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27 October 2011

VIA E-MAIL

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

Re: Rule Certification. CME Clearing Europe limited. Submission # 11-395: Notification Regarding the Addition of a London Gold Forward Contract for Clearing Through CME ClearPort and the Addition of Associated New Rules to the CMECE Clearing Rules and CMECE Clearing Procedures

Dear Mr. Stawick,

CME Clearing Europe Limited ("CMECE" or "the Clearing House") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the addition of a new London Gold Forward contract for submission for clearing through CME ClearPort beginning at 12:00 midnight on Sunday, November 13, 2011, for trade date November 14, 2011. The first delivery date will be November 21, 2011.

The London Gold Forward contract will follow the same model as currently operates at CME Inc. and will be physically settled. This will be the first physically settled contract that CMECE will clear and therefore requires additional clauses to be added to the CMECE Clearing Rules and CMECE Clearing Procedures. These are mainly set out in a new Chapter 11 in the Clearing Rules and a new 'Delivery Procedures' section of the Clearing Procedures. The changes to the Rules and Procedures will be effective from November 14, 2011.

The specifications for the London Gold Forward contracts are summarised below. Full details can be found in the Appendix 1. The rule changes are set out in Appendix 2.

London Gold Forward

Description	Physically delivered gold forward contract. Delivery occurs through unallocated gold accounts at banks in London. Delivery takes place at the original agreed transaction price.
Contract Size	The contract size shall be one fine troy ounce, reportable in increments up to three decimals, or one thousandth of one fine troy ounce (i.e. 0.001 fine troy ounces).
Contract Days	A valid delivery day shall be a day that is a business day in both London and New York. London Gold Forwards shall be available for clearing for each valid delivery day, from the next delivery day from the current date, to and including the day that is ten calendar years from the 'spot' date (which is the day that is two valid delivery days from the current date).
Quotation	U.S. dollars and cents per fine troy ounce.
Minimum Price Increment	\$0.001 per fine troy ounce.

Last Trading Day	Last business day prior to the contract delivery day
Contract Settlement	Physically settled
Delivery Price and Delivery Value	The Delivery Price shall be the agreed transaction price, and the Delivery Value shall be such Delivery Price multiplied by the number of fine troy ounces to be delivered.

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).

COMPLIANCE WITH CORE PRINCIPLES

An analysis of the Core Principles has been conducted by CMECE business and compliance staff. The Core Principles set out below have been identified as potentially being impacted by the addition of the new contract and the associated rule changes; however we have concluded that their introduction will not affect CMECE’s ability to comply with the Core Principles. We have not listed the remaining Core Principles that, in our assessment, are unaffected.

FINANCIAL RESOURCES

CMECE meets the CFTC financial resources requirement and has default resources comprised of initial margin, a Guarantee Fund and legal powers of recourse under which clearing members are committed to provide additional funds if the Guarantee Fund is exhausted and losses remain uncovered. The risk management team has determined that the default resources currently available to CMECE are adequate and do not need to be increased as a result of introducing the new London Gold Forward contract or the rule changes. The margin for these products will be called in exactly the same way as for products already cleared by CMECE.

RISK MANAGEMENT

Through the collection of Margin under its Risk Management Procedures and the maintenance of Guarantee Fund (including CMECE’s commitment to the Guarantee Fund), CMECE will possess financial resources that, at a minimum, exceed the total amount that would enable CMECE to meet its financial obligations to its Clearing Members, notwithstanding a default by the Clearing Member creating the largest financial exposure for CMECE in extreme but plausible market conditions. The adequacy of CMECE’s default resources are stress tested on a daily basis.

The London Gold Forward contract will not require any changes in staff resources or monitoring. The risk management team has determined that the risk management procedures currently in place are therefore adequate and do not need to be changed in any way. The margin for these products will be called in exactly the same way as for products already cleared by CMECE.

SETTLEMENT PROCEDURES

The London Gold Forward contract will be the first physically delivered contract cleared by CMECE. As a result, CMECE has established rules that clearly state each of its obligations with respect to physical deliveries. These rules are asset out in the new chapter 11 of the rulebook and the new Delivery Procedures. CMECE has also established internal Operating Procedures. The CMECE Regulatory Compliance, Operations and Banking and Settlement teams have conducted an exercise to identify potential risks that may arise from the physical delivery process. In order to ensure that these risks are managed effectively, they are to be added to the internal operational risk controls referred to in section IV.A of the DCO application letter.

