

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-483

Organization: Commodity Exchange, Inc. ("COMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/03/20 Filing Description: Decrease of Spot Month Position Limit, Single Month Accountability Level, and All Month Accountability Level of the Gold Kilo Futures Contract.

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected: See filing.

Rule Numbers: See filing.



Christopher Bowen
 Managing Director and Chief Regulatory Counsel
 Legal Department

December 3, 2020

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
 Office of the Secretariat
 Commodity Futures Trading Commission
 Three Lafayette Centre
 1155 21st Street, N.W.
 Washington, DC 20581

Re: CFTC Regulation 40.6(a) Rule Certification. Notification Regarding Decrease of Spot Month Position Limit, Single Month Accountability Level, and All Month Accountability Level of the Gold Kilo Futures Contract. COMEX Submission No. 20-483

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or the “Commission”) a decrease of the spot month position limit, single month accountability level, and all month accountability level of the Gold Kilo Futures (the “Contract”), effective on the close of business on Wednesday, December 30, 2020 and commencing with the January 2021 contract month and beyond. This submission shall be effective on Monday, December 21, 2020.

COMEX Rulebook
 Chapter 5
 (“Trading Qualifications and Practices”)
 Position Limit, Position Accountability, and Reportable Level Table
 (additions underscored; deletions ~~struck through~~)

Contract Title	Rule Chapter	CME Globex/ CME ClearPort Code	Reporting Level	Spot-Month Limit (In Net Futures Equivalents)	Single Month Accountability Level (In Net Futures Equivalents)	All Month Accountability Level (In Net Futures Equivalents)
Gold Kilo Futures	114	GCK	25	6,000 <u>1,000</u>	6,000 <u>2,000</u>	6,000 <u>2,000</u>

The Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the COMEX Rulebook (the “Table”) will be amended to reflect the decreased spot month position limit of the Contract. (See Exhibit A and Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the COMEX Rulebook with additions underscored and **bolded** and deletions ~~overstruck~~ (attached under separate cover.)

Consistent with Core Principle 3 of the Commodity Exchange Act, Appendix C of Part 38, the Exchange based the definition of deliverable supply on existing registered and eligible inventories at its Exchange approved depositories for Exchange delivery. Below is the guidance provided for in Appendix C.

The quantity of the commodity meeting the contract's delivery specifications that can reasonably be expected to be readily available to short traders and salable by long traders at its market value in normal cash marketing channels at the contract's delivery points during the specified delivery period, barring abnormal movement in interstate commerce¹.

As of October 31, 2020, the 3-year average monthly gold kilo inventory held at COMEX approved depositories totaled 599,033 troy ounces, the equivalent of 18,632 COMEX Gold Kilo Futures contracts. Gold kilo inventories have been generally trending lower over the past year. As of November 30, 2019, gold kilo stocks stood at 838,723 troy ounces, or 26,087 contract equivalents. As of November 18, 2020, gold kilo inventories held at COMEX approved depositories totaled 156,800 troy ounces, the equivalent of 4,877 COMEX Gold Kilo Futures contracts.

Exhibit A provides the Table in blackline format effective concurrently with this submission on December 21, 2020. Exhibit B provides the Table in blackline format effective on December 30, 2020 when January 2021 becomes the lead month. Exhibits A and B are provided under separate cover.

Inventory and Capacity of Exchange Approved Depositories

The table below provides the monthly average inventory level of gold kilo stocks for the most recent three-year period stored at Exchange approved depositories, which are located in Asia.

Inventory at Exchange-Approved Depositories, located in Asia

Month	Average of Registered (troy ounces)*	Average of Eligible (troy ounces)	Average of Total (troy ounces)	Average of Inventory (Contract Equivalents)
Nov-17		812,127	812,127	25,260
Dec-17		664,489	664,489	20,668
Jan-18		582,320	582,320	18,112
Feb-18		700,528	700,528	21,789
Mar-18		884,362	884,362	27,507
Apr-18		720,020	720,020	22,395
May-18		773,227	773,227	24,050
Jun-18		653,780	653,780	20,335
Jul-18		557,183	557,183	17,330
Aug-18		388,921	388,921	12,097
Sep-18		482,350	482,350	15,003
Oct-18		524,539	524,539	16,315
Nov-18		637,572	637,572	19,831
Dec-18		355,023	355,023	11,042
Jan-19		537,340	537,340	16,713
Feb-19		595,633	595,633	18,526
Mar-19		636,107	636,107	19,785
Apr-19		615,716	615,716	19,151
May-19		628,266	628,266	19,541

¹ <http://www.cftc.gov/ucm/groups/public/@lfederalregister/documents/file/2012-12746a.pdf>

Jun-19		711,402	711,402	22,127
Jul-19		789,158	789,158	24,546
Aug-19		846,396	846,396	26,326
Sep-19		825,781	825,781	25,685
Oct-19		738,287	738,287	22,963
Nov-19		799,317	799,317	24,862
Dec-19		770,992	770,992	23,981
Jan-20		635,657	635,657	19,771
Feb-20		668,727	668,727	20,800
Mar-20		411,178	411,178	12,789
Apr-20		486,487	486,487	15,131
May-20		490,758	490,758	15,264
Jun-20		417,127	417,127	12,974
Jul-20		471,082	471,082	14,652
Aug-20		457,957	457,957	14,244
Sep-20		166,870	166,870	5,190
Oct-20		128,521	128,521	3,997
3-year average		599,033	599,033	18,632

* During this three-year period, no eligible metal was earmarked for delivery against the Contract. Therefore, no metal was registered (placed on warrant) with the Exchange.

Source: CME Group

Based on this updated deliverable supply, effective with the January 2021 contract month and beyond, the Exchange shall decrease the spot month limit for the Contract from 6,000 contracts to 1,000 contracts which represents 5.37% of deliverable supply for the most recent 3-year period. In addition, COMEX shall decrease single month and all month accountability levels of the Contract from 6,000 contracts to 2,000 contracts (collectively, the “Rule Amendments”).

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act”) and identified that the amendments to the Table may have some bearing on the following Core Principle:

Contracts Not Readily Subject to Manipulation: The Contract is not readily subject to manipulation due to the deep liquidity and robustness in the underlying physical markets.

Position Limitations or Accountability: The speculative position limits for the Contract as demonstrated in this submission are consistent with the Commission’s guidance.

Availability of General Information: The Exchange will make publicly available the details of the Rule Amendments by publishing a Market Surveillance Notice (“MSN”) to the market. The MSN will also be available on CME Group’s website.

The Exchange certifies that the Rule Amendments comply with the Act and regulations thereunder. There were no opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – Amendments to COMEX Rulebook Chapter 5 Position Limit, Position Accountability, and Reportable Level Table (Effective December 21, 2020) (under separate cover)

Exhibit B – Amendments to COMEX Rulebook Chapter 5 Position Limit, Position Accountability, and Reportable Level Table (Effective close of business December 30, 2020) (under separate cover)

Exhibit A

**COMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
Position Limit, Position Accountability, and Reportable Level Table**

(under separate cover)
(Effective December 21, 2020)

Exhibit B

**COMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
Position Limit, Position Accountability, and Reportable Level Table**

(under separate cover)
(Effective close of business December 30, 2020)