



TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 16-537

SUBJECT: **COMEX Spot Metals Delivery - UPDATED**

DATE: 17 August 2017

On Sunday January 8, 2017, for trade date Monday, January 9, trading will commence in COMEX Gold and Silver Spot Futures. On each COMEX business day, the Exchange will list for trading one Gold Spot Futures (GSP) contract, and one Silver Spot Futures (SSP) contract. The contract will trade up to 5:00 pm New York time for that business day.

Open positions at that 5:00 pm closing time will result in physical delivery of unallocated metal – gold or silver – on the spot value date. Following OTC market conventions, that value date will be the second London banking business day following the trading day, or, if that date is not also a New York banking day, the first subsequent day that is a banking day in both London and New York.

Pursuant to SER# 7961, Clearing firms will submit delivery intents no later than 10:00 a.m. on the Exchange business day immediately following the contract day, providing delivery instructions for positions open at the close. Clearing firms will receive delivery notifications and delivery invoices providing exact delivery obligations following assignment on the intent day.

Clearing firms must establish or have existing account(s) for unallocated gold and/or silver at a London Precious Metals Clearing Limited bank to effectuate delivery and provide Clearing Deliveries with account information for deliveries. Participating firms must verify their account with CME Clearing prior to delivery. In the instance where a Clearing firm chooses to appoint a third party to act on its behalf, a designee form must be submitted to CME Clearing prior to delivery. Designees are appointed to perform the delivery obligations in accordance with the NYMEX rulebook (COMEX Rules 129100 & 130100). Designee forms can be obtained from CME Clearing Deliveries.

On the morning of the value date (delivery date), short position holders will deliver unallocated gold or silver to the designated Clearing House account by 2:30 p.m. London time, and will receive USD cash. Long position holders will deliver USD cash to the designated Clearing House account by 9:00 a.m. CT, and will receive unallocated metal.

Clearing firms wishing to allow their customers to submit either Globex or block trades in these contracts will need to authorize those client accounts for these products. In Clearport Account Manager, a new market type has been established “COMEX London Loco Unallocated Delivery”. On Globex, permissioning in the Risk Management Tool “MAC Swap Futures Access Manager” is required.

For a copy of the Designee form and for any further details, questions or concerns please contact Clearing Deliveries at 312-930-3172 or by email at clearinghousedelivteam@cmegroup.com.

For more information, please see:

The Precious Metals Spot Spread, on CME Group’s website, at:

<http://www.cmegroup.com/trading/metals/precious/precious-metals-spot-spread.html>

Initial Listing of London Spot Gold Futures and London Spot Silver Futures Contracts
Special Executive Report 7769, published November 1, 2016:

<http://www.cmegroup.com/notices/ser/2016/11/SER-7769.pdf>

New Product Notice for London Spot Gold Futures and London Spot Silver Futures
Clearing Advisory 16-461, published November 2, 2016:

<http://www.cmegroup.com/notices/clearing/2016/11/Chadv16-461.pdf>

Clearing and Bookkeeping Processing for COMEX Gold and Silver Spot Futures
Clearing Advisory 16-472, published November 8, 2016

<http://www.cmegroup.com/notices/clearing/2016/11/Chadv16-472.pdf>

Amendments to the Delivery Procedures for the London Spot Gold Futures and London Spot Silver Futures Contracts

<http://www.cmegroup.com/notices/ser/2017/08/SER-7961.pdf>