

## Chapter 129 London Spot Gold Futures

### 129100. SCOPE OF CHAPTER

This chapter is limited in application to London Spot Gold 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 gold bought or sold for future delivery on the Exchange as London Spot Gold Futures.

The terms “seller” and “buyer” shall mean the seller of the physical product and the buyer of the physical product, respectively. The seller’s Clearing Member and buyer’s Clearing Member may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting gold delivery. Notwithstanding the use of a designee, all Clearing Members will remain ultimately responsible for performance of all applicable contract terms specific to the sellers’ Clearing Members and buyers’ Clearing Members. Terms not specifically defined herein shall be defined in Chapter 7.

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

### 129101. CONTRACT SPECIFICATIONS

The gold for delivery on the futures contract shall be gold in ‘unallocated’ form held in an account denominated in gold operated by a member of London Precious Metals Clearing Limited. Such gold shall represent metal which meets or exceeds the standards of the London Bullion Market Association within its Good Delivery Rules and Good Delivery Specifications for ‘Loco London’ delivery.

### 129102. TRADING SPECIFICATIONS

Trading in London Spot Gold futures is regularly conducted in contract days. Unless otherwise determined by the Exchange, one contract day is made available for trading on any given trading day. The contract day shall be referred to using the date of the delivery day. Transactions in respect of each contract day shall be for the delivery of gold on the delivery day.

#### **129102.A. Trading Schedule**

The hours for trading shall be determined by the Exchange.

#### **129102.B. Trading Unit**

The contract unit shall be one hundred (100) troy ounces of unallocated gold held in an account denominated in gold operated by a member of London Precious Metals Clearing limited.

#### **129102.C. Price Increments**

The minimum price fluctuation shall be \$0.10 per troy ounce. Trades may also occur in multiples of \$0.01 per troy ounce for London Spot Gold Futures inter-commodity spreads. Prices shall be quoted in dollars and cents per troy ounce.

#### **129102.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.

#### **129102.E. Termination of Trading**

The last trading day for a contract day shall be two London business days prior to the delivery day.

The Exchange shall ensure that contract days made available for trading shall be for delivery on a day that is a business day in both London and New York.

No trades in London Spot Gold futures shall be made after the end of the last trading day.

Any contracts remaining open after the last trade date must be settled by delivery which shall take place on the Delivery Day.

#### **129102.F. 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.

## **129103. DELIVERY PROCEDURES**

### **129103.A. Notice of Intention to Deliver**

By the time prescribed by the Clearing House, Clearing Members having open short positions shall notify the Clearing House of the following information: Clearing Members having open short positions (sellers) shall provide, in respect of each open position, in a manner prescribed by the Clearing House, clearing member firm, trading member firm, origin (customer/house), quantity, contract day, and any other information required by the Clearing House. Notices for intent to deliver must be submitted to the Clearing House no later than 10:00 a.m. on the Exchange business day immediately following the last trading day.

### **129103.B. Notice of Intention to Accept**

By the time prescribed by the Clearing House, Clearing Members having open long positions shall notify the Clearing House of the following information: Clearing Members having open long positions (buyers) shall provide, in respect of each open position, in a manner prescribed by the Clearing House, clearing member firm, trading member firm, origin (customer/house), quantity, contract day, and any other information required by the Clearing House. Notices for intent to accept must be submitted to the Clearing House no later than 10:00 a.m. on the Exchange business day immediately following the last trading day.

### **129103.C. Delivery Day**

Consistent with Rule 129102.E. the delivery day shall be two London business days following the last trading day, unless such day is not also a banking day in New York, in which case the delivery day shall be the next banking day in both London and New York.

### **129103.D. Invoicing and Payment**

(1) Clearing Members having open short positions (sellers) shall deliver gold to the account of the Clearing House, by 2:30 p.m. London time on the delivery day. Sellers shall provide to the Clearing House banking instructions for payment no later than the business day prior to the delivery day;

(2) Clearing Members having open long positions (buyers) shall make delivery payment in USD only. Buyers shall submit payment directly to a Clearing House designated account. These funds shall be submitted no later than 10:00 a.m. on the delivery day. Buyers shall provide to the Clearing House unallocated metal delivery instructions no later than the business day prior to the delivery day.

(3) Subject to the notification of the Clearing House of account information and the completion of the delivery payment by the buyer, the Clearing House shall deliver gold to the account specified by the buyer;

(4) Subject to the notification of the Clearing House of account information and the completion of delivery by the seller, the Clearing House shall transfer delivery payment to the seller.

If the Clearing House is unable to transfer gold or delivery payment as a result of circumstances beyond its control, it will do so as soon as practicable after the condition of impossibility has ceased to exist.

### **129103.E. Amendments to Timings**

The Exchange may amend the timings of notifications deliveries, and transfers under this Rule 129103. to reflect the adoption of daylight savings time in New York and London.

### **129103.F. Settlement Price**

The settlement price on the contract day shall be the basis for delivery. The settlement price will be established at 1:30 p.m.