CME Group

The Precious Metals Delivery Process

July 2026

CME Group

Table of Contents

Precious Metals futures are contracts to buy or sell Gold, Silver, Platinum or Palladium contracts listed on COMEX/NYMEX at a set date in the future. Anyone holding a position in a Precious Metals contract during its delivery month must be prepared to fulfill the contractual obligation either to deliver or take delivery of COMEX/NYMEX eligible Precious Metals[1] as detailed in the exchange rulebooks.

Why physical delivery matters

Physical delivery helps to ensure that there is a convergence in pricing between the physical market and the futures market at the futures' expiry. Theoretically, if a gap were to emerge between the physical and futures market prices as expiry approached, market participants would step in to buy the asset in the cheaper market and sell it at a premium in the more expensive one. Closing this arbitrage loop involves trading the futures contract and ultimately taking or making delivery of the underlying commodity. This physical delivery process is integral to the market's structure and effectively forces the physical and futures prices to align, or converge, at expiry. Thus, the infrastructure of physical delivery contributes to pricing integrity in futures markets.

CME Group has an extensive track record in ensuring the integrity and availability of deliverable precious metals products. We oversee every step of the Precious Metals futures delivery process – from monitoring inventory and trading to managing clearing operations – to protect a long legacy of transparent, reliable and regulated trading.

Understanding the physical delivery process and attributes of deliverable metal allows investors to assess futures contract prices more confidently. The following document offers an in-depth overview of our Precious Metals delivery lifecycle.

Exchange surveillance and risk management

CME Group's Market Regulation, clearinghouse and COMEX/NYMEX approved depositories work together to ensure transparency, accountability and traceability at every step of the precious metals futures delivery process. Records of available stocks, warrants and deliveries are all maintained through a centralized system to maintain the chain of integrity and ensure transparency to all pertinent parties. Market Regulation monitors metal stocks and provides daily Warehouse and Depository Stock Reports on our website under Registrar Reports. Market Regulation also monitors trading, outlying positions, market behavior spot month position limits and accountability levels of clearing firms and their customers.

CME Clearing works simultaneously to complement the work of Market Regulation by monitoring clearing firms' activity and managing metal inventory for delivery to maintain adherence to the exchange's structured delivery process. Additionally, all exchange approved depositories are monitored, audited, and inspected to ensure adherence to exchange standards for storage and stocks of metals. The integrity of our Metals delivery process is a cornerstone of the overall integrity of the Metals market.

1 *All rules and procedures for precious metals futures contracts, including those for making or taking delivery, are established by the COMEX (Commodity Exchange), one of four designated contract markets owned and operated by CME Group Inc., subject to regulation by the US Commodity Futures Trading Commission ("CFTC")*

What is deliverable?

The terms and conditions of each Precious Metals futures contract is defined within the COMEX/NYMEX Rulebook's product chapter outlining the Metal's deliverable grade, qualities of weight, purity, and other specifications that a short position holder must adhere to when delivering to a long position holder.

Precious Metals contracts that may be tendered for delivery in fulfillment of an expiring contract are Gold, Silver, Platinum and Palladium. In addition to the specifications detailed in the respective product chapters, exchange-approved brands, depositories, assayers and carriers can be found in Service Providers.

What is a clearing member?

A clearing member is a firm that is authorized to clear and settle trades on a CME Group exchange. A clearing member is responsible for acting as a guarantor of financial obligations to CME Clearing on behalf of a client, assisting clients in managing margin requirements, and performing risk management measures that safeguard the integrity of futures and options markets. Clearing members represent their clients in the delivery and trade process for precious metals delivered futures.

What is a warrant?

A warrant for a CME Group physically deliverable Metals product is a document of title under Article 7 of the Uniform Commercial Code (UCC) representing a quantity of metal stored in an exchange-approved facility that meets the specifications of the metal futures contract. The owner of metal stored at an exchange-approved facility can elect to warrant (or register) their metal through a clearing member[2].

Warrants are delivery instruments that are exchanged between clearing members. Warrants are held in the name of the clearing member and can be used to initiate delivery of a futures contract. Warrants are recorded in the CME Group electronic delivery system through which deliveries of physically delivered products listed on CME Group are processed.