No opposing views have been expressed to CMECE by the governing board or committee members, members of the entity or market participants.

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act ("Act") and CFTC Regulation 40.6(a), CMECE hereby certifies that the attached contracts comply with the Act, including regulations under the Act.

CMECE certifies that this submission has been concurrently posted on the Clearing House's website at: <http://www.cmegroup.com/market-regulation/rule-filings.html> and <http://www.cmeclarineurope.com/membership/notices.html>.

CMECE shall provide, if requested by Commission staff, additional evidence, information or data that may be beneficial to the Commission in conducting a due diligence assessment of the filing and CMECE's compliance with any of the requirements of the Act or the Commission's regulations or policies thereunder.

If you require any additional information regarding this action, please do not hesitate to contact me on +44 20 3379 3136 or Anita.Collett@cmeclarineurope.com.

Sincerely,



Anita Collett
Head of Regulatory Compliance

Enclosure

APPENDIX 1

NEW COMMODITIES CONTRACT MODULE CHAPTER

Chapter 901

London Gold Forwards

90101. Description

90101.1 A London Gold Forward is a physically delivered gold forward contract. Delivery occurs through unallocated gold accounts at banks in London. Delivery takes place at the original agreed transaction price.

90101.2 The CME Clearing Europe commodity code shall be EGB.

90102. Contract Size

90102.1 The contract size shall be one fine troy ounce, reportable in increments up to three decimals, or one thousandth of one fine troy ounce (i.e. 0.001 fine troy ounces).

90103. Contract Days

90103.1 In respect of London Gold Forwards, a valid delivery day shall be a day that is a business day in both London and New York. London Gold Forwards shall be available for clearing for each valid delivery day, from the next delivery day from the current date, to and including the day that is ten calendar years from the 'spot' date (which is the day that is two valid delivery days from the current date).

90103.2 Where the agreed delivery day of a London Gold Forward is subsequently determined to fall on a day that is not a valid delivery day, the delivery day shall be the following valid delivery day, unless such day falls in the calendar month following the calendar month of the originally agreed delivery day, in which case the delivery day shall be the preceding valid delivery day.

90104. Prices

90104.1 Prices shall be quoted in U.S. dollars and cents per fine troy ounce.

90104.2 The minimum price fluctuation shall be \$0.001 per fine troy ounce.

90104.3 There shall be no maximum price fluctuation.

90105. Daily Settlement Prices

90105.1 The Clearing House shall establish settlement prices in respect of open positions for the purposes of position valuation and variation margin calculation, as described in the Clearing Procedures.

90106. Termination of Trading

90106.1 Trade submission shall cease on the last business day prior to the delivery day.

90106.2 On the last trading day, as described in 90106.1, the final time for trade submission shall be 4:00pm (London time).

90107. Liquidation Prior to Delivery Day

90107.1 Prior to the delivery day, offsetting long and short positions may only be closed out upon the request of the Clearing Member to the Clearing House, and in the manner prescribed by the Clearing House.

90108. Delivery Price and Delivery Value

90108.1 The Delivery Price shall be the agreed transaction price, and the Delivery Value shall be such Delivery Price multiplied by the number of fine troy ounces to be delivered.

90108.2 Notwithstanding 90108.1, the Clearing House may determine an alternative Delivery Price and Delivery Value in order to facilitate the netting of multiple contracts. In such cases however, the combined Delivery Value shall be the combined totals of the Delivery Values of the constituent contracts (combined to reflect the long or short nature of each constituent contract), and the revised Delivery Price applying to all constituent contracts shall equal the combined Delivery Value divided by the net number of fine troy ounces to be delivered.

90108.3 The Delivery Value shall be rounded to the nearest \$0.01, or in the case of an exact uneven multiple of \$0.005, to the nearest higher \$0.01. Such rounding shall occur once netting as described in 90108.2 has taken place.

90109. Delivery

90109.1 Contracts remaining open in respect of a specified delivery day shall result in the delivery through book-entry transfer of gold in 'unallocated' form via an account denominated in gold operated by a member of London Precious Metals Clearing Limited. Such gold shall represent metal which meets or exceeds the standards of the London Bullion Market Association within its Good Delivery Rules and Good Delivery Specifications for 'Loco London' delivery.

