

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 24-474

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

**Filing as a:**     **DCM**         **SEF**         **DCO**         **SDR**

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 12/09/24    **Filing Description:** Initial Listing of the 1-Ounce Gold 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:** See filing.

**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:**

**Rule Numbers:**

December 9, 2024

**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 40.2(a) Certification. Initial Listing of the 1-Ounce Gold Futures Contract.  
 COMEX Submission No. 24-474**

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the 1-Ounce Gold Futures contract (the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective Sunday, January 12, 2025, for trade date Monday, January 13, 2025.

<b>Contract Title</b>	<b>1-Ounce Gold Futures</b>
<b>CME Globex and CME ClearPort Code</b>	1OZ
<b>Rulebook Chapter</b>	131
<b>Settlement Type</b>	Financial
<b>Contract Size</b>	1 troy ounce
<b>Listing Schedule</b>	Monthly contracts listed any February, April, June, August, October and December falling within a 24-month period.
<b>Pricing Quotation</b>	U.S. dollars and cents per troy ounce
<b>First Listed Month</b>	February 2025
<b>Minimum Price Fluctuation</b>	\$0.25 per troy ounce
<b>Value per tick</b>	\$0.25
<b>Block Trade Minimum Threshold / Reporting Window</b>	25 contracts – subject to a minimum 15-minute reporting window
<b>Termination of Trading</b>	Trading in the contract shall terminate at the daily settlement time on the third last Exchange business day of the month prior to the contract month
<b>CME Globex Matching Algorithm</b>	First in First Out (FIFO)
<b>Trading and Clearing Hours</b>	<b>CME Globex Pre-Open:</b> Sunday 4:00 p.m. - 5:00 p.m. Central Time/CT Monday - Thursday 4:45 p.m. - 5:00 p.m. CT <b>CME Globex:</b> Sunday - Friday 5:00 p.m. CT with a daily maintenance period from 4:00 p.m. - 5:00 p.m. CT <b>CME ClearPort:</b> Sunday - Friday 5:00 p.m. - 4:00 p.m. CT with no reporting Monday - Thursday from 4:00 p.m. - 5:00 p.m. CT

Exhibit A provides COMEX Chapter 131. Exhibit B provides the Position Limit, Position Accountability, and Reportable Level Table (under separate cover). Exhibit C provides the COMEX Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table. Exhibit D provides the COMEX Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table. Exhibit E provides the Exchange fees. Exhibit F provides the Cash Market Overview and Analysis of Deliverable Supply. Exhibit G provides the Daily Settlement Procedure Document.

The Exchange reviewed the designated contracts market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Contract may have some bearing on the following Core Principles:

- **Availability of General Information**: The Exchange will publish information on the Contract’s specification on its website, together with daily trading volume, open interest and price information.
- **Contracts Not Readily Subject to Manipulation**: The Contract is based on a cash price series that is reflective of the underlying cash market and is commonly relied on and used as a reference price by cash market brokers and commercial market participants.
- **Compliance with Rules**: Trading in this Contract will be subject to Chapter 4 of the Exchange rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.
- **Prevention of Market Disruption**: Trading in the Contract will be subject to the Rules of COMEX which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the Contract proposed herein will be subject to monitoring and surveillance by CME Group’s Market Regulation Department.
- **Position Limitations or Accountability**: The speculative position limits for the Contract as demonstrated in this submission are consistent with the Commission’s guidance.
- **Financial Integrity of Contracts**: The Contract traded on the Exchange will be cleared by the CME Clearing House.
- **Execution of Transactions**: The Contract will be listed for trading on the CME Globex electronic trading and for clearing through CME ClearPort. The CME Globex electronic trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.
- **Trade Information**: All requisite trade information for the Contract will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Protection of Market Participants**: Chapter 4 contains multiple prohibitions precluding intermediaries from disadvantaging their customers and which apply to trading on all of the Exchange’s competitive trading venues.
- **Disciplinary Procedures**: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the Contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in this product are identified.

- **Dispute Resolution:** Disputes with respect to trading in the Contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all non-members to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a non-member is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.
- **Daily Publication of Trading Information:** Trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange certifies that the Contract complies with the Act, including regulations under the Act. There were no opposing views to this proposal.

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

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: COMEX Rulebook Chapter 131  
Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the COMEX Rulebook (attached under separate cover)  
Exhibit C: COMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table  
Exhibit D: COMEX Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table  
Exhibit E: Exchange Fees  
Exhibit F: Cash Market Overview and Analysis of Deliverable Supply  
Exhibit G: Daily Settlement Procedure Document

## Exhibit A

### COMEX Rulebook

#### Chapter 131 1-Ounce Gold Futures

**131100. SCOPE OF CHAPTER**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

**131101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the COMEX Gold Futures contract's settlement price for the corresponding contract month on the third last business day of the contract month.

**131102. TRADING SPECIFICATIONS**

The number of months open for trading at a given time shall be determined by the Exchange.