2 *Procedures for Issuance of Warrants can be found in Section 705 of the rulebook, available here: https://www.cmegroup.com/rulebook/NYMEX/1/7.pdf*

Delivery Eligibility for Benchmark Precious Metals Futures Contracts

CONTRACT	GOLD FUTURES (GC)	SILVER FUTURES (SI)	PLATINUM FUTURES (PL)[3]	PALLADIUM FUTURES (PA)[4]
DELIVERABLE PRODUCT[5]	100 oz. gold bar; 1 kg bar	1000 oz. silver bars	Cast plate/ and or ingot	Cast plate and/or ingot
NUMBER REQUIRED PER CONTRACT	1 x 100 oz. bar, or 3 x 1 kg bar	5 x 1000 oz bars	1 x 50 oz or multiple pieces of cast plates and/or ingots with no piece less than 10 oz.	1 x 100 oz. or multiple pieces of cast plates and/or ingots with no piece less than 10 oz.
WEIGHT TOLERANCE	± 5%	±10%	±10%	±10%
MINIMUM FINENESS	995	999	9995	9995
BRANDS	Exchange-approved bands	Exchange-approved bands	Exchange-approved bands	Exchange-approved bands

Approved Precious Metals depositories

Precious metals underlying CME Group futures contracts must be stored in an exchange-approved depository. Depositories that wish to be declared regular for delivery must be approved by the exchange through an application process. Upon approval, and on an ongoing basis, exchange-approved facilities must provide required documentation to maintain exchange regularity and be available for inspection at any time by a member of the exchange, the CFTC or the U.S. Department of Justice. A full list of conditions for depository approval may be found in Chapter 7 of the NYMEX and COMEX rulebooks.

Our Market Regulation team is responsible for approving and inspecting facilities for physically settled Metals products, ensuring that facilities meet exchange rules and remain financially stable, publishing daily inventory reports for metals in exchange-approved facilities, issuing notices to the market for any changes or approvals with respect to the facilities, and approving and monitoring deliverable brands for precious metals.

3 *Platinum - a larger platinum unit which is defined as platinum with weight greater than 55 troy ounces and less than or equal to 192.904 troy ounces (6 kilograms) of homogenous cast plate and/or ingot. Delivery of larger bars is executed through the ACE delivery mechanism.*

4 *Palladium - a larger palladium unit which is defined as palladium with weight greater than 110 troy ounces and less than or equal to 192.904 troy ounces (6 kilograms) of homogenous cast plate and/or ingot. Delivery of larger bars is executed through the ACE delivery mechanism.*

5 *For the Gold (Enhanced Delivery), Micro Gold, Micro Silver, Micro Platinum, and Micro Palladium futures contracts, the ACE (Accumulated Certificates of Exchange) mechanism is used to effect delivery. Additional information related to ACEs can be found in the Appendix.*

CME Group

Storage

Storage facilities must report their inventory to CME Group on a daily basis using one of two classifications: eligible stock and registered stock. Eligible stock physically resides in an approved depository, meets CME Group contract requirements, and is of an approved brand but has not been committed for delivery. Registered stock is represented by a registered warrant and is available to fulfill a delivery obligation. Storage fees are calculated on a daily basis, and are prorated when a warrant changes hands through the delivery process.

The maximum storage and delivery out charges by a depository shall be as follows:

	MAXIMUM STORAGE	MAXIMUM DELIVERY OUT
GOLD (GC)	$20.00	$35.00
GOLD (ENHANCED DELIVERY) (4GC) (PER CONTRACT)	$20.00	$35.00
SILVER (SI) (PER BAR)	$10.00	$35.00
PLATINUM (PL) (PER CONTRACT)	$20.00	$30.00
PALLADIUM (PA) (PER CONTRACT)	$20.00	$30.00

The following service providers have satisfied CME Group's rigorous, ongoing standards for storing and handling eligible precious metals:

Precious Metals Depositories [6]

