



Special Executive Report

DATE: July 18, 2019

SER#: 8399

SUBJECT: Amendments to COMEX Rule 107101. (Contract Specifications) of the Aluminum Futures Contract to Remove the Certificate of Origin Requirement

Effective Sunday, August 4, 2019 for trade date Monday, August 5, 2019, 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") to remove the requirement of a Certificate of Origin for aluminum delivered into an Exchange-approved facility. The requirement for a Certificate of Analysis shall remain unchanged.

Amendments to Rule 107101. are provided in Appendix A below in blackline format.

Please refer questions on this subject to:

Joann Arena
Sean Kessler

Joann.Arena@cmegroup.com
Sean.Kessler@cmegroup.com

212.299.2356
212.299.2133

Appendix A

COMEX Rulebook (deletions are ~~struck through~~)

Chapter 107 **Aluminum Futures**

* * *

107101. CONTRACT SPECIFICATIONS

The aluminum for delivery on the futures contract shall be twenty-five metric tons (25 MT) with a weight tolerance of 2% either higher or lower and must be of 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. If the North American and International Registration Record 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 if placed in an Exchange approved facility prior to the date of the adoption and confirmation by the Exchange of the new specifications, shall be deliverable against

the Aluminum futures contract. A Certificate of Analysis ~~and Certificate of Origin~~ must accompany all metal delivered into an Exchange approved facility. ~~The Certificate of Origin must be kept on file at the Exchange approved 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.; or
- 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 (2 MT) per bundle. There is one smelter (heat) number per bundle.

Each warrant shall be made up exclusively of the deliverable grade in one of the shapes listed above and must derive from one smelter. The brand must be permanently marked on each piece of aluminum delivered in fulfillment of the contract. The cast number must be permanently marked on tbars and sows and labeled on each bundle of ingots of aluminum delivered in fulfillment of the contract.

1. Eligible aluminum must consist of any of the Exchange 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 an Exchange approved facility.
3. Deliveries shall be made without any allowance for freight.
4. The aluminum must be weighed by an Exchange approved weighmaster. A weight certificate shall be issued by an Exchange approved weighmaster.
5. An Exchange approved facility must declare that the aluminum meets the specification for delivery in fulfillment of an Aluminum futures contract. Upon request from the Exchange approved facility, the seller's clearing member shall provide verification that the aluminum is of an Exchange approved brand meeting the specification of the contract, unless received directly from the producer of an Exchange approved brand.
6. The electronic certificate shall reference a signed declaration of the Exchange approved facility, 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 Exchange approved facility. This is to certify that the brand of aluminum covered by Warrant #..... issued by (Facility) is the product of (Producer) an Exchange approved producer for delivery of aluminum against the Commodity Exchange, Inc., Aluminum futures contract and conforming to the specifications for P1020A pursuant to the rules of the Exchange.
7. Any insurance coverage for registered aluminum shall be the responsibility of the warrant holder.

* * *