90109.2 On the last trading day, as described in 90106.1, by the time prescribed by the Clearing House, Clearing Members having either open long or open short positions shall notify the Clearing House of the following information:

(1) Clearing Members having open long positions (buyers) shall provide the following information in respect of each open position in a manner prescribed by the Clearing House:

(a) the name and address of the long Clearing Member's bank used for the acceptance of unallocated gold, and account number; and

(b) the name and address of the long Clearing Member's bank used for the payment of US dollars, and account number.

(2) Clearing Members having open short positions (sellers) shall provide the following information in respect of each open position in a manner prescribed by the Clearing House:

(a) the name and address of the short Clearing Member's bank used for the delivery of unallocated gold, and account number; and

(b) the name and address of the short Clearing Member's bank used for the receipt of US dollars, and account number.

90109.3 On the delivery day, Clearing Members having open short positions (sellers) shall authorise unallocated gold as specified in 90109.1 to be transferred to the account of the Clearing House, by the time as prescribed by the Clearing House.

90109.4 Subject to the notification to the Clearing House of all of the information specified in 90109.2(2) and successful fulfilment of the transfers described in 90109.3, the Clearing House shall transfer the Delivery Value to the account of the Clearing Member with the open short position as provided in accordance with 90109.2(2)(b) by the time as prescribed by the Clearing House, provided, however, that if the Clearing House is unable to do so by such time as a result of circumstances beyond its control, it will do so as soon as reasonably practicable.

90109.5 On the delivery day, Clearing Members having open long positions (buyers) shall authorise the payment of the Delivery Value, as described in 90108, by such method as prescribed by the Clearing House to the account of the Clearing House, by the time as prescribed by the Clearing House.

90109.6 Subject to the notification to the Clearing House of all of the information specified in 90109.2(1) and successful fulfilment of the transfers described in 90109.5 the Clearing House shall deliver unallocated gold to the account of the Clearing Member with the open long position as provided in accordance with 90109.2(1)(a) by the time as prescribed by the Clearing House, provided, however, that if the Clearing House is unable to do so by such time as a result of circumstances beyond its control, it will do so as soon as reasonably practicable.

APPENDIX 2

CHANGES TO THE CMECE CLEARING RULES AND CMECE CLEARING PROCEDURES

Additions are underlined, deletions are shown ~~struck-through~~.

CHANGES TO THE CMECE CLEARING RULES

New definitions added to Chapter 1: Definitions and Interpretations

Gold means either allocated or unallocated gold complying with the rules of the London Bullion Market Association relating to good delivery and fineness in effect from time to time as the context requires;

LPMCL means London Precious Metals Clearing Limited;

Precious Metal means Gold;

RTH Settlement Cycle means a settlement cycle as specified on our website at www.cmececlearingeurope.com;

Settlement Agent for Gold means a bank which is a member of the LPMCL and acts as a settlement and custodian bank in relation to the delivery and safekeeping of allocated or unallocated Gold (as the context requires);

Unallocated Precious Metals Account means an account held with one of the members of LPMCL for the purposes of holding unallocated Gold and shall include any sub-account opened within it;

Change to Rule 2.3.4(h)

- 2.3.4(h) the acts or omissions of, or an Insolvency Event affecting, any third party including any Settlement Bank, Custodian, Central Security Depository, settlement agent, provider of data or other services or systems to the Clearing House, warehouse, shipping station or similar organisation or entity that may be involved with a delivery of any physically settled Contract, or any of their affiliates, sub-contractors or delegates;

New Chapter 11

CHAPTER 11 CONTRACT PERFORMANCE

11.1 Cash Settlement

11.1.1 A Contract shall be settled only in cash on its expiration if pursuant to the applicable Contract Specification there is an obligation to make or receive a payment in cash.

11.1.2 Where a Clearing Member enters into a Contract subject to cash settlement and such Contract is not closed out prior to its expiration, the Clearing Member with an obligation to make a payment under the Contract shall pay all amounts due in accordance with the Contract Specification and the applicable Procedures.

11.2 Physical Delivery

11.2.1 A Clearing Member shall have in place all necessary arrangements with delivery facilities and/or settlement agents as described in the Delivery Procedures and/or the Contract Specification to facilitate the delivery of the underlying commodity, asset or instrument before the Clearing Member is eligible to clear a Transaction subject to physical delivery with the Clearing House.

11.2.2 A Contract shall be subject to physical delivery on its expiration if pursuant to the applicable Contract Specification there is an obligation to make or to take delivery of a commodity, asset or other such instrument, as described in the relevant Contract Specification.

