



Special Executive Report

DATE: June 5, 2018

SER#: 8146

SUBJECT: Amendments to the Aluminum Futures Contract to Include Duty Unpaid Aluminum Eligible for Delivery

Effective Sunday, July 1, 2018 for trade date Monday, July 2, 2018, and pending all relevant CFTC regulatory review periods, Commodity Exchange, Inc. ("COMEX" or "Exchange") will amend Rule 107101. ("Contract Specifications") of the Aluminum Futures contract (Commodity Code: ALI; Rulebook Chapter: 107) (the "Contract"). Currently, only duty paid aluminum is eligible for delivery. The amendments shall provide that duty unpaid aluminum, which satisfies the specifications of the Contract, shall also be eligible for delivery against the Contract. Amendments to Rule 107101., provided below in blackline format, will be effective commencing with the July 2018 contract month and beyond.

COMEX Rulebook
(Additions are underscored.)

Chapter 107
Aluminum Futures

107101. CONTRACT SPECIFICATIONS

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

Eligible aluminum must consist of primary aluminum meeting all of the requirements of the P1020A in the North American and International Registration Record entitled "International designation and Chemical Composition Limits for Unalloyed Aluminum" (revised March 2007), or its latest revision, or primary aluminum of minimum 99.7% purity with a maximum iron (Fe) content of 0.20% and a maximum silicon (Si) content of 0.10%. If the North American and International Registration adopts a change in the standard specifications for the aforementioned deliverable grade and such change is adopted and confirmed by the Exchange, aluminum conforming to the change so adopted, as well as aluminum conforming to the previous specifications shall have been placed in a Licensed Warehouse prior to the date of the adoption and confirmation by the exchange of the new specifications. A Certificate of Analysis and Certificate of Origin must accompany all metal delivered into an Exchange approved facility ("facility"). The Certificate of Origin must be kept on file at the facility.

Aluminum Futures is a duty unpaid contract. Eligible aluminum shall be either duty paid or duty unpaid.

Aluminum must conform to one of the following shapes:

- a. Sows weighing up to 787.5 kgs.
- b. T-bars weighing up to 787.5 kgs.
- c. Ingots weighing from 9 kgs. to 26 kgs. Ingots are to be secured in bundles suitable for stacking not to exceed 2 metric tons per bundle. There is one smelter (heat) number per bundle.

Delivery shall be made up exclusively of the deliverable grade in one of the shapes listed above and must derive from one smelter. The brand and cast number must be marked on each piece of aluminum delivered in fulfillment of the contract.

1. Eligible aluminum must consist of any of the Exchange's approved brand marks, as provided in Chapter 7, current at the date of delivery of the contract, provided, however, a Warrant issued for aluminum shall be from a single Approved Brand.
2. Aluminum may be delivered only from a Licensed Warehouse designated by the Exchange.
3. Deliveries shall be made without any allowance for freight.
4. The aluminum must be weighed by a Licensed Weighmaster. A Weight Certificate shall be issued by the Licensed Weighmaster
5. Licensed Warehouse must declare that the aluminum meets the specification for delivery in fulfillment of an Aluminum futures contract. Upon request from the Licensed Warehouse, the seller's clearing member shall provide verification that the aluminum is of an Approved Brand meeting the specification of the contract, unless received directly from the producer of the Approved Brand.
6. The electronic certificate shall reference a signed declaration of the Licensed Warehouse, as to the origin of the aluminum and the grade thereof; such declaration to be in the following form and maintained on file at the Licensed Warehouse.

This is to certify that the brand of aluminum covered by Warrant #..... issued by (Licensed Warehouse) is the product of (Approved Producer) an approved refiner for delivery of cathodes against the Commodity Exchange, Inc., Aluminum futures contract and conforming to the specifications for P1020A pursuant to the rules of the Exchange.

Please refer questions on this subject to:

Joann Arena
Lucy Shitova

Joann.Arena@cmegroup.com
Lucy.Shitova@cmegroup.com

+1 212 299 2356
+44 203 379 3351