



SINGAPORE EXCHANGE LIMITED

PUBLIC CONSULTATION

PURSUANT TO SECTION 23(2) OF THE SECURITIES AND FUTURES ACT, REGULATION 19(2) OF THE SECURITIES AND FUTURES (MARKETS) REGULATIONS 2005, THE EXCHANGE HEREBY CONSULTS ITS PARTICIPANTS ON THE PROPOSED AMENDMENTS TO ITS BUSINESS RULES

PROPOSED LAUNCH OF SGX MSCI ASIA APEX 50 INDEX FUTURES CONTRACT

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1. OBJECTIVE

- 1.1 The Singapore Exchange (“SGX”) seeks public comment on its proposal to introduce a new futures contract, the SGX MSCI Asia APEX 50 Index (“**SGX MSCI Index futures**”), for trading on the SGX QUEST DT platform.
- 1.2 The underlying index of the SGX MSCI Index futures is the MSCI Asia APEX 50 IndexSM, which is a free-float adjusted, market capitalization-weighted index representing a sampling of Asian large capitalization stocks within Asia ex Japan. The index is compiled by Morgan Stanley Capital International (“**MSCI**”).
- 1.3 The proposed SGX MSCI Index futures contract is tailored to meet the growing market demand for exposure to strong and fast growing Asian economies, and will expand SGX’s existing suite of Asian futures products.

2. CONTRACT SPECIFICATIONS FOR THE SGX MSCI INDEX FUTURES

- 2.1 The MSCI Asia APEX 50 IndexSM tracks the performance of the fifty (50) largest and most tradable securities in the Asia ex Japan region. This index currently has exposure to five Asian economies, namely, China, Hong Kong, Korea, Taiwan and Singapore. The components of the index are reviewed on a quarterly basis.
- 2.2 The contract specifications of the proposed SGX MSCI Index futures contract are attached at **Appendix A**.
- 2.3 SGX seeks feedback on the proposed contract specifications. In particular SGX seeks your views on the following clauses:

(a) Position Limits (Clause 2.4)

The proposed Position Limit for the SGX MSCI Index futures contract is ten thousand (10,000) contracts net long or short and in all Contract Months combined.

(b) Price Limits and Cooling Off Period (Clauses 2.5 and 2.6)

When the contract price reaches 15% above or below the previous day’s Daily Settlement Price, SGX will signal a Cooling Off period of 10 minutes or such other period as the Exchange may from time to time prescribe. After the Cooling Off period has elapsed, there will be no Price Limits for the remainder of the Trading Day. There are no Price Limits on the Last Trading Day for an expiring contract.

(c) Trigger for Price Limits (Clause 2.7)

The Price Limits are deemed to have been reached upon the making of either an unsatisfied bid (offer) at 15% above (below) the previous day’s Daily Settlement Price in part or in whole.

(d) Termination of Trading (Clause 2.8)

The Last Trading Day shall be the second last Contract Business Day of the Contract Month provided it is a Common Business Day. The term “Common Business Day” has been defined as a day on which all the exchanges of the component stocks of the MSCI Asia APEX 50 IndexSM are open for trading. If it is not a Common Business Day, subject to the contract specifications, the Last Trading Day shall be the Common Business Day immediately before the second last Contract Business Day of the Contract Month.

(e) Final Settlement Price (Clause 3.1)

The Final Settlement Price is the official closing price for the MSCI Asia APEX 50 IndexSM rounded to three (3) decimal places on the Last Trading Day.

(f) Final Settlement (Clause 3.3)

The settlement of the SGX MSCI Index futures contract is by cash settlement. Clearing Members holding open positions in these contracts at the time of termination of trading shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on a settlement price equal to the Final Settlement Price.

- 2.4 Subject to regulatory approval, the SGX MSCI Index futures contract is expected to commence trading by end-June 2008.

3. PROCEDURE AND DEADLINE TO SUBMIT COMMENTS

- 3.1 Written submissions are to be sent to the Exchange through email *and* either by post/courier or by fax:

Email: [*rules@sgx.com*]

AND

Post/Courier: Singapore Exchange Limited
2 Shenton Way, SGX Centre 1
#19-00, Singapore 068804
Attn: John Lim
Fax: 6535-5573

- 3.2 Comments should be organized in the following manner:

- (a) cover page (including the information specified in paragraph 3.4);
- (b) statement of interest;
- (c) table of contents;
- (d) summary of major points;
- (e) comments; and
- (f) conclusion.

- 3.3 Supporting material may be placed in an annex. All submissions should be clearly and concisely written, and should provide a reasoned explanation for any proposed revision to the rules. Where feasible, participants should identify the specific rule on which they are commenting. In any case in which a participant chooses to suggest revisions to the text of the rules, the participant should state clearly the specific changes to the text that they are proposing.

- 3.4 All submissions should be made on or before **28 March 2008**. Submissions must be submitted in both hard and soft copies (in Microsoft Word format) and font size should be no smaller than Times New Roman 11pt. Participants submitting comments should include their personal/company particulars as well as their correspondence address, contact numbers and email addresses on the cover page of their submissions.

- 3.5 The Exchange reserves the right to make public all or parts of any written submission and to disclose the identity of the source. Participants may request confidential treatment for any part of the submission that the participant believes to be proprietary, confidential or commercially sensitive. Any such information should be clearly marked and placed in a separate annex. If the Exchange grants confidential treatment, it will consider but will not publicly disclose the information. If the Exchange rejects the request for confidential treatment, it will return the information to the party that submitted it and will not consider the information as part of its review. As far as possible, participants should limit any request for confidential treatment of information submitted. The Exchange will not accept any submission that requests confidential treatment of all, or a substantial part, of the submission.