11.2.3 Where a Clearing Member enters into a Contract subject to physical delivery and such Contract is not closed out prior to its expiration, the Clearing Member shall be liable to make delivery or receive delivery, as appropriate, of the commodity, asset or other such instrument and/or to make any corresponding cash payment in accordance with the Contract Specification and the applicable Procedures.

11.2.4 Where a Clearing Member enters into a Contract subject to physical delivery, the Clearing Member shall provide to the Clearing House all information relating to delivery facilities, locations, accounts and other relevant information as requested by the Clearing House to be used to fulfill delivery, as set out in the applicable Procedures.

11.3 Option Premium

11.3.1 A Clearing Member entering into a Transaction in respect of an option with an obligation to pay shall pay the option premium amount in accordance with the Contract Specification.

11.4 Delivery Failure

11.4.1 A Clearing Member shall ensure that any settlement and/or delivery obligations in respect of a Contract shall occur in accordance with the timings as described in the Contract Specification.

11.4.2 In the event a Clearing Member fails to perform its delivery obligations to the Clearing House:

(a) The Clearing Member shall indemnify the Clearing House in accordance with Rules 2.3.1 and 2.3.2:

(b) The Clearing House may declare an Event of Default in accordance with Rule 8.2.1: and

(c) The Clearing House may, at its absolute discretion, take any other action as it deems appropriate to remedy the delivery failure at any stage (including but not limited to the right to purchase or sell, as applicable, the commodity, asset or other such instrument subject to delivery).

11.4.3 Without prejudice to the generality of Rules 2.3.1 and 2.3.2, in the event a Clearing Member fails to fulfil its specific delivery obligations, the sole obligation of the Clearing House is to pay reasonable damages proximately caused by such delivery obligation failure to Clearing Members which are adversely affected by the delivery obligation failure, in an amount which shall not exceed the difference between the delivery price of the specific commodity and the reasonable market price of such commodity at the time delivery is required according to the Contract Specification. The Clearing House shall not be obliged to:

(a) make or accept delivery of the actual commodity; or

(b) pay any damages relating to the accuracy, genuineness, completeness, or acceptability of certificates, instruments, warehouse receipts, shipping certificates, or other similar documents.

11.4.4 For the avoidance of doubt, the Clearing House's liability in relation to the delivery failure will be limited to those liabilities as set out in the Rules.

11.4.5 Notwithstanding any provisions in the Rules, with respect to Contracts where delivery obligations are fulfilled directly between Clearing Members in accordance with the Procedures, the Clearing House shall have no obligation or liability to any Clearing Member or any other person relating to a failure to fulfil a delivery obligation unless it is notified by the Clearing Member that performed, or was in a position to perform its

delivery obligations, that a failure occurred, as soon as possible, but in no event later than sixty minutes after the time the delivery obligation was to have been fulfilled according to the Rules.

CHANGES TO CMECE CLEARING PROCEDURES

New Procedure

DELIVERY PROCEDURES

A. PRECIOUS METAL DELIVERY PROCEDURES

1 Introduction

- 1.1 These Precious Metal Delivery Procedures describe the delivery mechanics in respect of physically deliverable OTC Gold Forward Contracts as set out in the Contract Module and shall apply to Clearing Members entering into OTC Gold Forward Contracts with the Clearing House.
- 1.2 Delivery is effected by transferring unallocated Gold between the Unallocated Precious Metals Accounts of Clearing Members and the Clearing House.

2 Operating Times

- 2.1 OTC Gold Forward Contracts can be accepted for clearing on any day Business Day.

3 Unallocated Precious Metals Accounts

- 3.1 Clearing Members shall open and maintain one or more Unallocated Precious Metals Accounts in respect of unallocated Gold.
- 3.2 Clearing Members shall open and maintain Unallocated Precious Metals Accounts for the purposes of making delivery of unallocated Gold to and taking delivery of unallocated Gold from the relevant Unallocated Precious Metals Account of the Clearing House. Clearing Members shall provide the details of their Unallocated Precious Metals Accounts to the Clearing House before entering into OTC Gold Forward Contracts with the Clearing House. Clearing Members shall ensure that the Clearing House holds accurate and up to date details of their Unallocated Precious Metals Accounts at all times.
- 3.3 The Clearing House shall open and maintain Unallocated Precious Metals Accounts for the purposes of making delivery of unallocated Gold to and taking delivery of unallocated Gold from the relevant Unallocated Precious Metals Account of the Clearing Member. The Clearing House shall provide details of its Unallocated Precious Metals Accounts to Clearing Members entering into OTC Gold Forward Contracts with the Clearing House.
- 3.4 Clearing Members shall at all times comply with any applicable provisions of the LPMCL, any other applicable legislation and any applicable requirements, terms, conditions and procedures of any relevant bank in performing its obligations under OTC Gold Forward Contract. Each Clearing Member shall obtain and adequately maintain at all times such systems and technology as may be necessary in order to comply with such requirements.
- 3.5 Unallocated Precious Metals Accounts in respect of unallocated Gold shall be denominated in fine troy ounces of gold (to three decimal spaces).
- 3.6 Each Clearing Member with a requirement to deliver shall ensure that all unallocated Gold delivered is free and clear of all Encumbrances.