**131102. A. Trading Schedule**

The hours for trading shall be determined by the Exchange.

**131102. B. Trading Unit**

The contract unit shall be one (1) troy ounce. Each contract shall be valued at the contract quantity multiplied by the settlement price.

**131102. C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per troy ounce. The minimum price fluctuation is \$0.25 per troy ounce.

**131102. D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

**131102. E. Termination of Trading**

Trading shall terminate on the third last business day of the month prior to the contract month.

**131102. F. Special Price Fluctuation Limits**

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

**131103. FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following the termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

**Exhibit B**  
**COMEX Rulebook**  
**Chapter 5**  
**(“Trading Qualifications and Practices”)**  
**Position Limits, Position Accountability and Reportable Level Table**

(attached under separate cover)

**Exhibit C**  
**COMEX Rulebook**  
**Chapter 5**  
**(“Trading Qualifications and Practices”)**  
**Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table**

(additions underscored)

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Minimum Ticks
<u>1-Ounce Gold Futures</u>	<u>1OZ</u>	<u>\$10.00 per troy ounce</u>	<u>1000</u>	<u>40</u>	<u>Each leg evaluated as an outright</u>	

**Exhibit D**

**COMEX Rulebook**

**Chapter 5**

**(“Trading Qualifications and Practices”)**

**Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table**

(additions underscored)

Product	Rulebook Chapter	Commodity Code	Primary/Associated	Associated With	Dynamically Calculated Variant	Daily Price Limit
<u>1-Ounce Gold Futures</u>	<u>131</u>	<u>1OZ</u>	<u>Associated</u>	<u>GC</u>	<u>10% of Dynamically Calculated Reference Price</u>	<u>Daily Price Limit Table</u>



## **Exhibit E**

### **Exchange Fees**

<b>Exchange Fees</b>	<b>Member</b>	<b>Non-Member</b>
CME Globex	\$0.02	\$0.25
EFP	\$0.02	\$0.25
Block	\$0.02	\$0.25
EFR/EOO	\$0.02	\$0.25
<b>Processing Fees</b>	<b>Member</b>	<b>Non-Member</b>
Cash Settlement	\$0.02	\$0.25
Facilitation Fee		\$0.70
Give-Up Surcharge		\$0.05
Position Adjustment/Position Transfer		\$0.10

## **Exhibit F**

### **Cash Market Overview and Analysis of Deliverable Supply**

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the 1-Ounce Gold Futures contract (the “Contract”) as detailed below for trading on CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort.

<b>Contract Title</b>	<b>Rulebook Chapter</b>	<b>Commodity Code</b>
1-Ounce Gold Futures	131	1OZ

Appendix C to part 38 of the Commission’s regulations defines deliverable supply as “the quantity of the commodity meeting the contract’s delivery specifications that can reasonably be expected to be readily available to short traders and saleable by long traders at its market value in normal cash marketing channels at the derivative contract’s delivery points during the specified delivery period, barring abnormal movement in interstate commerce.”

#### **Stock Reporting Requirements**

Pursuant to the rules of the Exchange, each depository is required to report to the Exchange the level of Exchange grade inventory on a daily basis. The inventory shall include eligible and registered metal. Eligible metal shall mean all such metal that is acceptable for delivery against the respective Exchange futures contract (i.e., which meets the specifications and approved brands of the respective futures contract) for which a warrant has not been issued. Registered metal shall mean eligible metal for which a warrant has been issued. Specifically, on a daily basis, each depository is required to provide the Exchange (1) the total quantity of registered metal stored at the depository, (2) the total quantity of eligible metal stored at the depository, and (3) the quantity of eligible metal and registered metal received and withdrawn from the depository.

The inventory levels at all Exchange-approved depositories for gold are made publicly available daily on the Exchange website.<sup>1</sup> Further, the rules of the Exchange require an independent inventory audit to be performed annually to provide a comprehensive reconciliation of stocks stored at depositories with records maintained by both the Exchange and the depository.<sup>2</sup>

#### **Deliverable Supply Analysis for Gold**

The Exchange determined at this time to base its estimates of deliverable supply of gold on registered stock as well as such gold stock meeting all specifications of the Gold Futures (Code: GC) contract stored at Exchange approved depositories. The Exchange recognizes that gold is used as an investment vehicle and as such some gold stock may be held as a long-term investment. While surveys conducted indicated no clear consensus as to how much gold is dedicated to long term investments, the Exchange, in an effort to represent a conservative deliverable supply that may be readily available for delivery, made a determination to discount from its estimate of deliverable supply 50% of its reported eligible gold at this time.

