

Chapter 415

S&P GSCI™ ER Index Futures

41500. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in the S&P GSCI Excess Return Index (“S&P GSCI ER Index” or the “Index”). The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

41501. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at \$100.00 times the S&P GSCI ER Index. The S&P GSCI ER Index is a world-production-weighted, arithmetic average, of the prices of liquid exchange-traded physical commodity futures contracts which satisfy specified criteria. The S&P GSCI ER Index calculation procedures are defined in the GSCI Policy Manual.

41502. FUTURES CALL

41502.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Board of Directors.

41502.B. Trading Unit

The unit of trading shall be \$100.00 times the S&P GSCI ER Index.

41502.C. Price Increments

Bids and offers shall be quoted in terms of the S&P GSCI ER Index. The minimum fluctuation of the futures contract shall be 0.10 index points, equivalent to \$10.00 per contract.

41502.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined.

41502.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

41502.F. Exemptions

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, (2) other positions exempted pursuant to Rule 559.

41502.G. Termination of Trading

Futures trading shall terminate on the eleventh business day of the contract month.

41502.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

41502.I. Reserved

41503. SETTLEMENT PROCEDURES

Delivery under the S&P GSCI ER Index futures contract shall be by cash settlement.

41503.A. Final Settlement Price

The Final Settlement Price shall be determined on the eleventh business day of the contract month, or, if the S&P GSCI ER Index is not scheduled to be published for that day, on the first preceding day for which the futures price index is scheduled to be published. The Final Settlement Price shall be based on the closing quotation for the S&P GSCI ER Index on the eleventh business day of the

contract month calculated using the settlement prices of the component futures on that day, except as noted below.

If an exchange that a component or components of the futures price index is trading on is not open on the day of the Final Settlement Price because of a scheduled closing, then the contribution to the Final Settlement Price for the affected component or components shall be based on the settlement quotation of the first preceding trading day.

If a component contract month's settlement price is limit bid or offer on the settlement day, then that contract's contribution to the S&P GSCI ER Index Final Settlement Price is deferred for up to ten additional business days. If subsequent to the settlement day the component commodity contract originally at limit trades at a price other than a limit bid or offer and settles at a non-limit bid or offer, then the price that shall be used as that contract's contribution to the S&P GSCI ER Index Final Settlement Price shall be a price consistent with the minimum fluctuation for the commodity contract and shall be the settlement price for that day. If in the ten business days subsequent to the settlement day, the component commodity originally at limit fails to trade and settle at a price other than a limit bid or offer, the contract's settlement price on the tenth subsequent business day shall be used as the contract's contribution to the S&P GSCI ER Index Final Settlement Price.

If a component contract month's settlement price on the day of regular calculation of the Final Settlement Price is unavailable because of an unanticipated and/or unannounced closure of component contract market, then the price of such component contract to be used in calculating the Final Settlement Price shall be the next available official settlement price.

41503.B. Final Settlement

Clearing members holding open positions in an S&P GSCI ER Index futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the Final Settlement Price.

41504. PERFORMANCE BONDS

Customers purchasing or selling S&P GSCI ER Index futures contracts shall be subject to the performance bond requirements established by the Exchange and their FCMs. However, some market participants purchasing or selling S&P GSCI ER Index futures contracts shall deposit 100% of the purchase or sale price with their long clearing member. Market participants subject to the 100% performance bond requirement shall include any market participant that is (i) an investment company registered under the Investment Company Act of 1940; or (ii) an investment fund, commodity pool, or other similar type of pooled trading vehicle (other than a pension plan or fund) that is offered to the public pursuant to an effective registration statement filed under the Securities Act of 1933, regardless of whether it is also registered under the Investment Company Act of 1940, and that has its principal place of business in the United States.

Each long clearing member carrying S&P GSCI ER Index futures contracts for customers subject to the 100% performance bond requirement ("100% margin participants") shall establish one or more accounts on its books and records in which such clearing member shall hold performance bond received from 100% margin participants in connection with S&P GSCI ER Index futures contracts, together with any settlement variation received by the clearing member with respect to the S&P GSCI ER Index futures contracts of such 100% margin participants. Except as provided in the next paragraph or with the consent of the Clearing House, assets may be withdrawn from such accounts by the clearing member only (i) to be transferred to the Clearing House to satisfy performance bond or settlement variation requirements of the clearing member with respect to S&P GSCI ER Index futures contracts held for 100% margin participants, (ii) in connection with the settlement, liquidation, transfer or close-out of such contracts, and (iii) in the case of income, dividends, interest or returns on investments or instruments held in the accounts.

Each such clearing member hereby agrees that, by carrying accounts of 100% margin participants with positions in S&P GSCI ER Index futures, such clearing member shall be deemed by these rules, and without any further action by such clearing member, to have granted to the Clearing House a security interest in and a lien on such accounts, and all securities, cash and other assets held therein from time to time and, to the extent not included in the foregoing, all proceeds, products, revenues, dividends, interest, redemptions, distributions, profits, accessions, additions, substitutions and replacements of and to any and all of the foregoing, subject to applicable laws and regulations, until withdrawn in accordance with the preceding paragraph ("Account Collateral"),

to secure such clearing member's obligations to the Clearing House. Notwithstanding the foregoing, the clearing member shall enter into any agreements and execute any other instruments reasonably requested by the Clearing House in order to confirm or perfect such security interest, provided that it is understood and agreed that no such agreement or instrument shall be necessary in order to create such security interest, which shall exist solely by operation of these rules. If a clearing member is in default to the Clearing House, the clearing member shall take no further actions with respect to the Account Collateral pledged by it except upon the instruction or with the consent of the Clearing House, and the Clearing House shall be entitled to exercise the same rights and remedies with respect to such Account Collateral as it has with respect to performance bond collateral under Rules 802 and 820.

41505. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End of Chapter 415)

**INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 415**

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