**GOLD FUTURES RULES OF THE SHANGHAI FUTURES EXCHANGE**

**CHAPTER 1 GENERAL PROVISIONS**

**Article 1** These *Gold Futures Rules* are made in accordance with the *General Exchange Rules of the Shanghai Futures Exchange*, the *SHFE Gold Futures Contract Specifications*, and the relevant business rulesto regulate business related to gold futures at the Shanghai Futures Exchange (the “Exchange”).

**Article 2** These *Gold Futures Rules* shall be observed by the Exchange, Members, Clients, Delivery Storage Facilities, Designated Inspection Agencies, Futures Margin Depository Institutions, and other participants of the futures market.

**CHAPTER 2 TRADING**

**Article 3** Contract size for gold futures is one thousand (1000) grams per lot.

**Article 4** Price quotation of a gold futures contract is Yuan (RMB)/gram.

**Article 5** Minimum price fluctuation of a gold futures contract is zero point zero two (0.02) Yuan/gram.

**Article 6** Listed contracts of gold futures cover the most recent three (3) months and bimonthly contract for the most recent thirteen (13) months.

**Article 7** Trading hours of a gold futures contract are 9:00 a.m. to 11:30 a.m., 1:30 p.m. to 3:00 p.m., and other hours specified by the Exchange.

**Article 8** The last trading day of a gold futures contract is the 15th day of the contract month. The last trading day will be postponed accordingly if it is a legal holiday in China, and will be subject to separate adjustment and announcement by the Exchange if it falls in the Spring Festival month or any other month specially designated by the Exchange.

**Article 9** Contract symbol of gold futures is AU.

**Article 10** For the hedging and arbitrage quotas of a gold futures contract, regular months extend from the day of listing to the last trading day of the second month before the delivery month, while nearby delivery months cover the month before the delivery month and the delivery month.

**Article 11** An application for a regular month hedging quota of a gold futures contract shall be submitted by the last trading day of the second month before the delivery month of the contract. Late applications will not be accepted by the Exchange.

An application for a nearby delivery month hedging quota of a gold futures contract shall be submitted between the first trading day of the third month before the delivery month of the contract and the last trading day of the month before the delivery month. Late applications will not be accepted by the Exchange. An application for a nearby delivery month arbitrage quota of a gold futures contract shall be submitted between the first trading day of the second month before the delivery month of the contract and the last trading day of the month before the delivery month. Late applications will not be accepted by the Exchange.

**Article 12** Hedging quota of a gold futures contract shall no longer be used in a revolving manner starting from the first trading day of the delivery month.

**CHAPTER 3 DELIVERY**

**SECTION 1 GENERAL PROVISIONS**

**Article 13** A gold futures contract may be physically delivered through an Exchange of Futures for Physicals (“EFP”) or a delivery warehouse.

Gold futures adopt duty-paid delivery.

**Article 14** Grade and quality specifications

Domestic gold ingots with a gold content no less than 99.95% and standard gold ingots produced by a supplier or refiner certified by the London Bullion Market Association (LBMA) and recognized by the Exchange.

**Article 15** Deliverable commodities

(i) Domestic gold ingots shall be of a brand registered with the Exchange.

(ii) Imported gold ingots shall be produced by a supplier or refiner certified by the London Bullion Market Association (LBMA) and recognized by the Exchange.

**Article 16** Specifications

Deliverable gold ingots shall have a nominal weight of one thousand (1,000) grams (gold content no less than 99.99%) or three thousand (3,000) grams (gold content no less than 99.95%).

Gold ingots underlying each standard warrant shall consist of commodities of the same manufacturer, grade (designation), registered trademark, quality grade, and shape.

**Article 17** Packaging

Each gold ingot shall be wrapped with a clean paper or plastic film and placed in a wooden or plastic box. Gold products shall not be damaged or contaminated during transportation or storage.