4 Delivery Process

- 4.1 Delivery under an OTC Gold Forward Contract is effected by the transfer of unallocated Gold in accordance with the terms of that Contract from the Unallocated Precious Metals Account of the seller to the relevant Unallocated Precious Metals Account of the Clearing House and from the relevant Unallocated Precious Metals Account of the Clearing House to the Unallocated Precious Metals Account of the buyer.

- 4.2 In order to effect the delivery of OTC Gold Forward Contract, the buyer shall pay cash to the Clearing House and send a transfer instruction to its Settlement Agent for Gold in order to receive Gold into its Unallocated Precious Metals Account. The Clearing House must receive such payment from the buyer before the Clearing House authorises the transfer of Precious Metal from its Unallocated Precious Metals Account to that of the buyer.
- 4.3 In order to effect the delivery of OTC Gold Forward Contract, the seller shall send a transfer instruction to its Settlement Agent for Gold in order to allow unallocated Gold to be transferred from its Unallocated Precious Metals Account to that of the Clearing House. The Clearing House must receive the Gold in its Unallocated Precious Metals Account before the Clearing House authorises payment to the seller.
- 4.4 The detailed delivery timings are set out in paragraph 6 below and are subject to any amendment to the operational arrangements of the Settlement Agent for Gold. The Clearing House shall notify Clearing Members of any such amendments where such amendments are known.
- 4.5 Offsetting positions for an Account or its related sub-account are held open until delivery and all open positions are netted during the delivery process. For the avoidance of doubt, offsetting positions in the House Account or in the Non-Segregated Client Account shall not be netted against offsetting positions in the Segregated Client Account.
- 4.6 In accordance with the terms stipulated by the LPMCL, the Settlement Agent for Gold acting for the Clearing House has reserved the right to reverse provisional or erroneous entries credited to the Unallocated Precious Metals Account of the Clearing House. In such circumstances, the Clearing House shall have the right to reverse or adjust any payments made in respect of such entries and to give such directions as appropriate to the Clearing Members who are counterparties to the corresponding OTC Gold Forward Contracts.

5 Third Parties

- 5.1 All payments relating to OTC Gold Forward Contract shall be made between the Clearing House and the Clearing Member. For the avoidance of doubt, the Clearing House will not make any payments to Clients. The Clearing Member should make separate arrangements for the payment of cash between itself and its Clients in relation to OTC Gold Forward Contract.
- 5.2 Unless otherwise instructed, the Clearing House delivers Precious Metal to, and receives the delivery of Precious Metal from, the Clearing Member's Unallocated Precious Metals Account for which the details have been provided to the Clearing House as described in paragraph 3.2 above. In respect of Precious Metals, the Clearing House may accept delivery from, and make delivery to, Unallocated Precious Metals Accounts of third parties notified by the Clearing Member to the Clearing House. Third party Unallocated Precious Metal Accounts may be used for any Client sub-account. For the avoidance of doubt, the Clearing Member is at all times responsible for the satisfactory performance of the OTC Gold Forward Contract (including completion of its and its nominated third parties' delivery and payment obligations). The Clearing House has no obligations or liabilities under the Rules to any person other than a Clearing Member.
- 5.3 The Clearing Member shall notify the Clearing House of Unallocated Precious Metals Accounts relating to any Client sub-accounts no later than 18:00 hours (London time) on the Business Day prior to delivery.

6 Delivery Timings

- 6.1 The Clearing House shall provide a report detailing delivery obligations for each Unallocated Precious Metals Account of the Clearing Member as soon as reasonably practicable after 18:00 hours (London time) on the Business Day prior to the delivery day. The report shall describe net flows of cash and Precious Metal relating to physically deliverable Precious Metal Contracts of the Clearing Member at the sub-account level.

