

## **Chapter 121 Micro Silver Futures**

### **121100. SCOPE OF CHAPTER**

This chapter is limited in application to Micro Silver futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provision of these rules shall apply to all silver bought or sold for future delivery on the Exchange.

The terms "seller" and "buyer" shall mean the seller of the physical product and the buyer of the physical product, respectively.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate New York, Eastern Standard Time.

### **121101. CONTRACT SPECIFICATIONS**

The contract unit shall be one thousand (1,000) troy ounces. Silver delivered under this contract shall meet all of the specifications in Exchange Chapter 7 and Chapter 112 ("Silver Futures") as they apply to the Exchange's 5,000 troy ounce Silver futures contract.

Deliveries under the contract are restricted to multiples of five (5) futures contracts on all days on which deliveries may take place with the exception of the last intent day. On the last intent day, there will be no restriction on the delivery quantity.

Upon delivery, the buyer's clearing member receives and the seller's clearing member delivers an Accumulated Certificate of Exchange ("ACE"), issued by the Clearing House. An ACE represents a 20% ownership in a 5,000 troy ounce Silver futures contract held in the form of a Warrant.

A clearing member may request the issuance of five (5) ACEs by electronically endorsing to the Clearing House a Warrant representing one (1) 5,000 troy ounce Silver futures contract.

ACEs may only be redeemed for a Warrant upon the accumulation of five (5) such ACEs. Upon presentation and endorsement to the Clearing House of five (5) ACEs, the owner will receive one (1) Warrant meeting the contract specifications in accordance with Rule 112101. Tolerance adjustments for troy ounces received vs. troy ounces represented by the ACEs will be made through the Clearing House. Storage charges are invoiced to the clearing member who owns the ACEs.

### **121102. TRADING SPECIFICATIONS**

Trading in Micro Silver futures is regularly conducted in the following months: (1) the current calendar month; (2) the next two calendar months; and (3) any January, March, May, July, September, and December falling within a 12-month period beginning with the current contract month.

#### **121102.A. Trading Schedule**

The hours for trading shall be determined by the Exchange.

#### **121102.B. Trading Unit**

The contract unit shall be one thousand (1,000) troy ounces.

#### **121102.C. Price Increments**

The minimum price fluctuation shall be one half of one cent (\$0.005) per troy ounce for outright transactions, one tenth of one cent (\$0.001) per troy ounce for spread transactions, and one tenth of one cent (\$0.001) per troy ounce for settlement. Prices shall be quoted in dollars and cents per troy ounce.

**121102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

**121102.E. Termination of Trading**

No trades in Micro Silver futures deliverable in the current month shall be made after the third last business day of that month. Any contracts remaining open after the last trade date must be either:

- (a) Settled by delivery which shall take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but no later than the last business day of the delivery month.
- (b) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Rule 538. An EFRP is permitted in an expired futures contract until 12:00 p.m. on the business day following termination of trading in the expired futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

**121102.F. Final Settlement**

Each contract shall be valued as the contract unit multiplied by the settlement price of the corresponding Silver futures contract.

**121102.G. Special Price Fluctuation Limits**

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

**121103.-107. [RESERVED]**

**121108. VALIDITY OF DOCUMENTS**

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