



Special Executive Report

DATE: April 18, 2023

SER#: 9124

SUBJECT: Amendments to the NYMEX Platinum Futures Contract and Related Amendments to NYMEX Chapter 7 ("Delivery Facilities and Procedures") – Implementation of ACE Delivery Mechanism

Effective May 8, 2023, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") will amend the NYMEX Platinum Futures contract (Commodity Code: PL; Rulebook Chapter: 105) (the "Contract") and implement related amendments to NYMEX/COMEX Chapter 7 ("Delivery Facilities and Procedures") to implement additional delivery rules, commencing with the May 2024 contract month and beyond (collectively, the "Rule Amendments").

NYMEX is expanding the range of weights of bars and packages of platinum that may be registered with NYMEX. Currently, platinum may be registered with NYMEX with weights between 45 and 55 troy ounces, inclusive. NYMEX is extending the upper limit of this range to be 192.904 troy ounces, equivalent to six (6) kilograms. This revised upper limit is consistent with the upper weight limit for good delivery material supported by the London Platinum and Palladium Market ("LPPM")¹. This expanded weight range will enable a greater amount of metal to be registered, and to be eligible to be registered, with NYMEX. Platinum in the extended weight range of 55.001 troy ounces to 192.904 troy ounces will be referred to as a larger platinum unit.

No other change to the specification of platinum eligible for delivery is being made. The revised weight range will apply for contract months from and including the May 2024 contract month. The May 2024 contract month is scheduled to be listed on February 28, 2024 for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort.

Specifically, holders of the larger platinum units which are registered with NYMEX will be able to endorse their warrant to the Clearing House in exchange for Accumulated Certificates of Exchange ("ACEs") in platinum. Each ACE represents an equal share of the ownership of the larger platinum unit, with ACEs being issued in such number to ensure that each ACE represents a holding of no less than 9.0 troy ounces and no more than 11.0 troy ounces. Five (5) ACEs, representing ownership of platinum no less than 45 troy ounces and no more than 55 troy ounces will be required for delivery against the Contract.

Once the revised delivery rules come into effect, holders of short positions in the Contract will be able to deliver either a warrant for a standard platinum unit, or 5 platinum ACEs as described above. Where the holder of a long position in Platinum Futures is assigned delivery of ACEs, such ACEs represent ownership of between 45 and 55 troy ounces of platinum. The holder of ACEs is able to maintain their holding in the NYMEX systems indefinitely. Holders of ACEs will be required to pay the storage charges for their position. A holder of 5 ACEs will be eligible for delivery in respect of the Contract.

NYMEX will also enable the creation of ACEs in respect of standard platinum units, with each standard platinum unit being equivalent to five (5) ACEs. Platinum ACEs may be redeemed in exchange for a warrant on either a larger platinum unit or standard platinum unit, provided that the number of ACEs being redeemed equates to the number of ACEs issued in respect of the warrant. NYMEX will publish information on the number and

¹ See <http://www.lppm.com/good-delivery/>

weight of warrants held by the Clearing House to ensure market participants are able to effectively manage their holdings.

Note: The ACE delivery mechanism is also available for delivery of palladium against the NYMEX Palladium Futures contract (Commodity Code: PA; Rulebook Chapter [105](#)) as detailed [HERE](#).

The Rule Amendments may be viewed in blackline format [HERE](#).

Please refer questions on this subject to:

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