



Cleared OTC London Gold Forwards

Credit risk mitigation for the London Gold Forwards market.

By offering our clearing house experience, financial safeguards and post-transaction services, CME Group is uniquely positioned to provide counterparty credit risk mitigation services to the OTC London gold forward market with our Cleared OTC London Gold Forwards contracts. This service provides centralized clearing, settlement and delivery for OTC London unallocated gold forwards. The Exchange offers two contracts: Cleared OTC London Gold Forwards (Collateral Margin) and Cleared OTC London Gold Forwards (Cash Margin).

Key Benefits

Mitigate counterparty credit risk.

CME ClearPort uses a central counterparty clearing model, where counterparty credit risk is shared among clearing members. This allows the central clearing house to guarantee the performance of every transaction – and the security of every clearing member's customer.

Enhance efficiency.

Post-trade clearing and processing through CME ClearPort provides margin offsets, replaces the need for significant time and expense of documentation, and facilitates fair market valuations and netting of deliveries. In addition, regardless of the number of transactions performed, positions are netted down and customers make or receive only one payment and one delivery per day.

Trust more than a century of experience.

For more than 100 years, CME Clearing has provided services that substantially mitigate the risk of clearing member failure.

Access independent, daily valuations.

CME ClearPort gives you access to neutral valuations and our daily mark-to-market process enables you to track positions accurately and assess risk.

Key Service Features

- » Contract sizes may be tailored out to three decimal places, providing the flexibility to meet industry as well as individual sizing needs.
- » Processing through CME ClearPort takes the burden and expense of documentation away from market participants.
- » This is a post-trade clearing service only — execution remains in the OTC market.
- » Contracts remain as forwards in clearing and are not converted to futures contracts. Every trade establishes a new open position. There is no liquidation. Upon reaching delivery, positions are netted down and CME Clearing remains the counterparty throughout the delivery process. Delivery occurs at LPMCL¹ member banks via book entry transfer of "London Good Delivery" gold.
- » Open trades are held on a gross basis at their original trade price.
- » Each business day, the Collateral Margin Contract opens for trading and is marked from original trade price to the daily settlement price.
- » For the Cash Margin Contract, daily gains and losses are satisfied from cash flows between counterparties.

Scope of Service

- » Clearing coverage for all good forward maturities that are deliverable into unallocated "London Good Delivery" gold (as defined by the LBMA²) extends 10 years out.

¹ LPMCL is London Precious Metals Clearing Limited. See lpmcl.com for account specifications.

² LBMA is the London Bullion Market Association. See lbma.org.uk for delivery specifications.

Contract Specifications

Cleared OTC London Gold Forwards (Collateral Margin)

Product Symbol	GB
Clearing Venue & Hours	CME ClearPort: Sunday – Friday 11:00 p.m. – 10:15 p.m. London Time, 6:00 p.m. – 5:15 p.m. New York Time/ET (5:00 p.m. – 4:15 p.m. Central Time/CT) with a 45-minute break each day beginning at 10:15 p.m. London Time, 5:15 p.m. ET (4:15 p.m. CT). <i>Note: This will change during the transition to/from daylight savings time</i>
Contract Size	.001 troy ounces
Price Quotation	U.S. dollars and cents per ounce
Minimum Price Fluctuation	\$0.001 per ounce
Last Submission Day	Trades can be submitted for clearing through CME ClearPort up to and including one good business day prior to the delivery date.
Settlement Type	Physical
Delivery Period	“London Good Delivery” as specified by the LBMA at unallocated accounts held at LPMCL member banks. Delivery can be made on any good business day in the LBMA calendar, with a maximum available maturity of 10 years from spot.
Margin	Collateral
Rulebook Chapter	334
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of COMEX.

Cleared OTC London Gold Forwards (Cash Margin)

Product Symbol	GBC
Clearing Venue & Hours	CME ClearPort: Sunday – Friday 11:00 p.m. – 10:15 p.m. London Time, 6:00 p.m. – 5:15 p.m. New York Time/ET (5:00 p.m. – 4:15 p.m. Central Time/CT) with a 45-minute break each day beginning at 10:15 p.m. London Time, 5:15 p.m. ET (4:15 p.m. CT). <i>Note: This will change during the transition to/from daylight savings time</i>
Contract Size	.001 troy ounces
Price Quotation	U.S. dollars and cents per ounce
Minimum Price Fluctuation	\$0.001 per ounce
Last Submission Day	Trades can be submitted for clearing through CME ClearPort up to and including one good business day prior to the delivery date.
Settlement Type	Physical
Delivery Period	“London Good Delivery” as specified by the LBMA at unallocated accounts held at LPMCL member banks. Delivery can be made on any good business day in the LBMA calendar, with a maximum available maturity of 10 years from spot.
Margin	Cash
Rulebook Chapter	1081
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of COMEX.

To learn more about CME ClearPort visit cmegroup.com/clearport.

For more information about Cleared OTC London Gold Forwards please contact a team member below or visit cmegroup.com/igf.

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