---

<sup>1</sup> <http://www.cmegroup.com/market-data/reports/registrar-reports.html>

<sup>2</sup> <https://www.cmegroup.com/rulebook/NYMEX/1/7.pdf>

As of October 31, 2024, the gold inventory held at Exchange approved depositories totaled 17,133,368.992 troy ounces, the equivalent of 171,334 Gold Futures (Code: GC) contracts (contract size = 100 troy ounces). Exchange practice is to set spot month position limits at a maximum level of 25% of deliverable supply over the most recent three-year period. Deliverable supply is calculated as the sum of total reported registered gold with total reported eligible gold, after taking a 50% discount for eligible gold. Table 1 below shows the monthly average gold stocks in Exchange approved depositories for the most recent three (3)-year period in contract equivalents.

### Inventory in Exchange Approved Depositories for Gold

Table 1 below provides the monthly inventory average of registered and eligible gold stored at Exchange approved depositories for the period beginning November 2021 through October 2024.

Over the November 2021 through October 2024 period, the monthly average registered gold was 120,591 futures equivalent contracts. The monthly average eligible gold was 60,630 futures equivalent contracts accounting for a 50% discount. Based on the foregoing, the Exchange estimates monthly deliverable supply for the Gold Futures (Code: GC) contract at approximately 181,221 GC futures equivalent contracts.

**Table 1. Monthly Average Stock Levels at Exchange Approved Depositories for Gold (in Gold Futures (GC) Contract Equivalents)**

Month	Average of Registered (in contract equivalents)	Average of Eligible (with 50% reduction) (in contract equivalents)	Average Inventory Total (in contract equivalents)
Nov-21	176,586	78,369	254,956
Dec-21	177,723	80,997	258,721
Jan-22	175,850	79,716	255,566
Feb-22	172,939	76,879	249,818
Mar-22	175,910	80,987	256,897
Apr-22	183,227	87,834	271,061
May-22	180,960	88,305	269,265
Jun-22	175,555	82,355	257,911
Jul-22	160,863	78,461	239,324
Aug-22	143,286	72,803	216,089
Sep-22	132,790	68,757	201,547
Oct-22	121,216	67,611	188,828
Nov-22	111,876	64,007	175,883
Dec-22	115,639	58,759	174,398
Jan-23	110,896	57,949	168,845
Feb-23	110,096	54,645	164,741
Mar-23	111,227	51,541	162,768
Apr-23	122,902	48,623	171,525
May-23	122,340	51,960	174,300
Jun-23	117,201	54,688	171,889
Jul-23	118,574	52,193	170,767
Aug-23	114,721	51,988	166,709

Sep-23	107,724	51,128	158,851
Oct-23	100,428	50,645	151,073
Nov-23	100,712	49,164	149,875
Dec-23	102,558	48,973	151,530
Jan-24	94,586	52,046	146,632
Feb-24	84,493	50,522	135,015
Mar-24	78,064	50,249	128,314
Apr-24	75,257	50,518	125,775
May-24	74,722	50,541	125,263
Jun-24	79,551	48,337	127,887
Jul-24	79,250	49,199	128,449
Aug-24	78,587	48,036	126,623
Sep-24	75,142	47,605	122,748
Oct-24	77,826	46,281	124,106
<b>3-year Average</b>	<b>120,591</b>	<b>60,630</b>	<b>181,221</b>

Source: CME Group

The 1-Ounce Gold Futures contract is based on the Gold Futures (Code: GC) contract which is a referenced contract. The 1-Ounce Gold Futures contract terminates on the third last business day of the month prior to the contract month. As the 1-Ounce Gold Futures contract terminates prior to the spot month position limit effective period for the Gold Futures (Code: GC), spot month position limits are not applicable to the Contract. The Contract (which will aggregate into itself) shall have single and all month accountability levels of 800,000 contracts (which equates to 8,000 Gold Futures (Code: GC) contracts).

## **Exhibit G**

### **Daily Settlement Procedure Document**

#### **1-Ounce Gold Futures**

##### **Normal Daily Settlement Procedure**

The settlements in the 1-Ounce Gold futures (1OZ) are derived directly from the settlements of the full-sized Gold futures (GC), rounded to the nearest tradable tick.

Settlement prices for the 1-Ounce Gold futures (1OZ) may differ slightly from the "true" settlement price. These slight variances in settlements are the result of rounding due to differences in the minimum tick sizes between the 1-Ounce Gold futures (1OZ) and the full-sized Gold futures (GC) contracts. Additionally, the settlement price displayed on the CME Group Daily Bulletin matches that of the full-sized contracts for purposes of marking-to-market. The 1-Ounce Gold futures (1OZ) outright trade in .25 increments and the full-sized Gold futures (GC) outright trade in .1 increments.

##### **Example:**

If the GCZ2 settles 1772.1, then the 1OZZ2 would settle 1772.00.

The settlement procedure for the full-sized Gold futures (GC) can be found at the following link:

<http://www.cmegroup.com/trading/metals/files/daily-settlement-procedure-gold-futures.pdf>

##### **Additional Details**

1-Ounce Gold futures (1OZ) are cash settled upon expiration. For additional details, please see the COMEX Rulebook.