LOCATION	DEPOSITORY	GOLD	SILVER	PLATINUM	PALLADIUM
NEW YORK	Brink's Inc.	✓	✓	✓	✓
	HSBC Bank USA	✓	✓	✓	✓
	JP Morgan Chase Back NA	✓	✓	✓	✓
	Malca-Amit USA, LLC	✓	✓	✓	✓
	Manfra, Tordella & Brookes, Inc.	✓	✓	✓	✓
	Asahi Depository LLC	✓	✓	✓	✓
	Loomis International (US) Inc.	✓	✓	✓	✓
	Stonex Precious Metals LLC	✓	✓	✓	✓
NEW JERSEY	Brink's Inc.	✓	✓	✓	✓
DELAWARE	Delaware Depository	✓	✓	✓	✓
	International Depository Services of Delaware	✓	✓	✓	✓
	Malca-Amit USA, LLC	✓	✓	✓	✓
MASSACHUSETTS	CNT Depository, Inc.		✓	✓	✓
	Loomis International (US) Inc.		✓	✓	✓

6 *Depositories as of 5/19/26. A full list of service providers can be found at the end of rulebook Chapter 7, available here.*

The role of clearing firms

Our clearing house, CME Clearing[7], is responsible for managing and facilitating physically settled Precious Metals deliveries. The physical delivery process takes three (3) exchange business days to accomplish, ensuring adequate time for the participants, the futures sellers making delivery, the futures buyers taking delivery, their respective CME Group clearing member firms and CME Clearing itself, to make necessary notifications and arrangements.

Clearing firms play a central role in the delivery process because deliveries occur between clearing firms acting as agents for their clients. Each clearing firm is responsible to the exchange and to CME Clearing for guaranteeing the performance of its clients in meeting obligations of delivery.

The short clearing firm (i.e., the clearing firm making delivery against a short futures position) is responsible for (a) ascertaining that its clients, who are the ultimate owners of the short position, have registered and furnished deliverable grade warrants on time and in sufficient quantity to meet contract requirements; and (b) distributing to those same clients the funds it receives in payments for the warrants it delivers.

The long clearing firm (i.e., the clearing firm taking delivery on a long futures position) is responsible for: (a) ascertaining the warrants it receives to clients; and (b) collecting from those same clients the funds required to pay the invoice amounts for the warrants delivered.

If a client fails to fulfill their obligations in a Precious Metals futures contract delivery,[8] the client's clearing firm is itself financially responsible to CME Clearing.

The CME Clearing guarantee

If a clearing member fails to fulfill its delivery obligations in respect of a Precious Metals futures context, CME Clearing is obligated to pay reasonable compensation for financial damages approximately caused by the delivery failure. CME Clearing's payments for reasonable damages do not include making delivery of the actual commodity, paying damages related to genuineness or accuracy of instruments, shipping certificates or other similar documents, or paying damages related to the failure or insolvency of banks, depositories or other similar organizations that may be involved with a delivery.

---

7 CME Group Inc. ("CME Group") is the parent company of Chicago Mercantile Exchange Inc. ("CME Inc."). CME Inc. operates a registered Derivatives Clearing Organization ("DCO"), CME Clearing (or "the Clearing House'), a division of CME Inc., is one of the world's leading central counterparty clearing services. CME Clearing provides clearing and settlement services for exchange-traded and cleared swap derivatives. CME Clearing applies robust risk management standards and applicable Commodity Futures Trading Commission ("CFTC") customer protection standards for all products it clears.

8 See Rule 714 and 715 for Failure to Deliver or Failure to Accept Delivery or Remit Full Payment, COMEX Rulebook Chapter 7, available at: https://www.cmegroup.com/rulebook/NYMEX/1/7.pdf

Guarantee related responsibilities on the part of clearing members

Clearing firms should notify CME Clearing of any issues with delivery as soon as possible. Firms are required to make timely notification and timely remedy. CME Clearing has no obligation or liability to any clearing member relating to failure to fulfill a precious metals futures delivery obligation, unless the non-defaulting member notifies CME Clearing no later than 60 minutes after the delivery obligation was to be fulfilled.

If a clearing member fails to fulfill a contract delivery obligation to another clearing member, it will be deemed an obligation of the defaulting clearing member to CME Clearing. The defaulting clearing member must fulfill their financial obligation to CME Clearing within 60 minutes of the time it was originally required to be fulfilled.