**Article 18** Tolerance and pound difference for each gold ingot

A three-thousand-gram (3,000) gold ingot shall have a maximum weight (fine weight) tolerance of plus or minus fifty (±50) grams. The weight (gross weight) of a one-thousand-gram ingot shall be no less than one thousand (1,000) grams and any excess will not be counted.

Each gold ingot shall have a maximum pound difference of plus or minus one-tenth (±0.1) gram.

**Article 19** Inter-facility transport fees

To meet owners’ needs to take or make delivery of gold ingots at their selected warehouses, the Exchange is responsible for transporting gold ingots to or from any gold delivery warehouse. The Exchange will collect inter-facility transport fees from an owner via the carrying Member on the warrant effective day and the shipment notice day. Specific fee standards will be separately announced by the Exchange.

**Article 20** Storage fees for gold ingots will be regularly collected and paid via the Exchange.

**Article 21** Delivery unit

The delivery unit of a gold futures contract is the standard weight (fine weight) of three thousand (3,000) grams shown on the standard warrant.

**Article 22** Delivery venue: the gold delivery warehouses of the Exchange, to be separately announced by the Exchange.

**Article 23** A natural person Client shall not take physical delivery of gold.

**Article 24** Physical delivery against a contract shall be completed within the delivery period prescribed therein, which is the first business day immediately following the last trading day of the contract. This day is called the delivery day.

**Article 25** Delivery Procedures

(i) The seller submits standard warrants. Before 12:00 noon of the delivery day, the seller shall submit to the Exchange valid standard warrants with storage fees fully paid. The storage fees shall be paid by the seller till the delivery day (inclusive), after which the storage fees shall be borne by the buyer.

(ii) The Exchange assigns the standard warrants.

(iii) The buyer makes payment and receives the standard warrants. At the clearing on the delivery day, the exchange collects the buyer’s delivery payment through the in-house transfer system and releases the margin for the corresponding positions. The buyer will obtain the standard warrants after the clearing on the same day.

(iv) The seller receives payment. The Exchange transfers the delivery payment to the seller through the in-house transfer system at the clearing on the delivery day.

**SECTION 2 WAREHOUSE LOAD-IN AND LOAD-OUT**

**Article 26** Load-in application (delivery notice)

Before shipping any gold to a gold delivery warehouse, an owner shall submit a load-in application (delivery notice) to the Exchange, specifying such information as the product, trademark, grade, quantity, shipper, and proposed location of delivery. A Client shall authorize its carrying Member to submit the application.

**Article 27** Approval of load-in application

If storage capacity permits, the Exchange will designate a gold delivery warehouse within three (3) business days based on the owner’s intents. The owner shall ship gold to the gold delivery warehouse specified in the approved load-in application within the time period prescribed by the Exchange. Any gold ingots loaded in the vault without the approval of the Exchange or beyond the prescribed time period shall not be used for physical delivery.

**Article 28** Load-in inspection

(i) When domestic gold ingots arrive at a gold delivery warehouse, the load-in procedure shall be handled by the designated personnel from the manufacturer whose gold brand has been registered with the Exchange;

(ii) When imported gold ingots arrive at a gold delivery warehouse, the load-in procedure shall be handled by the designated personnel from the import bank;

(iii) If any spot gold ingots, at the same warehouse, are to be the underlying commodity for a new standard warrant, valid certificates and other relevant documents evidencing that the ingots are loaded in by corresponding manufacturer or import bank shall be provided; and

(iv) A gold delivery warehouse shall inspect and verify newly arrived gold ingots and relevant documents. The inspection consists of quality inspection and quantity (weight) inspection.

For domestic gold ingots:

(1) information in the certificate of quality issued by the manufacturer shall be taken as the result of quality inspection;

(2) quantity (weight) inspection at load-in

The gold delivery warehouse shall verify the certificate of quality and the packing list of the manufacturer, count the number of ingots, and re-weigh each one. If the pound difference falls within the allowable range, the weight of a three-thousand-gram ingot shall be the gross weight shown on the manufacturer’s certificate of quality and packing list. The gross weight of a one-thousand-gram ingot shall be no less than one thousand (1,000) grams and any excess will not be counted.

