



Special Executive Report

DATE: March 28, 2012

SER#: 6176

**SUBJECT: Listing of Cleared OTC London Gold Forwards (cash margin) and
Amendment to Title of Existing Cleared OTC London Gold Forwards**

Effective Sunday, April 1, 2012, for trade date Monday, April 2, 2012, and pending all relevant CFTC regulatory review periods, on behalf of the Commodity Exchange, Inc. (COMEX), the New York Mercantile Exchange, Inc. (NYMEX or Exchange) will list a Cleared OTC London Gold Forward (cash margin) contract for submission for clearing through CME ClearPort. The contract is listed with NYMEX, and subject to, the rules and regulations of NYMEX and COMEX.

The contract specifications are as follows:

Contract Title	Cleared OTC London Gold Forwards (cash margin)
Commodity Code	GBC
Contract Size	0.001 troy ounces
First Listed Month	April 2, 2012
Listing Period	Every good settlement day (daily) out 10 years from T+2, on LBMA calendar
Termination of Trading	Last trade date is first CME business day preceding delivery day
Minimum Price Intervals	\$0.001
Settlement Tick	\$0.001
Rule Chapter	1081

This contract will remain as a forward contract within the clearing environment. The contract will require physical delivery, as described below, and such delivery will occur at the original transaction price.

The clearing service being offered supports the over-the-counter (OTC) market which is based on standards established by the London Bullion Market Association (LBMA). The LBMA provides, inter alia, standards for the physical delivery of gold, generally referred to as *London Good Delivery* standards. In the existing OTC market, deliveries of gold can take one of two forms: *allocated gold*, which refers to the delivery of a certified good delivery gold bar at a registered vault; or *unallocated gold*, which refers to the delivery of gold held in an account with an LBMA member bank – the account represents a claim on the bank which can be met through the delivery of allocated good delivery gold. Cleared OTC London Gold Forward (cash margin) contracts will result in the delivery of unallocated gold via accounts maintained with LBMA member banks in London.

In line with OTC market practice, Cleared OTC Gold Forward (cash margin) contracts will be available for any market standard delivery date as defined by the LBMA – typically any day that is a business day in both London and New York that is mutually agreed to by buyer and seller, subject to a maximum valid delivery date determined by the Exchange.

Clearing Hours:

CME ClearPort: Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. Chicago Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT).

Fees:

For COMEX members:

Tier	Fee per ounce (\$)	Equivalent per 100 oz (\$)
T+1 (tom), T+2 (spot), T+3	0.0010	0.10
T+4 to 2 months (from spot)	0.0050	0.50
2 months to 6 months	0.0070	0.70
6 months to 10 years	0.0100	1.00

For members, the proposed minimum fee per trade is \$2.00

For non-members:

Tier	Fee per ounce (\$)	Equivalent per 100 oz (\$)
T+1 (tom), T+2 (spot), T+3	0.0015	0.15
T+4 to 2 months (from spot)	0.0075	0.75
2 months to 6 months	0.0105	1.05
6 months to 10 years	0.0150	1.50

For non-members, the proposed minimum fee per trade is \$3.00

Note: "Tom" is short for Tomorrow

The Exchange currently offers Cleared OTC London Gold Forwards (commodity code GB, rule chapter 334) which was listed in September 2009. The specifications of the new contract are identical to those of the existing contract with the exception of their margin methodologies. The new contract will require cash margin whereas the existing contract requires collateral margin.

In order to differentiate between the contracts, the Exchange is amending the title of the existing Cleared OTC London Gold Forwards to reflect its collateral margin methodology. The amended title provided below in black-line format will become effective on trade date April 2, 2012.

The Commodity Futures Trading Commission (CFTC) will be notified of the title amendment during the week of April 9, 2012, via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

(underline indicates addition)

Chapter 334: Cleared OTC London Gold Forwards (collateral margin)

Please refer questions on this subject to:

Research and Product Development:

Bob Biolsi
Joann Arena

Bob.Biolsi@cmegroup.com
Joann.Arena@cmegroup.com

+1 (212) 299-2610
+1 (212) 299-2356