

METALS

COMEX Gold Warrants

COMEX GOLD WARRANTS MAY BE PLEDGED AS COLLATERAL



Acceptable Collateral

CME Clearing accepts gold warrants registered with the Exchange issued by COMEX-approved depositories ("COMEX gold warrants"). Clearing member firms may pledge up to \$750 million in gold collateral (COMEX gold warrants & London gold bullion, collectively) as initial margin collateral to meet Base and IRS performance bond requirements in the House origin.

COMEX Gold Warrant details:

- Electronic document of title under the Uniform Commercial Code (UCC)
- Size: 100-troy ounces¹ and 400-troy ounces²
- Minimum purity: 99.5% fineness
- Each warrant issued by a COMEX depository references the brand and serial number.

Program Parameters:

- 15% haircut
- \$750 million post-haircut limit, inclusive of both COMEX gold warrants & London gold bullion

Contacts:

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 Deliveries at ClearingHouseDelivTeam@cmegroup.com

CME Systems Updates:

- Clearing members enter deposit and withdrawal transactions in Clearing 21, CME's Banking and Collateral Management system.
- Once the warrant transfer is reflected in Deliveries Plus, the deposit is finalized in Clearing 21.

COMEX Gold Depositories:³

- Brink's, Inc.
- Delaware Depository
- HSBC Bank, USA
- International Depository Services of Delaware
- JP Morgan Chase Bank NA
- Loomis International (US) Inc.
- Malca-Amit USA, LLC
- Manfra, Tordella & Brookes, Inc.
- The Bank of Nova Scotia

Stock Report:

The Gold Stock Report will include a separate line item for "Pledged_PB" inventory warehoused at each COMEX gold depository.

For further information related to processing and testing in Clearing 21, please contact Financial Operations at ClearingHouseFinancial@cmegroup.com

For further information related to the Gold Stock Reporting, please contact the Office of the Registrar at Registrar@cmegroup.com

1. Weight tolerance of 5% higher or lower per 100-troy ounce warrant.

2. Weight tolerance of 7.5% higher or 12.5% lower per 400-troy ounce warrant.

3. The list of Exchange approved COMEX gold depositories can be found in Chapter 7 of the NYMEX Rulebook. <https://www.cmegroup.com/content/dam/cmegroup/rulebook/NYMEX/1/7.pdf>



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Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience. All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and NYMEX rules. Current rules should be consulted in all cases.

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PM2828/0520