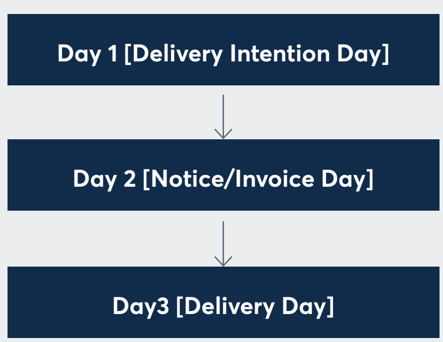
The timetable for delivery

The process of delivering[9] a futures contract arises from the intersection of two distinct but complementary functions: (a) the clearing firm's (or firms') declaration of long positions; (b) the clearing firm's declaration of intent to deliver on short positions and its subsequent fulfillment of delivery.

Declaration of positions

Every clearing member carrying long or short positions shall present to the CME Clearing each business day an accurate inventory of such open positions. Reported inventory of long and short positions is a key prerequisite for the delivery process.

Delivery Timeline



9 *See COMEX rulebook, Chapter 7, Rule 706 for Metal Delivery Procedures. Available at: See COMEX rulebook, Chapter 7, Rule 706 for Metal Delivery Procedures. Available at:* https://www.cmegroup.com/rulebook/NYMEX/1/7.pdf

CME Group

The delivery process – declaration of intention to deliver and delivery on short positions

The delivery cycle is a three-day process consisting of delivery intent day, notice/invoice day and delivery day.

Intent day is the day on which CME Clearing receives a notice from a seller's clearing member with an obligation or desire to make delivery of metal. The provision of this notice marks the beginning of the delivery process. Notices must be delivered to CME Clearing by 7:00 p.m. ET on intent day, except that, on the last intent day of the delivery month, delivery notices of intent may be submitted to CMEClearing until 1:00 p.m. ET. The intent notice must specify metal warrants selected to match the number of positions the seller wishes to deliver. Warrants will include a warrant number and information on brand, weight, and storage warehouse. On the same day upon receiving an intent notice, CME Clearing will assign deliveries to eligible buyers and provide invoices. For the first possible delivery of the month, the first intent day is two business days prior to the first business day of the delivery month.

Notice day is the day in which an assignment notification (invoice) is issued by the clearinghouse to the long clearing member and the short clearing member. The invoice specifies: parties matched for delivery, number of contracts to be delivered, brand, warrant number, weight, total cost of warrants based on settlement price at intention date, seller and buyer firm information, approved depository where the metal is stored and reimbursement of storage fees that were pre-paid by owner prior to delivery. Invoices are issued no later than the morning of the business day following intent day.

The settlement price on intent day (the day notice to deliver is submitted to the clearinghouse) is used as the basis for delivery.

Delivery day is the day on which the long clearing member takes possession of metal through its receipt of warrant(s) of the metal. Delivery payment is typically made during the 7:45 a.m. ET collection cycle on delivery day. At delivery, the seller's clearing member receives an electronic transfer of funds banked through CME Clearing and the buyer receives an electronic warrant in their inventory in the CME Clearing system. Ownership of metal passes from the seller to the buyer upon the buyer's delivery payment.

The delivery timetable for Precious Metals futures

	SHORT CLEARING MEMBER	CME CLEARING	LONG CLEARING MEMBER
DAY 1: INTENT DAY	By 7:00 p.m. ET, two business days prior to the intended delivery day (1:00 p.m. ET on last intent day of the month), the short clearing firm notifies CME Clearing that it intends to make delivery on a Precious Metals contract. All clearing firms must report short positions to CME Clearing on a daily basis throughout the month.	Assignment runs approximately at 9:00 p.m. ET after trade finalization.	All clearing firms must report long positions to CME Clearing on a daily basis throughout the month.
DAY 2: NOTICE/INVOICE DAY	Clearing firm provides notices to customers.	Issues invoices to short and long clearing firms.	Clearing firm provides notices to customers.
DAY 3: DELIVERY DAY	Seller's clearing firm receives the proceeds from the delivery.		Buyer's clearing firm receives the warrants.

Delivery assignment options

When a long position holder is assigned a warrant through the delivery process, the following options are available:

1. Retender the warrant for delivery by going short the futures contract on the next exchange business day, or;
2. Take delivery of the warrant and continue to be held in store on warrant, or;
3. Take delivery of the warrant, cancel the warrant and continue to hold the material in store as eligible metal (metal that meets futures contract specifications, but not on warrant), or;
4. Take delivery of the warrant and cancel for load out.

