

Chapter 187 Lead Futures

187100. SCOPE OF CHAPTER

This chapter is limited in application to physically delivered Lead 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 provisions of these rules shall apply to all lead 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. 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.

187101. CONTRACT SPECIFICATIONS

The contract for delivery on futures contract shall be twenty five metric tons (25 MT) of lead with a weight tolerance of 2% either higher or lower and must be an approved Brand. Lead meeting all of the following specifications shall be deliverable in satisfaction of futures contract delivery obligations under this rule:

Eligible lead must be refined lead (minimum 99.970% purity) and meeting the chemical composition of either ASTM B29-03 (2009 Standard entitled "Standard Specification for Refined Lead (permitted grades: 99.97% and 99.995%), BS EN 12659:1999 Standard entitled "Lead and Lead Alloys-Lead (permitted grades: Material numbers PB970R, PB985R and PB990R), or GB/T 469-2005 Standard entitled "Lead Ingots" (permitted grades: 99.970%, 99.985%, 99.990% and 99.994%). Lead being placed on warrant must be accompanied by a Certificate of Analysis. The Certificate of Analysis shall indicate the brand and the chemical composition of the lead. If the aforementioned standards adopt a change in the standard specifications for the lead and such change is adopted and confirmed by the Exchange, lead conforming to the change so adopted, as well as lead conforming to the previous specifications if placed in a Warehouse prior to the date of the adoption, shall be deliverable against the Lead Futures contract. Each warrant shall consist of lead of one brand and shall consist of ingots of one shape and size unless different shapes and sizes are needed for bundle stability. Each bundle shall not exceed 1.5 metric tons. The brand and grade reference must be marked on each bundle. The cast number must be marked on the bundle.

The lead must be weighed by a approved Weighmaster. A Weight Certificate shall be issued by the approved Weighmaster.

Warehouse is responsible to determine the eligibility of the metal and to meet the specification for delivery in fulfillment of a Lead futures contract. Upon request from the Warehouse, the seller's clearing member shall provide verification that the lead is of an approved Brand meeting the specification of the contract.

Any insurance coverage for Registered lead shall be the responsibility of the warrant holder.

187102. TRADING SPECIFICATIONS

Trading in Lead futures is regularly conducted in the following months: twelve (12) consecutive months.

187102.A.Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

187102.B.Trading Unit

The contract unit shall be twenty five (25) metric tons.

187102.C. Price Increments

Prices shall be quoted in multiples of fifty cents (\$0.50) per metric ton. Price shall be quoted in dollars and cents per metric tons.

187102.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.

187102.E. Termination of Trading

No trades in Lead 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; or

(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.

187103-107. [RESERVED]

187108. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, bill of lading, check or document or instrument delivered pursuant to these rules.