For imported gold ingots:

(1) information in the product label and relevant certificate of quality shall be taken as the result of quality inspection;

(2) quantity (weight) inspection at load-in

The gold delivery warehouse shall count the number of ingots and re-weigh each one. The weight of a three-thousand-gram ingot shall be that re-weighed by the gold delivery warehouse. The gross weight of a one-thousand-gram ingot shall be no less than one thousand (1,000) grams and any excess will not be counted.

**Article 29** Owner’s oversight of load-in

An owner shall oversee the load-in of its gold into the gold delivery warehouse, or otherwise be deemed to have agreed the inspection results of the warehouse.

**Article 30** Issuance of standard warrants

After the load-in and verification of gold ingots, a gold delivery warehouse shall issue standard warrants and the owner shall confirm them through the Standard Warrant Management System. The standard warrants will become effective upon owner’s confirmation, and their effective day is the date on which the confirmation is made. The Exchange settles the tolerance, if any, on the effective day or the first trading day thereafter.

**Article 31** Load-out

(i) An owner intending to take delivery shall submit a load-out application via the Standard Warrant Management System and select the location to take delivery. The Exchange will arrange a gold delivery warehouse in the selected location and will choose a shipment day from the five (5) business days following the receipt of the load-out application. The owner shall take delivery at the warehouse within two (2) business days from the shipment day. The Exchange will notify the owner of the shipment information through the Standard Warrant Management System in advance. This notice day will be deemed as the shipment notice day (and may coincide with the shipment day).

(ii) The Exchange will conduct tolerance settlement for the gold ingots to be loaded out on the shipment notice day.

(iii) When taking delivery, the owner shall enter the take-delivery password into the Standard Warrant Management System and provide a valid identification certificate. The gold delivery warehouse will ship the gold after verifying the identity of the delivery taker.

(iv) Completion of the *Load-Out Confirmation Form for Standard Warrant*

When shipping any gold, the gold delivery warehouse shall print out a *Load-out Confirmation Form for Standard Warrant* in duplicate, one for the owner and one for itself, and properly retain its copy for future examination.

(v) If the owner fails to take delivery at the warehouse after submitting the load-out application, corresponding standard warrants will be canceled and the underlying gold ingots will be converted to physical products. Fees related to the conversion shall be negotiated and settled between the owner and the warehouse.

**Article 32** Disputes over quality or quantity (weight)

If the delivery taker disputes the quality or quantity (weight) of the gold ingots delivered, he or she shall raise an objection during the physical delivery at the gold delivery warehouse and shall engage a Designated Inspection Agency to take samples from the gold ingots for quality or quantity (weight) inspection.

The inspection agency’s report on the quality or quantity (weight) of the gold ingots shall be final. If any quality or quantity (weight) problem is identified, the delivery taker shall, within five (5) business days of receiving the relevant inspection report issued by the Designated Inspection Agency, submit a written objection to the Exchange together with the inspection report. Where the delivery taker does not submit a written objection or relevant inspection report, he or she shall be deemed to have no objection over the delivered gold ingots and the Exchange will no longer handle any objection regarding the gold ingots thus delivered.

If the inspection result shows the quality or quantity (weight) complies with the contract specifications, the delivery taker shall assume relevant costs. If not, the party who is accountable for the non-compliance shall assume the liability of compensation and relevant costs.

**SECTION 3 DELIVERY SETTLEMENT, TOLERANCE SETTLEMENT AT LOAD-IN AND LOAD-OUT, AND INVOICING PROCEDURES**

**Article 33** Tolerance is the allowable difference between the fine weight of gold ingots underlying a standard warrant and the standard weight (fine weight) shown on the standard warrant during the deposit or withdrawal of gold ingots. Such difference can be either positive or negative. The standard warrant effective day is the tolerance settlement benchmark day for the load-in of gold ingots; the shipment notice day is that for the load-out of gold ingots.