If the owner of the warrant chooses to retender the warrant, it can only be done on the business day after the delivery is assigned, otherwise the long will take possession of the warrant and can issue an intent at a later time. If the warrant is retendered, the price for delivery of the warrant is the settlement price of the retender day.

Load out

Load out is the process of taking physical possession of metal represented by a warrant. Owners of a warrant wishing to load out their material must cancel their warrant for load out through CME Clearing. Afterwards, CME Clearing will notify the depository of the cancel for load out request, beginning the process of taking physical possession of the metal. Load out is governed by CME Clearing rules to ensure transparency and efficiency,

including a requirement that facilities shall schedule all inbound and outbound shipments on a first-come, first-served, non-discriminatory basis and requirements that insure that facilities may not impede or promote movement of metal by:

1. Imposing unreasonable storage, depositing or removal charges on material, or;
2. Taking or failing to take any action that affects a customer's ability to schedule delivery or removal of material.

Customers wishing to load out their metal are responsible for:

- Instructing their firm to cancel a load out for delivery in the CME Clearing system;
- Arranging for shipment of the metal and coordinating all shipping instructions with the depository;
- Handling all fees applicable to handling, loading out, etc., once transportation instruction has been made and prior to metal being loaded; and
- Transportation out of the depository.

Spot month position limits

Position limits are levels which a market participant may not exceed without an approved exemption. Position limits serve as regulatory ceilings on the maximum number of contracts that an entity can hold and help prevent systemic risk or defaults. Position limits also help to ensure that contract holdings remain proportional to underlying available supply. More detail on position limits and accountability levels for precious metals contracts can be found here.

Example of delivery lifecycle - Gold futures (GC) delivery

CLIENT A	Short 1 Feb'25 GC
CLIENT B	Long 1 Feb'25 GC

Contract specifications:

One contract is 100 troy ounces

Assume a bar has 9999 fineness

Storage rate: $15 per contract

Delivery out charge: $30 per contract

On **Jan. 29**, Client A delivers to the depositing warehouse and is charged the storage cost for the remainder of January. Storage fees are charged directly to Client A from the depository.

The depository registers the warrant in **CME Clearing's system** in the name of Client A's clearing member firm (CMF).

Jan. 30 is the first intent day for the month of February.

On **Jan. 31**, Client A's CMF is debited $15 for storage for the month of February.

On **Feb. 1**, GC closes at a price of $4,600per troy ounce. Client A's CMF issues a notice of intent to deliver by 7:00 p.m. ET.

CME Clearing assigns Client A's CMF to Client B's CMF between 9:15 p.m. and 9:30 p.m. ET; each party receives an assignment notification at the same time.

On **Feb. 2, notice/invoice day**, CME Clearing issues invoices to Client A and Client B.

On **Feb. 3, delivery day**, the warrant transfers from Client A's CMF inventory to Client B's CMF inventory in the CME Clearing system. The weight of the bar (100 troy ounces) is multiplied by the fineness (0.9999); the basis for the invoice is 99.990 (100*0.9999) (the fine weight). At an intent day closing price of $4,600, Client B's CMF is debited and Client A's CMF is credited $459,954 for delivery.

Charges include:

- The futures cost of $459,954.00 ($4,600.00 x 99.990), and;
- Storage cost of $13.40 prorated for the remaining 15 days of February.[10]

Following the transfer of the warrant from Client A to Client B, delivery is considered complete.

