Chapter 204E
Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures

204E00. SCOPE OF CHAPTER
This chapter is limited in application to Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures. In addition to this chapter, the contract shall be subject to the general rules and regulations of the Exchange insofar as applicable.

204E01. CONTRACT SPECIFICATIONS
204E01.A. Trading Unit
The unit of trade shall be 25 metric tons.
204E01.B. Hours
The hours of trading for this contract shall be determined by the Exchange.
204E01.C. Minimum Price Increments
Minimum price fluctuations shall be in multiples of USD $0.25 per metric ton which shall equal USD $6.25 per contract. Contracts shall not be made on any other price basis.
204E01.D. Price Limits
Malaysian Palm Oil – Gasoil Spread futures is not subject to any price limits.
204E01.E. Trading Schedule
The number of months in which trading may occur shall be at the discretion of the Exchange.
204E01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels
The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.
A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.
Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.
204E01.G. Last Trading Day
The last trading day is the same as the final settlement day (as described in Rule 204E04).
204E01.H. Liquidation during the Delivery Month
After trade in Malaysian Palm Oil – Gasoil Spread futures in the current delivery month has ceased, in accordance with Rule 204E01.G., outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 204E02.

204E02. CASH SETTLEMENT
Final settlement under these rules shall be on the final settlement day (as described in Rule 204E04.) and shall be accomplished by cash settlement. Clearing members holding open positions in the contract at the time of termination of trade shall make payment to and receive payment through the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 204E03.).

204E03. FINAL AND DAILY SETTLEMENT PRICES DURING THE LAST MONTH OF TRADING
The final settlement price shall be determined on the final settlement day. The final settlement price shall be equal to the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the contract month converted to USD and rounded to the nearest $0.25 using the USD/MYR spot rate minus the cumulative average of the settlement prices for the first nearby month ICE Low Sulphur Gasoil Futures contract for each trading day in the contract month rounded to the nearest $0.001 (using non-common pricing). The settlement prices of the first nearby contract month will be used except on the last day of trading for the expiring ICE Low Sulphur Gasoil Futures contracts when the settlement prices of the second nearby contracts will be used.
For example, the palm oil component of final settlement for a January contract month of the contract would reference the cumulative average of the daily settlement prices for the third forward FCPO contract listed on the Bursa Malaysia Derivatives Berhad contract during the month of January, which in this example will comprise half of the March futures contract and half of the April futures contract, with the month roll determined by the Bursa Malaysia Derivatives Berhad listing and expiration cycle. These daily settlement prices for palm oil component are converted to USD and rounded to the nearest $0.25 using the USD/MYR spot rate. The gasoil component of final settlement for a January Malaysian Palm Oil – Gasoil Spread futures contract would reference the cumulative average of the daily settlement prices for the first nearby ICE Low Sulphur Gasoil futures contract during the month of January, which in this example will comprise half of the January futures contract and half of the February futures contract, with the month roll determined by the ICE Futures Europe listing and expiration cycle. These daily settlement prices for the gasoil component are rounded to the nearest $0.001.

Daily settlement during the last month of trade shall be the cumulative average of each settlement price of the corresponding Bursa Malaysia Derivatives Berhad FCPO futures contract and converted to USD and rounded to the nearest $0.25 weighting the current day’s settlement price across each remaining trading day minus the cumulative average of each settlement prices of the corresponding ICE Low Sulphur Gasoil Futures contract and rounded to the nearest $0.001 weighting the current day’s settlement price across each remaining trading day. Then the daily settlement price for the spread shall be rounded to the nearest $0.001.

Settlement prices shall be generated each CME business day using the most recent available values from ICE Futures Europe for Low Sulphur Gasoil futures and from Bursa Malaysia Derivatives Berhad and the most recent USD/MYR spot rate for Crude Palm Oil futures. However, any settlement prices generated on a CME business day that is not also a Bursa Malaysia Derivatives Berhad or ICE Futures Europe business day will not be counted toward final settlement. Additionally, there will be no daily settlement prices generated on non-CME business days that are Bursa Malaysia Derivatives Berhad or ICE Futures Europe business days, but the Bursa Malaysia Derivatives Berhad or ICE Futures Europe settlement prices generated on such days will count toward final settlement and daily settlement during the last month of trade.

204E04. **FINAL SETTLEMENT DAY**

The final settlement day shall be on the last CME business day of the contract month. However, should there be a Bursa Malaysia Derivatives Berhad or an ICE Futures Europe business day during the contract month that follows the last CME business day of the contract month, then final settlement shall be on the first CME business day of the month following the contract month.

204E05. **DAILY SETTLEMENT PRICE**

Daily settlement other than settlement on the final settlement day or during the last month of trade (as described in Rule 204E03.) shall be equal to the settlement price of the Bursa Malaysia Derivatives Berhad FCPO futures contract that is the third-forward month from the contract month converted to USD using USD/MYR forward rates and rounded to the nearest $0.25 minus the settlement price of the ICE Low Sulphur Gasoil futures contract that is the first nearby month from the contract month and rounded to the nearest $0.001. Then the daily settlement price for the spread shall be rounded to the nearest $0.001. Daily settlement prices shall be generated each business day the CME is open using the most recent available ICE Low Sulphur Gasoil futures prices and Bursa Malaysia Derivatives Berhad FCPO futures prices and the latest available USD/MYR forward rates.

204E06. **DISCLAIMER**

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