Fine weight of a gold ingot = gross weight × gold content.

Tolerance = fine weight - standard weight (fine weight) shown on the standard warrant.

**Article 34** *Gold Settlement Special Invoice* refers to the common invoice printed with the approval of competent taxation authorities solely for gold delivery settlement and relevant tolerance settlement. The invoice consists of an invoice copy, a settlement copy, and a record copy.

**Article 35** Gold delivery settlement and invoicing procedures

(i) Delivery settlement of gold futures: the final settlement price for a gold futures contract is the arithmetic average price of the settlement prices of that contract over the last five (5) trading days on which it was traded. The buyer and the seller shall settle the contract at its final settlement price at the delivery settlement.

(ii) Settlement of delivery payment: delivery payment between the buyer and the seller shall be settled based on the standard weight (fine weight) shown on the standard warrant. The Exchange only conducts settlement for its Members only. A buyer (Client) shall make payment through its carrying Member, and a seller (Client) shall receive payment through its carrying Member.

The delivery payment shall be calculated as follows:

Delivery payment = quantity of standard warrants × standard weight (fine weight) shown on each standard warrant × final settlement price.

(iii) Delivery invoice: a common invoice will be issued at delivery.

(iv) Circulation of a delivery invoice: after the seller (Client or Non-FF Member) issues a general invoice to the Exchange, the Exchange will issue a *Gold Settlement Special Invoice* (invoice copy) to the buyer (Client or Non-FF Member), provide the settlement copy to the seller (Client or Non-FF Member), and retain the record copy.

Clients must exchange invoices and other documents with the Exchange via their carrying FF Members.

The seller shall submit the tax invoices specified by the Exchange within five (5) business days following the last trading day.

During the delivery period, if a seller’s carrying FF Member delivers the standard warrant according to applicable rules, the Exchange shall release the margin for the corresponding positions at the daily clearing. If the member fails to submit the tax invoice by market close on the third business day following the last trading day, the Exchange shall charge a margin no less than 15% of the final settlement price of the contract on the corresponding positions and release such margin after the member submits the invoice.

**Article 36** Tolerance settlement at load-in and invoicing procedures

(i) Tolerance settlement at load-in: any load-in tolerance of gold shall be settled at the settlement price of the nearest month gold futures contract listed on the Exchange on the trading day preceding the tolerance settlement benchmark day.

(ii) Documents related to tolerance settlement: for a positive tolerance, the gold depositor shall issue a general invoice to the Exchange; for a negative tolerance, the Exchange shall issue a Gold Settlement Special Invoice (invoice copy) to the depositor and retain the settlement copy and record copy.

(iii) The tolerance settlement payment shall be calculated as follows:

Tolerance settlement payment = tolerance × settlement price of the nearest month gold futures contract listed on the Exchange on the trading day preceding the tolerance settlement benchmark day.

**Article 37** Tolerance settlement at load-out and invoicing procedures

(i) Tolerance settlement at the load-out of a standard warrant that has not been used for physical delivery: when a Member or Client (delivery taker) takes delivery with such a standard warrant, any tolerance shall be settled at the settlement price of the nearest month gold futures contract listed on the Exchange on the trading day preceding the tolerance settlement benchmark day. For a positive tolerance, the Exchange shall issue a *Gold Settlement Special Invoice* (invoice copy) to the delivery taker and retain the settlement copy and record copy; for a negative tolerance, the delivery taker shall issue a general tax invoice to the Exchange;

