

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers

FROM: CME Clearing

Advisory #: 19-347

SUBJECT: Collateral Changes - COMEX Gold Warrants

DATE: October 17, 2019

As highlighted in Advisory #[19-317](#), CME is making enhancements to its Clearing 21 (Banking and Collateral Management) and Deliveries Plus (Deliveries and Inventory Management) systems to support the acceptance of COMEX gold warrants as collateral at CME Clearing. These changes are scheduled for Production on November 4, 2019 and are currently available for clearing member and depository testing.

In addition, effective November 4, 2019, New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") will implement the following amendments to NYMEX/COMEX Rulebook Chapter 7 ("Delivery Facilities and Procedures").

1. Within 703.A. ("Conditions for Approval"), add a reference to "pledged" metal, and to define this term as registered metal for which the warrant that has been issued is on deposit with CME Clearing for performance bond. Add the requirement for approved facilities to report pledged metal to the Exchange.
2. Amend 705.A. ("Procedures for the Issuance of Warrants") to clarify that clearing members that have deposited gold warrants as performance bond with CME Clearing may not use these warrants to satisfy their delivery obligations.
3. Amend 705.B. ("Procedures for the Cancellation of Warrants") to clarify that gold warrants that are deposited with CME Clearing as performance bond cannot be cancelled without the consent of CME Clearing.

Amendments to NYMEX/COMEX Chapter 7 may be viewed in blackline format in Exhibit A of CFTC Submission No. [19-284](#).

Amendments to CME, CBOT, NYMEX/COMEX Chapter 8 ("Clearing House and Performance Bonds") and CME Chapter 8G ("Interest Rate Derivative Clearing") may be viewed in blackline format in Exhibits A, B, and C of CFTC Submission No. [19-283](#).

For further information related to collateral, please contact CME Credit Risk at CreditRisk@cmegroup.com.

For further information related to processing and testing in Deliveries Plus, please contact Laura Buschnyj at Laura.Buschnyj@cmegroup.com.

For further information related to processing and testing in Clearing 21, please contact Derek Krebs at Derek.Krebs@cmegroup.com.