are owned by JADE;</p> <p>Commodity Futures Contract Refers to any Futures Contract where the Underlying is a Commodity</p>

Regulatory Notice**4.1.11 Negotiated Large Trades**

Issue date	Cross Reference	Enquiries
26 September 2007	Rule 4.1.11	Please contact International Products for policy issues: 6236-5324 Please contact Market Control (Derivative Operations) (“MCD”) for operational issues: 6538-0261 or 6536-3504 Facsimile No: 6536-6480 Email address : GPOPSMCDOP@sgx.com

1. INTRODUCTION

- 1.1 This Regulatory Notice sets out the minimum volume thresholds, notification requirements and procedures that Persons effecting Negotiated Large Trades or “NLTs” are required to observe.

2. MINIMUM VOLUME THRESHOLDS

- 2.1 The minimum volume thresholds for NLTs are set out in Appendix A.
- 2.2 Within the same Underlying, a NLT is deemed to be in accordance with the minimum volume threshold if at least one (1) of the legs meets the minimum volume threshold.

Example: Minimum volume threshold for NK Futures = 300 lots
 Minimum volume threshold for NK Options = 100 lots

The following NLT will be in accordance with the minimum volume threshold as one (1) of the legs (NK Options Jan 06 Call 14000) meets the minimum volume threshold of 100 lots:

Contract	Qty	Price
NK Futures Mar 06	200 lots	14200
NK Options Jan 06 Call 14000	50 lots	300
NK Options Jan 06 Call 14000	50 lots	301
NK Options Feb 06 Put 13750	2 lots	610

3. GENERAL POLICY

3.1 Trading Hours

3.1.1 The NLT facility shall be available twenty-four (24) hours a day. All NLTs executed during or before the Contract “T” trading hours shall be “T Trades” while NLTs executed after the Contract “T” trading hours shall be “T+1 Trades”.

3.2 Reporting and Registration of NLTs

3.2.1 All NLTs must be reported to the Exchange. Clearing Members are required to submit Form CH31 (*Negotiated Large Trade Registration Form*), duly filled up and signed by their authorised personnel on behalf of their Customers.

3.2.2 Clearing Members are required to register all “T Trades” and “T+1 Trades” via the SGX Trade Allocation and Registration (“STAR”) system in a timely manner. In any event, Clearing Members are required to register all “T Trades” no later than thirty (30) minutes after the relevant “T” session closes and all “T+1 Trades” no later than thirty (30) minutes after the next Business Day’s “T” session closes.

3.3 NLT Execution

3.3.1 Members shall ensure that NLTs are not transacted for Customers who have the same beneficial interest in both sides of the transactions. Members may submit NLT orders from two (2) separate Customers under the same Omnibus Account, provided that the Members’ record keeping and audit trails are able to demonstrate the separate beneficial ownership.

3.3.2 A Member shall ensure that its Customers are aware of and have given their approval for the execution of the Customers’ orders via the NLT facility. Where a Member receives a Customer’s order that is not a NLT order but meets the requirements of the NLT facility, such Member may execute the Customer’s order via the NLT facility provided that such Member has obtained the prior approval from the Customer, either specifically for the transaction or as a general blanket approval (and such blanket approval has not been terminated by the Customer). If a Customer’s approval is obtained verbally, the Member shall ensure that a tape recording of the conversation where the Customer’s approval was obtained is retained for record keeping purposes. A Member shall also inform its Customers if the Member may be or is a counterparty to the Customer’s NLT and obtain the Customer’s prior written approval.

