



Special Executive Report

DATE: August 31, 2021

SER#: 8809

SUBJECT: Amendments to the Contract Specifications of the Silver Futures Contract to Expand the Definition of Eligible Silver

Effective Sunday, September 26, 2021, for trade date Monday, September 27, 2021, and pending all relevant CFTC regulatory review periods, Commodity Exchange, Inc. ("COMEX" or "Exchange") will amend Rule 112101. ("Contract Specification") of the Silver Futures contract (Rulebook Chapter: 112; Commodity Code: SI) (the "Contract").

Specifically, the Exchange is amending subsection 3 and adopting new subsection 4 of Rule 11210. to expand the eligibility of certain silver bars for delivery against the Contract. In addition, the Exchange is implementing administrative amendments to Rule 11210. (collectively, the "Rule Amendments").

The Rule Amendments provide that silver bars without incised weight stamps may be deemed "eligible silver" based on the nature of the entity providing the metal and that such metal being accompanied by required documentation as specified by the Exchange.

The Rule Amendments are provided in Exhibit A below in blackline format.

Please refer questions on this subject to:

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Exhibit A
COMEX Rulebook
Chapter 112
Silver Futures

(additions underscoring; deletions ~~struck through~~)

112101. CONTRACT SPECIFICATIONS

The contract for delivery on futures contracts shall be five thousand (5,000) troy ounces of silver with a weight tolerance of 10% either higher or lower. Silver delivered under this contract shall assay to a minimum of 999 fineness and must be a brand approved by the Exchange.

Silver meeting all of the following specifications shall be deliverable in satisfaction of futures contract delivery obligations (eligible silver) under this rule:

1. Five (5) bars of refined silver cast in bars of one thousand (1,000) troy ounces, with a weight tolerance of 10% either higher or lower.
2. Silver must consist of one or more of the Exchange's Brand-brand marks, as provided in Chapter 7, current at the date of delivery of the contract.
3. Each bar of Eligible-eligible silver must have the weight, fineness, bar number, and Brand mark

clearly incised on the bar. The weight may be in troy ounces or grams. If the weight is in grams, it must be converted to troy ounces for documentation purposes by dividing the weight in grams by 31.1035 and rounding to the nearest tenth of a troy ounce. All documentation must illustrate the weight in troy ounces.

Any bar of silver that does not have the bar weight stamped or incised on the bar by the refiner and not sourced from an LBMA approved weigher as detailed in 4. below, and which is identified by a refiner's bar list without indicating or specifying the bar weight, but which is otherwise qualified for delivery on Exchange contract, may be put in tenderable condition for such delivery by the following procedures:

- (a) The silver must be weighed by a Weighmaster an Exchange approved weighmaster
- (b) The weight of each bar and the identification stamp of the Weighmaster must be incised with an appropriate tool which will create a permanent record on each bar.
- (c) The weight so marked on each bar shall be to the nearest 1/10th of an ounce.
- (d) ~~The Weighmaster shall prepare a certificate stating the procedures which it has followed and said certificate shall be attached to the itemized bar list identifying the bars by number and weights of each. Said Weighmaster's Certificate and bar list shall be maintained by the Depository.~~
The Exchange approved weighmaster shall prepare a certificate stating the procedures which it has followed. Said weighmaster's certificate and bar list shall be maintained by the Exchange approved depository that prepared the certificate or arranged for the weighing to be conducted by an Exchange approved weighmaster that is not also an Exchange approved depository.
- (e) For all Eligible-eligible silver placed in a Depository prior to December 1, 2003, a separate bar number incised with an appropriate tool will be acceptable in lieu of the identification stamp of the Weighmaster.

4. Silver bars sourced from an LBMA approved weigher for silver are not required to have the weight incised on the bar, but must be accompanied by a digital bar list in such form as may be prescribed by the Exchange detailing the bar weight and created by such weigher. Silver bars sourced from LBMA approved weighers and accompanied by a digital bar list, will be recognized as proof of weight and used to determine eligibility. The Exchange approved depository will not be required to reweigh the bars if they are sourced directly from an LBMA approved weigher or from an Exchange approved depository and accompanied by a digital bar list. Silver bars without weight stamps originally sourced from an LBMA approved weigher must always be accompanied by the original digital bar list or a digital bar list created by the Exchange approved depository referencing the original digital list sourced from an LBMA approved weigher in a format acceptable to the Exchange in order to be deliverable in satisfaction of futures contract delivery obligations under this rule. If the eligible unstamped bars leave the Exchange approved depository network and are redelivered into an Exchange approved depository, the Exchange approved depository is required to weigh the bars to confirm the weight matches that on the accompanying digital list which would then prevail. If the bar weight does not match that on the accompanying digital list, the Exchange approved depository must weigh and stamp the bars in accordance with rules set forth in Chapter 112 – Silver Futures.

[Remainder of chapter unchanged.]