10 *The seller is responsible for storage through the delivery day.*

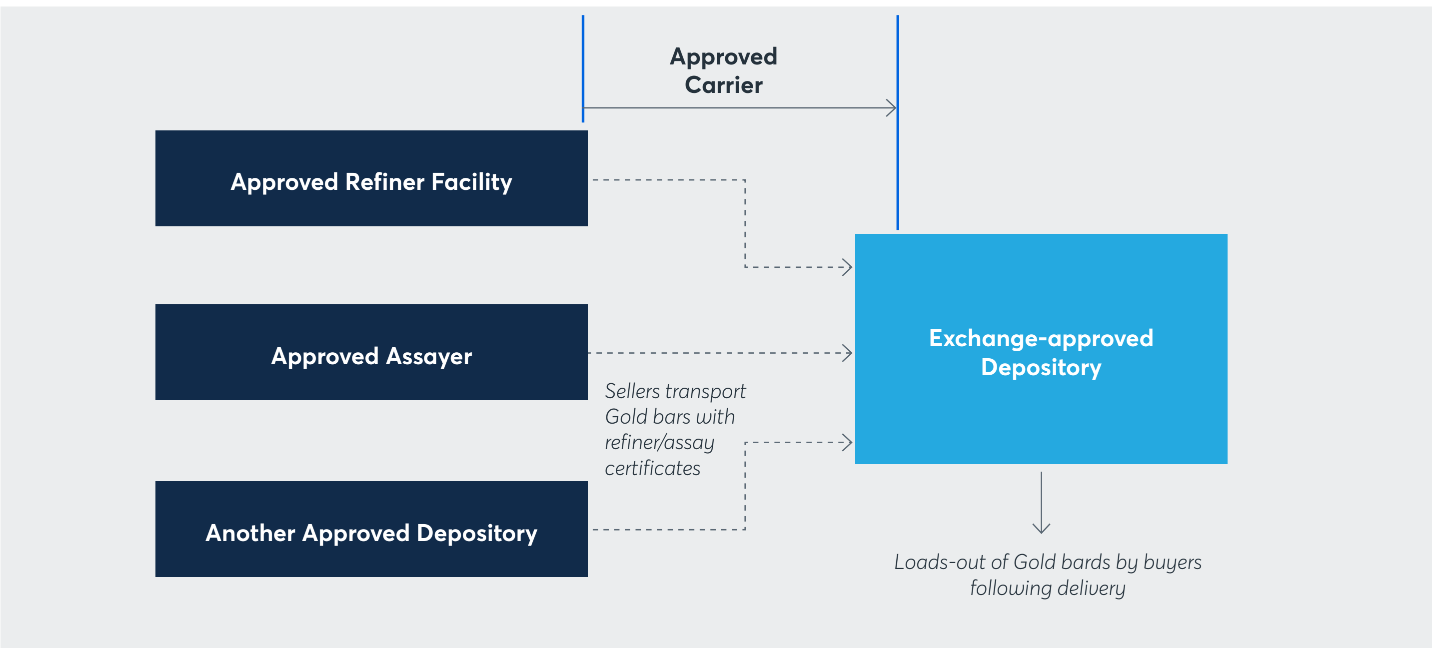
Feb. 27 is the last intent day of February, the last position day of February, and the first intent day of March.

On **Feb. 28**, the last delivery day of February, Client B's CMF is debited storage cost for March ($15).

On **March 7**, Client B's CMF requests to load out. Client B arranges shipping and satisfies remaining charges with the depository. The delivery out charge is $30 and unused storage is not reimbursed.

Chain of Integrity

Exchange rules ensure strict control of the precious metals delivery process in order to ensure the chain of integrity. Materials must be transported from one approved facility to another approved facility via approved means of transportation, without any discontinuity of possession by non approved entities. Chain of integrity applies to Gold, Platinum and Palladium futures contracts. Any discontinuity in this chain of integrity prompts the withdrawal and reassaying or recertification of the metal. A complete list of approved carriers and assayers can be found here.



Appendix

Precious Metals physically settled futures contract specifications

GOLD FUTURES	
CONTRACT SIZE	100 Troy Ounces
DELIVERABLE GRADE	Gold delivered under this contract shall assay to a minimum of 995 fineness.
PRICE QUOTE	U.S. dollars and cents per troy ounce
LAST TRADING DAY	Trading terminates at 12:30 p.m. CT on the third last business day of the contract month.
LAST DELIVERY DAY	Delivery may 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 not later than the last business day of the current delivery month.
PRODUCT CODES	Globex: GC Clearing:GC

MICRO GOLD FUTURES	
CONTRACT SIZE	10 Troy Ounces
DELIVERABLE GRADE	Gold delivered under this contract shall assay to a minimum of 995 fineness.
PRICE QUOTE	U.S. dollars and cents per troy ounce
LAST TRADING DAY	Trading terminates on the third last business day of the contract month.
LAST DELIVERY DAY	Delivery may 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 not later than the last business day of the current delivery month.
PRODUCT CODES	Globex: MGC Clearing: MGC