- 3.3.3 Members may obtain a general blanket approval from their Customers provided the conditions below are met. Members shall disclose to their Customers all NLTs executed pursuant to the general blanket approval in the contract notes sent to their Customers. The conditions for obtaining a general blanket approval from the Customer are as follows:
- (a) Members shall inform the Customer that the general blanket approval is subject to compliance with the rules, laws and regulations in the Customer's country of domicile;
 - (b) the general blanket approval shall be in writing and shall provide details on the nature and scope of the general blanket approval given;
 - (c) Members shall highlight to the Customer the risks and liabilities that the Customer may be exposed to in giving such general blanket approval. In particular, the Member shall highlight that in some instances, NLT orders may not be executed at the best possible price and that the timeliness of order execution may be compromised. The Customer must also be informed that the Customer is obligated to accept all NLTs executed pursuant to the general blanket approval; and
 - (d) the Customer shall acknowledge that it has read, understood, and received a copy of the signed general blanket approval.
- 3.3.4 In order to ensure that Customers' interests are not compromised, the Members shall, unless their Customers specifically request for a trade to be done through the NLT facility, place all Customers orders on QUEST for execution. After the Customers' orders have been placed on QUEST for execution, Members' employees may then seek their Customers' approval to accept the order as a NLT. However, Members may only withdraw an order from QUEST for subsequent execution as a NLT if the price for the NLT is at least equal to or better than the prevailing bid/offer quoted in QUEST at the time the order is withdrawn, unless otherwise instructed by Customers.
- 3.3.5 Members shall not combine individual Customers' orders in order to meet the NLT minimum volume threshold requirements. Members shall not combine separate Customers' orders of different Contracts to create an inter-commodity spread or strategy transaction. However, individual orders greater than or equal to the minimum volume threshold may be combined by Members to match a larger NLT counter bid/offer, subject to the condition that the NLTs should, upon execution, be individually reported.

- 3.3.6 Members may use various price combinations within the same NLT or within the same leg of a NLT in the case of spreads or combinations, to set an ‘average’ price, provided that the trade is for the same entity and that each respective price must meet the minimum tick for the Market in question.
- 3.3.7 Upon execution, a Member may give up a NLT to another Clearing Member or different Clearing Members via the STAR system for allocation(s) to various Customer Accounts maintained with that other Clearing Member(s). The allocated number of Contracts to each such account may be less than the minimum volume threshold for the Contract in question provided that the NLT was executed for fund managers, commodity trading advisors etc. who may at times be required to allocate in part to ‘sub-funds’, high net worth individuals/investors, etc. who may maintain their own accounts with the other Clearing Member(s).
- 3.3.8 The Exchange shall have the sole and absolute discretion to cancel or adjust the price of any NLT, even after the registration of the NLT.

3.4 Publicising of NLT

The Exchange shall publish information relating to the details of NLTs on the Exchange’s website.

3.5 NLT Fees

The standard clearing fees applicable to the relevant Contracts shall be imposed on all NLTs. In addition, a special facility fee charge shall also be imposed on all NLTs.

3.6 Deterrence Fees

- 3.6.1 The Exchange shall impose a deterrence fee for any NLT that does not have at least one (1) leg that meets the required minimum volume threshold. The deterrence fee will be charged separately for each leg in the NLT and be equal to US\$20 x minimum volume threshold.

Example: Contract	Qty	Price
NK Futures Mar 07	200 lots	16000
NK Options Jan 07 Call 16000	50 lots	300

Deterrence Fee Charged for NK Futures Mar 07 =	US\$20 x 300
Deterrence Fee Charged for NK Options Jan 07 Call 16000 =	US\$20 x 100
Total =	US\$8,000

- 3.6.2 Clearing Members are required to register their NLTs on the STAR

Appendix A

system under paragraph 3.2 above. A deterrence fee of US\$20 x the total NLT quantity per leg will be imposed for all late reporting.

Example: If the NLT in the example above was also late, it will be charged an additional deterrence fee of

Deterrence Fee Charged for NK Futures Mar 07 =	US\$20 x 200
Deterrence Fee Charged for NK Options Jan 07 Call 16000 =	US\$20 x 50
Total =	US\$5,000

Appendix A**MINIMUM VOLUME THRESHOLDS FOR NLTS**

Contract	Minimum Volume Threshold (Lots)
Eurodollar Futures and Options	500
Euroyen Tibor Futures	Contract maturity up to 2 years: 500 Contract maturity beyond 2 years: 100 Spread/Strategy: 100
Euroyen Tibor Options	Outrights: 200 Spread/Strategy: 100
Euroyen Libor Futures	Contract maturity up to 2 years: 500 Contract maturity beyond 2 years: 100 Spread/Strategy: 100
Euroyen Libor Options	Outrights: 200 Spread/Strategy: 100
Singapore Dollar Interest Rate Futures	50
Singapore Government Bond Futures	100
Mini JGB Futures and Options	100
Nikkei 225 Index Futures	200
Nikkei 225 Index Options	100
MSCI Taiwan Index Futures	200
MSCI Taiwan Index Options	100
MSCI Singapore Index Futures	200
Straits Times Index Futures	100
SGX CNX Nifty Index Futures	100
MSCI Japan Index Futures	100
SGX FTSE Xinhua China A50 Index Futures	200
JADE TSR20 Futures	50
JADE CPO Futures	100