

Date: 29 November 2018

CONSULTATION PAPER [CP03/2018] – PROPOSED DRAFTS OF CHANGES TO THE APEX RBD PALM OLEIN FUTURES CONTRACT SPECIFICATIONS

Asia Pacific Exchange Pte. Ltd. and Asia Pacific Clear Pte. Ltd. (collectively, "APEX") is hereby consulting on its proposed changes to the APEX RBD Palm Olein Futures Contract Specifications ("Contract Specifications").

The APEX RBD Palm Olein Futures has garnered strong trading interest from participants since its launch in May 2018, and has successfully completed its inaugural physical delivery in October 2018. During this period, APEX has also been proactively engaging Members and participants to seek out further improvements to the contract design and has received several feedback. This consultation sets out the proposed changes to the Contract Specifications following our review. The changes are mainly to provide for:

- (a) the extension of the trading hours in night session (Clause 2.3);
- (b) the reduction in Delivery Margin requirements (Clause 3.2 and Clause 4.17);
- (c) amendments to Odd Lots/Individual Account liquidation mechanism (Clause 3.4 and a new Appendix 1);
- (d) the addition of the option to use Letter of Credit as a payment method and revision to the payment timelines for the balance cargo value (Clause 4.4); and
- (e) corresponding amendments to other affected provisions and other minor improvements, such as further specification on trading size in the Contract Month following the Odd Lots/Individual Account liquidation (Clause 3.4.3) and providing for a Sanction Clause (Clause 8.7).

The proposed changes seek to streamline the financial costs for physical delivery, to improve the liquidity of listed contracts, and to facilitate access by participants. Please refer to the attachments for the redlined version of the Contract Specifications and the new Appendix 1. These changes are expected to be implemented in January 2019, subject to completing the regulatory processes.

Existing and prospective Members and participants are invited to comment on the proposed changes within 15 days of this Circular. Comments should therefore be made no later than the close of business on 13 December 2018, in writing to:

Asia Pacific Exchange
12 Marina Boulevard
Marina Bay Financial Centre
Tower 3, #22-04
Singapore 018982
product@asiapacificex.com

Instructions on responding to the consultation paper

In your responses, please include the following:

- the organisation that you are representing;
- your email address and contact number;
- a summary of pertinent points;
- a statement of interest; and
- reasoned explanation(s) of comment(s), identifying the specific provision on which any comment is made.

Anonymous responses shall be disregarded.

By sending a response, you confirm that you have consented to the collection, use and/or disclose of personal data (as defined under the Personal Data Protection Act 2012) that is provided to us for the purpose of this Consultation Paper or for other policy or rule proposals.

Unless you expressly request confidential treatment for any part of the submission, which is proprietary, confidential or commercially sensitive, all or part of any written submission and your identity may be disclosed to the public. As such, if you would like confidential treatment of any part of your submission, kindly mark the relevant part(s) confidential or make an express request.

As any rule implementation may be subject to approval of the relevant regulatory authority, we may share your response with the relevant regulator. Your confidentiality request will not apply in any such disclosure to the relevant regulator.