SILVER FUTURES	
CONTRACT SIZE	5,000 troy ounces
DELIVERABLE GRADE	Silver delivered under this contract shall assay to a minimum of 999 fineness.
PRICE QUOTE	U.S. dollars and cents per troy ounce
LAST TRADING DAY	Trading terminates at 12:25 p.m. CT on the third last business day of the contract month.
LAST DELIVERY DAY[11]	Delivery may 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 not later than the last business day of the current delivery month.
PRODUCT CODES	Globex: SI Clearing: SI

11 *Note that there are variations in the application of ACEs across different contracts. See individual contract rulebooks for details.*

CME Group

MICRO SILVER FUTURES	
CONTRACT SIZE	1,000 troy ounces
DELIVERABLE GRADE	Silver delivered under this contract shall assay to a minimum of 999 fineness.
PRICE QUOTE	U.S. dollars and cents per troy ounce
LAST TRADING DAY	Trading terminates on the third last business day of the contract month.
LAST DELIVERY DAY	Delivery may 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 not later than the last business day of the current delivery month.
PRODUCT CODES	Globex: SIL Clearing: SIL

PLATINUM FUTURES	
CONTRACT SIZE	50 troy ounces
DELIVERABLE GRADE	Platinum delivered under this contract shall be a minimum of 99.5% pure.
PRICE QUOTE	U.S. dollars and cents per troy ounce
LAST TRADING DAY	Trading terminates on the third last business day of the contract month.
LAST DELIVERY DAY	Delivery may 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 not later than the last business day of the current delivery month.
PRODUCT CODES	Globex:PL Clearing:PL

MICRO PLATINUM FUTURES	
CONTRACT SIZE	10 troy ounces
DELIVERABLE GRADE	Platinum delivered under this contract shall be a minimum of 99.95% pure.
PRICE QUOTE	U.S. dollars and cents per troy ounce
LAST TRADING DAY	Trading terminates on the third last business day of the contract month.
LAST DELIVERY DAY	Delivery may 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 not later than the last business day of the current delivery month.
PRODUCT CODES	Globex:PLM Clearing:PLM

PALLADIUM FUTURES	
CONTRACT SIZE	100 troy ounces
DELIVERABLE GRADE	Palladium delivered under this contract shall be a minimum of 99.95% pure.
PRICE QUOTE	U.S. dollars and cents per troy ounce.
LAST TRADING DAY	Trading terminates on the 3rd last business day of the contract month.
LAST DELIVERY DAY	Delivery may 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 not later than the last business day of the current delivery month.
Product Codes	Globex:PA Clearing:PA

MICRO PALLADIUM FUTURES	
CONTRACT SIZE	10 troy ounces
DELIVERABLE GRADE	Palladium delivered under this contract shall be a minimum of 99.95% pure.
PRICE QUOTE	U.S. dollars and cents per troy ounce
LAST TRADING DAY	Trading terminates on the 3rd last day of the business month.
LAST DELIVERY DAY	Delivery may 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 not later than the last business day of the current delivery month.
PRODUCT CODES	Globex: PAM Clearing:PAM

Accumulated certificates of exchange

An accumulated certificate of exchange (ACE) is a receipt representing fractional ownership of an eligible contract, effectively a "fractional warrant". For example, in the instance of a CME Group Gold (Enhanced Delivery) futures contract, or 4GC contract, a 400 oiunce gold bar is converted into four 100 ounce ACEs, each representing ¼ ownership of a gold bar on warrant. Participants holding an ACE may deliver an ACE to their counterpart to fulfill delivery requirements, just as they would use 100 ounce warrants. If a participant accumulates four ACEs, they may exchange them for a 400 oz. warrant. Additionally, because gold bars have slight variances in weight, typically ranging between 95-105 ounces in weight for a 100 ounce bar, any excess weight difference in the cumulative number of ounces represented by four ACEs will be covered by a cash payment administered by the exchange. The ACE mechanism is available for Micro Gold, Micro Silver, Micro Platinum and micro Palladium contracts.

PM26_ME028/0726