

Chapter 106 Palladium Futures

106.00 SCOPE

The provisions of these rules shall apply to all palladium bought or sold for future delivery on the Exchange. As used in this Chapter, defined terms shall have the meanings ascribed to them in Chapter 7A, Metals Rules for Electronic Warrants.

106.01. DEFINITIONS

For the purpose of this chapter, the following terms shall have the meanings stated below:

"Contract Unit" shall mean 100 troy ounces.

106.02. CONTRACT UNIT

The Seller shall deliver one Contract Unit of palladium, weighed to the nearest thousandth of a troy ounce, or the equivalent weight in grams, of homogeneous cast plate and/or ingot, with a weight tolerance of 7% either higher or lower. Each Contract Unit may consist of more than one piece of plate and/or ingot, with no individual piece weighing less than 10 troy ounces, or the equivalent weight in grams.

106.03. GRADE AND QUALITY SPECIFICATIONS

Palladium delivered under this contract shall be a minimum of 99.95% pure.

106.04. PACKAGING AND MARKING

(A) Palladium may be delivered in packaged or unpackaged form.

(B) If Palladium is delivered in packaged form, the Palladium shall be in a package sealed by an Approved Assayer or Approved Producer so that the package may not be opened without destruction of the seal. Each package shall contain exactly one Contract Unit of Palladium and must bear:

(1) the lot or identification number(s) of each ingot and/or plate contained therein;

(2) the actual weight of the palladium therein;

(3) the grade of the pieces therein;

(4) the name or logo of the Approved Assayer or mark of the Approved Brand; and

(5) the chemical symbol for Palladium, Pd and/or the word "Palladium".

(C) If Palladium is delivered in unpackaged form, each piece of Palladium comprising the Contract Unit shall be incised with:

(1) the lot or identification number of such ingot and/or plate contained therein;

(2) its actual weight (provided that if the piece was previously sampled, the weight on the Assay Certificate shall govern);

(3) the grade of such piece;

(4) the name or logo of the Approved Assayer or mark of the Approved Brand; and

(5) the chemical symbol for Palladium, Pd and/or the word "Palladium".

106.05. DELIVERY MONTHS

During each calendar month (the “current calendar month”), the Exchange will make available for trading contracts that provide for delivery of Palladium in the following months: 1) the current calendar month; 2) the first calendar month following the current calendar month; 3) the second calendar month following the current calendar month; and 4) each March, June, September and December during the period beginning with the first calendar month following the current calendar month through the 15th calendar month following the current calendar month.

106.06. PRICES AND FLUCTUATIONS

Prices shall be quoted in dollars and cents per troy ounce. The minimum price fluctuation shall be \$.05 per troy ounce. There shall be no maximum limit on price fluctuation.

106.07. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any document or instrument delivered pursuant to these Rules.

106.08. WARRANT

Each Warrant shall contain the information set forth in the Assay Certificate, incised on the bar, or clearly identified on the package; *provided, however*, that weight shall be expressed in troy ounces. If the weight incised on the bar or set forth on the Assay Certificate is in grams, it shall be converted to troy ounces by dividing the weight in grams by 31.1035 and rounding to the nearest thousandth of a troy ounce. The Warrant shall represent that the Contract Unit:

(A) is an Approved Brand, meeting the grade and quality specifications of Rule 106.03, received directly from its Approved Producer by means of one or more Approved Carriers and/or, with respect to Palladium from the Approved Producer, by means of such Approved Producer’s own transport, or

(B) is an Approved Brand, meeting the grade and quality specifications of Rule 106.03, received directly from one or more storage vaults located in Zurich, Switzerland owned or controlled by either Credit Suisse Group or UBS AG, by means of one or more Approved Carriers. Such storage vaults are delivery locations for the London Platinum and Palladium Market. Upon request of the Licensed Depository, the Seller shall provide to the Licensed Depository a *pro forma* invoice and a bar list issued by either Credit Suisse Group or UBS AG (or the wholly-owned subsidiary that owns such vault), and, if so requested, the Licensed Depository is not required to issue a Warrant for any such Contract Unit until such documentation has been provided, or

(C) was received directly from an Approved Assayer or Approved Producer by means of one or more Approved Carriers and/or, with respect to Palladium from the Approved Producer, by means of such Approved Producer’s own transport, and was accompanied by an Assay Certificate(s) for each piece in the Contract Unit, or

(D) was received directly from an Approved Assayer or Approved Producer by means of one or more Approved Carriers and/or, with respect to Palladium from the Approved Producer, by means of such Approved Producer’s own transport, and was not accompanied by an Assay Certificate(s) for each piece in the Contract Unit but has been determined to be Eligible after having been inspected by an Approved Assayer or Approved Producer, or

(E) was received directly from another Licensed Depository by means of one or more Approved Carriers, *provided, however*, that the Palladium was previously Eligible, or

(F) was deposited at a Licensed Depository, and thereafter inspected by an Approved Assayer or Approved Producer and determined to be Eligible.

106.09. INSPECTION AND ASSAY CERTIFICATE

(A) Assay Certificates. Except for Palladium delivered pursuant to Rules 106.08(A), (B), (C) or (E), the Licensed Depository shall, upon receipt of the commodity, cause an inspection to be made by an Approved Assayer or an Approved Producer. The Approved Assayer or Approved Producer shall issue Assay Certificate(s) covering each piece in the Contract Unit in the form approved by the Exchange.

(B) Each Assay Certificate shall report the lot or bar number, weight, grade, the name of the Approved Assayer or Approved Producer, the symbol identifying the metal or the name of the metal and the date of inspection. On all Assay Certificates, weight shall be expressed in troy ounces.

(C)

(1) Every lot inspected must bear on the package the lot number, seal number, date of inspection, weight, grade, and the name of the Approved Assayer or Approved Producer who made the inspection. (Effective as to Palladium assayed prior to October 1, 1979.)

(2) Every lot inspected, if packaged, must bear on such package the lot or bar number; weight; grade; the name or logo of the Approved Assayer or Approved Producer and the symbol identifying the metal or the name of the metal. Every lot inspected, if unpackaged, must be incised with the lot or bar number, weight; grade; the name or logo of the Approved Assayer or Approved Producer, and the symbol identifying the metal. (Effective as to Palladium assayed on and after October 1, 1979.)

(D) If a Contract Unit of Palladium is surrendered to the bearer of a Warrant, or if the Contract Unit is in a package and the seal is broken, the Assay Certificate(s) for such Contract Unit is no longer valid and such Contract Unit is no longer Eligible.

(E) The Seller shall bear the costs of inspection, delivery to the Licensed Depository, charges of the Licensed Depository, and all other expenses, if any, to determine that the Palladium is Eligible.