

9/9/09

**Chapter 415C**  
**S&P GSCI™ Gold Excess Return Index Swaps (Cleared OTC)**

**415C00. SCOPE OF CHAPTER**

This chapter is limited in application to the clearing of S&P GSCI™ Gold Excess Return Index Swaps (hereafter also referred to as “S&P GSCI™ Gold Excess Return Swaps”) where the parties to the transaction are “eligible contract participants” as defined in Section 1a(12) of the Commodity Exchange Act and have obtained the licenses required by Standard & Poor’s with respect to such transactions. The identities of all parties to transactions in S&P GSCI™ Gold Excess Return Swaps shall be disclosed on an annual basis by CME to Standard & Poor’s for the sole purpose of enabling Standard and Poor’s to confirm that the parties have obtained the licenses required by Standard and Poor’s. Transactions in S&P GSCI™ Gold Excess Return Swaps shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in S&P GSCI™ Gold Excess Return Swaps shall also be subject to the provisions of Chapter 8-F of the CME Rulebook.

**415C01. CONTRACT SPECIFICATIONS**

**415C01.A. Unit of Clearing**

The unit of clearing shall be \$500 times the S&P GSCI™ Gold Excess Return Index. The S&P GSCI™ Gold Excess Return Index calculation procedures are defined in the GSCI™ Policy Manual.

**415C01.B. Hours for Clearing Entry**

The Exchange shall determine the hours during which S&P GSCI™ Gold Excess Return Swaps may be submitted to the Clearing House.

Positions shall be initiated or closed out using off-exchange transactions.

**415C01.C. Minimum Price Increments**

Prices shall be quoted in terms of the S&P GSCI™ Gold Excess Return Index. The minimum fluctuation shall be 0.001 index points, equivalent to \$0.50 per contract. Contracts shall not be cleared on any other price basis.

**415C01.D. Months Cleared**

Clearing of S&P GSCI™ Gold Excess Return Swaps shall be conducted in such months as may be determined by the Exchange.

**415C01.E. Position Accountability**

Position accountability, as defined in Rule 560, will apply to cleared transactions in S&P GSCI™ Gold Excess Return Swaps.

**415C01.F. Last Day of Clearing**

The last day of clearing of S&P GSCI™ Gold Excess Return Swaps shall be the final settlement day as prescribed in Rule 415C05.

**415C01.G. Reserved**

**415C02. SETTLEMENT**

Settlement against S&P GSCI™ Gold Excess Return Swaps must be made through the Clearing House. Settlement under these rules shall be on the final settlement day (as described in Rule 415C05.) and shall be accomplished by cash settlement as hereinafter provided.

Clearing members holding open positions in an S&P GSCI™ Gold Excess Return Swaps contract at the time of termination of clearing 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 415C03.).

**415C03. FINAL SETTLEMENT PRICE**

Final settlement shall be based on the official settlement of the S&P GSCI™ Gold Excess Return Index, subject to adjustment in accordance with the Market Disruption Event provisions as described below. Payment will be on the second business day following the date on which the official settlement of the Index is determined, unless postponed due to a Market Disruption Event.

Market Disruption Event

“Market Disruption Event” (“MDE”) shall mean (a) a contract included in the Index remains at a “limit price”, which means that the price for such contract for a day has increased or decreased from the previous day’s settlement price by the maximum amount permitted under applicable trading facility rules, during the entire closing range, irrespective of whether that contract is settled by the applicable trading facility at the “limit price” or another price, (b) failure by the applicable trading facility or other price source to announce or publish the settlement price for any contract included in the Index, or (c) trading in any contract included in the Index is suspended or interrupted subsequent to the opening of trading and trading in such contract does not recommence at least ten (10) minutes prior to the regular scheduled close of trading in such contract on the relevant trading facility.

If a Market Disruption Event relating to one or more of the contracts underlying the Index (each an “index contract”) occurs on any day relevant to calculating the settlement of the contract, the settlement of the contract will be calculated by using a price (i) for each index contract that is not affected by a Market Disruption Event on such date, the settlement price of such index contract on such date and (ii) for each index contract that is affected by a Market Disruption Event on such date, the settlement price of such index contract on the first succeeding trading day on which no Market Disruption Event is existing with respect to such index contract; provided that, if a Market Disruption Event occurs with respect to such index contract for eight trading days, the settlement price for such index contract shall be determined by the Exchange notwithstanding that a Market Disruption Event does or does not exist on such following Trading Day for such affected index contract.

Trading Day means a day when:

- 1) The Index Sponsor is open for business and the Index is calculated and published by the Index Sponsor;
- 2) All trading facilities on which contracts are traded for the commodities included in the Index are open for trading, provided however that upon a calculation pursuant to sub-clause (ii) of the second paragraph of the section headed “Market Disruption Event” above, only the trading facility on which the relevant index contract that is affected by a Market Disruption Event is traded is required to be open for trading.

Business Day means:

Any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in the City of New York or London.

**415C04. RESERVED**

**415C05. FINAL SETTLEMENT DAY**

The final settlement day shall be defined as the last business day of the contract month, or if the S&P GSCI™ Gold Excess Return Index is not published for that day, the first preceding business day for which the S&P GSCI™ Gold Excess Return Index was published.

**415C06. DISPUTES**

All disputes between interested parties may be settled by arbitration as provided in the Rules.

**415C07. PAYMENT OF DAILY FEE**

The Daily Fee for a cleared S&P GSCI™ Gold Excess Return Swaps contract must be paid on a daily basis in full to the Clearing House by each long and each short Clearing Member. On every business day, the holder of each long and short position in S&P GSCI™ Gold Excess Return Swaps will be charged one day's worth of an annual fee of 5 basis points. For every calendar day, each long and short position holder will be charged an embedded fee calculated using the following formula:

$$[\text{Number of Contracts}] \times \$500 \times [\text{S\&P GSCI}^{\text{TM}} \text{ Gold Excess Return Swaps Settlement Price}] \times [0.0005/365] \times \text{Days}$$

where "Days" is calculated as the number of calendar days from the current S&P GSCI™ Gold Excess Return Swaps clearing date to the next S&P GSCI™ Gold Excess Return Swaps clearing date.

(End of Chapter 415C)

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

Standard & Poor's, a division of the McGraw–Hill Companies, Inc. ("S&P"), licenses the Exchange to use various S&P commodity indices ("S&P Commodity Indices") in connection with the clearing and trading of swaps contracts, futures contracts and options on futures contracts based upon such indices. S&P shall have no liability for damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the S&P Commodity Indices.

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**POSITION LIMIT AND REPORTABLE LEVEL TABLE**

CONTRACT NAME	Options	SCALE-DOWN SPOT MONTH (1)	SCALE-DOWN SPOT MONTH (2)	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNT-ABILITY	REPORTABLE FUT LEVEL
CME Commodities								
S&P GSCI Gold Excess Return swaps							**10,000	1

\*\* Position Accountability rule: A person owning or controlling more than the specified number of futures or futures equivalent contracts net long or short in all contract months combined shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy and hedging information if applicable.