

Chapter 186 Zinc Futures

186100. SCOPE OF CHAPTER

This chapter is limited in application to physically delivered Zinc futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these Rules shall apply to all zinc bought or sold for future delivery on the Exchange.

The terms “seller” and “buyer” shall mean the seller of the physical product and the buyer of the physical product, respectively. Terms not specifically defined herein shall be defined in Chapter 7.

For purposes of these Rules, unless otherwise specified, times referred to herein shall refer to and indicate New York time.

186101. CONTRACT SPECIFICATIONS

The contract for delivery on futures contract shall be twenty five metric tons (25 MT) of zinc with a weight tolerance of 2% either higher or lower and must be an approved brand. Zinc meeting all of the following specifications shall be deliverable in satisfaction of futures contract delivery obligations under this rule:

Eligible zinc must consist of Special High Grade zinc of 99.995% purity and meeting the chemical composition of either ASTM B6-12 (Standard Specification for Zinc), BS EN 1179:2003 (Zinc and Zinc Alloys), ISO 752:2004 (Zinc ingots), or GB/T 470-2008 (Zinc ingots). Zinc being placed on warrant must be accompanied by a Certificate of Analysis. The Certificate of Analysis shall indicate the brand and the chemical composition of the zinc. If the aforementioned standards adopt a change in the standard specifications for the special high grade zinc and such change is adopted and confirmed by the Exchange, zinc conforming to the change so adopted, as well as zinc conforming to the previous specifications shall have been placed in a Warehouse prior to the date of the adoption and confirmation by the Exchange of the new specifications.

Zinc Futures is a duty unpaid contract. Eligible zinc shall be either duty paid or duty unpaid.

Each warrant shall consist of zinc from one producer and of one brand and shall consist of ingots of one shape and size unless different shapes and sizes are needed for bundle stability. Each bundle shall not exceed 1.5 metric tons (1.5 MT). The brand and grade reference must be marked on each ingot or each bundle must have a durable label indicating the brand and grade reference. The cast number must be marked on the bundle label, the top surface of the bundle or each ingot within the bundle.

Eligible zinc must consist of any of the Exchange's approved brand marks, as provided in Chapter 7, current at the date of delivery of the contract.

The zinc must be weighed by an approved weighmaster. A weight certificate shall be issued by the approved weighmaster

Warehouse must declare that the zinc meets the specification for delivery in fulfillment of a Zinc futures contract. Upon request from the warehouse, the seller's clearing member shall provide verification that the zinc is of an approved brand meeting the specification of the contract.

The electronic certificate shall reference a signed declaration of the warehouse, as to the origin of the zinc and the grade thereof; such declaration to be in the following form and maintained on file at the warehouse.

This is to certify that the brand of zinc covered by Warrant #..... issued by (Warehouse) is the product of (Producer) an approved refiner for delivery of zinc against the Commodity Exchange, Inc., Zinc futures contract and conforming to the specifications pursuant to the rules of the Exchange.

Any insurance coverage for registered zinc shall be the responsibility of the warrant holder.

186102. TRADING SPECIFICATIONS

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

18602.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

18602.B. Trading Unit

The contract unit shall be twenty five metric tons (25 MT).

18602.C. Price Increments

Prices shall be quoted in multiples of fifty cents (\$0.50) per metric ton. Price shall be quoted in dollars and cents per metric tons.

18602.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.

18602.E. Termination of Trading

No trades in Zinc futures deliverable in the current month shall be made after the third last business day of that month. Any contracts remaining open after the last trade date must be either:

(A) Settled by delivery which shall take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but no later than the last business day of the delivery month.

(B) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Rule 538. An EFRP is permitted in an expired futures contract until 12:00 p.m. on the business day following termination of trading in the expired futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

186103.-107. [RESERVED]

186108. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, bill of lading, check or document or instrument delivered pursuant to these rules.