6.2 The Clearing House shall send a SWIFT message to the Clearing Member in respect of cash and Precious Metal overnight prior to the delivery day.

6.3 For cash flows

6.3.1 A Clearing Member with a net requirement to pay cash to the Clearing House shall pay such cash from its Bank Account to the bank account of the Clearing House as part of the RTH Settlement Cycle but before 09:00 hours (London time) on the delivery day.

6.3.2 For Clearing Members with a net requirement to receive cash from the Clearing House:

(a) where such Clearing Member also has a net requirement to deliver Precious Metal to the Unallocated Precious Metals Account of the Clearing House, the Clearing House shall instruct its bank to pay cash to the Bank Account of the Clearing Member, upon receipt of confirmation that Precious Metal has been delivered to the Unallocated Precious Metals Account of the Clearing House; or

(b) where such Clearing Member does not also have a net requirement to deliver Precious Metal to the Unallocated Precious Metals Account of the Clearing House, the Clearing House shall instruct its bank to pay cash to the Bank Account of the Clearing Member, no earlier than 10:00 hours (London time) on the delivery day.

6.3.3 Provided that relevant Precious Metal deliveries have been made by the Clearing Member to the Clearing House, the Clearing House shall complete the payment of cash to the Bank Account of the Clearing Member, no later than 14:00 hours (London time) on the delivery day.

6.4 For Precious Metal flows

6.4.1 A Clearing Member with a net requirement to deliver Precious Metal to the Unallocated Precious Metals Account of the Clearing House shall complete such delivery, or shall ensure that such delivery is completed from the nominated third party account, by 13:00 hours (London time) on the delivery day.

6.4.2 For Clearing Members with a net requirement to receive Precious Metal from the Clearing House:

(a) where such Clearing Member also has a net requirement to pay cash to the Clearing House, the Clearing House shall deliver Precious Metal to the Unallocated Precious Metals Account of the Clearing Member, or its nominated third party account, upon receipt of confirmation that cash has been paid to the bank account of the Clearing House; or

(b) where such Clearing Member does not also have a net requirement to pay cash to the Clearing House, the Clearing House shall deliver Precious Metal to the Unallocated Precious Metals Account of the Clearing Member, or its nominated third party account, no earlier than 09:00 hours (London time) on the delivery day.

6.4.3 Provided that relevant cash payments have been made by the Clearing Member to the Clearing House, the Clearing House shall complete the delivery of Precious Metal to the Unallocated Precious Metals Account of the Clearing Member, or its nominated third party account, no later than 16:00 hours (London time) on the delivery day.

7 Early Close-out Prior to Delivery Day

- 7.1 Where the Clearing Member, or its Client, wishes to enter into a Transaction to close out a position prior to its delivery date, the Clearing Member shall enter into an opposing Transaction at the same transaction price as the original position. Where such a price does not represent a fair market value for the Transaction at the time of the offsetting Transaction, an additional cash payment will arise between the Clearing Member closing out and its trading counterparty to such Transaction.
- To ensure the early close out of positions, the Clearing Member shall make a request to the Clearing House that such positions are closed out at the time the offsetting Transaction is submitted for clearing and shall provide the following information to the Clearing House:
- 7.1.1 the Account and sub-account in which the Transactions have been placed (the offsetting Transaction must be in respect of the same Account and sub-account as the original position);
- 7.1.2 the transaction identifiers for the two offsetting Transactions;
- 7.1.3 the amount of Precious Metal to be closed out (subject to the maximum amount, being the lower of the two Transaction volumes); and
- 7.1.4 the amount and direction of any additional cash payment being made between the counterparties entering into the offsetting Transactions.
- 7.2 Such information should be provided in writing by email to clearingsupport@cmeclearingeuropa.com. Clearing Members should in addition contact the Clearing House by telephone to confirm instructions.
- 7.3 Where an additional cash payment is included, such payment may be made through the Clearing House settlement cycle.
- 7.4 If the cash payment is to be included in the Clearing House settlement cycle, the Clearing House shall confirm payment details with the counterparty Clearing Member. Positions will be closed out once the cash payment has been made in the settlement cycle.
- 7.6 If the cash payment is not to be included in the Clearing House settlement cycle, the Clearing Member shall provide verifiable information to the Clearing House demonstrating that such payment has been made between the counterparties. Positions will be closed out once the cash payment has been verified.