(ii) Tolerance settlement at the load-out of a standard warrant that is acquired through physical delivery: when a Member or Client takes delivery with such a standard warrant, any tolerance shall be settled at the settlement price of the nearest month gold futures contract listed on the Exchange on the trading day preceding the tolerance settlement benchmark day. The competent taxation authority of the Exchange shall, on behalf of the Exchange, issue a special VAT invoice (the deduction copy) to the Member or the Client showing the actual delivery payment (consisting of the delivery payment and tolerance settlement payment) and the delivery quantity in accordance with the *Delivery Settlement Statement*, *Load-out Confirmation Form for Standard Warrant*, and *Tolerance Settlement Statement* provided by the Member or the buyer. The invoice copy and the bookkeeping copy of the special VAT invoice shall be retained by the Exchange. If the Member or the Client is not a VAT payer, no special VAT invoice will be issued.

(iii) The tolerance settlement payment shall be calculated as follows:

Tolerance settlement payment = tolerance × settlement price of the nearest month gold futures contract listed on the Exchange on the trading day preceding the tolerance settlement benchmark day.

**Article 38** The actual delivery payment of the buyer (Client or Member) consists of the delivery payment and tolerance settlement payment, the former shall be determined on a “Last In, First Out” basis. The unit price, value, and tax amount of a special VAT invoice shall be calculated as follows:

Actual delivery payment = delivery payment + tolerance settlement payment;

Actual settlement price = actual delivery payment ÷ delivery quantity;

Unit price of the invoice = actual settlement price ÷ (1 + VAT rate);

Value of the invoice = quantity × unit price of the invoice; and

VAT amount = value of the invoice × VAT rate.

**SECTION 4 EXCHANGE OF FUTURES FOR PHYSICALS**

**Article 39** If standard warrants are used in the EFP, the commodity payment and the handover of standard warrants shall be exchanged on the Exchange by 2:00 p.m. on the first trading day after the EFP Application Day. The trading margin for the EFP shall be calculated based on the settlement price of the delivery month contract on the trading day preceding the EFP Application Day.

**Article 40** If standard warrants are used in the EFP, the seller shall submit a common invoice to the Exchange within five (5) working days after completing the EFP procedures. The Exchange shall issue a common invoice to the buyer and release the seller’s corresponding trading margin on the first business day after it receives the seller’s invoice.

Any failure to submit the common invoice within the prescribed time period shall be handled in accordance with the provisions of the *Clearing Rules of the Shanghai Futures Exchange* on the late submission of special VAT invoices.

**Article 41** Delivery payment for an EFP settled via the Exchange shall be made through in-house transfer.

**CHAPTER 4 RISK MANAGEMENT**

**Article 42** The minimum trading margin for a gold futures contract is 4%.

**Article 43** The stage-based trading margin rates for gold futures are as follows:

|  |  |
| --- | --- |
| **Stage of Trading** | **Trading Margin** |
| As of listing | 4% |
| As of the first trading day of the month prior to the delivery month | 10% |
| As of the first trading day of the delivery month | 15% |
| As of the second trading day prior to the last trading day | 20% |

**Article 44** The range of price limit for a gold futures contract is within ±3% of its settlement price of the preceding trading day.

**Article 45** Percentage-based Position Limit and fixed-amount Position Limit for each gold futures contract at different stages of trading for an FF Member, a non-FF Member and a Client are as follows (in lots):

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | From the date of listing to the delivery month | | From the date of listing to the last trading day of second month prior to the delivery month | | The first month prior to the delivery month | | Delivery month | |
| Total open  interest | Percentage-based position limit (%) | Fixed-amount position limit (in lots) | | Fixed-amount position limit (in lots) | | Fixed-amount position limit (in lots) | |
| FF Member | Non-FF Member | Client | Non-FF Member | Client | Non-FF Member | Client |
| gold | ≥80,000 | 25 | 18,000 | 9,000 | 5,400 | 2,700 | 1,800 | 900 |

Note: total open interest and the fixed-amount position limit are based on long or short positions; Percentage-based position limit for the FF Member is the baseline limit.

**Article 46** For contracts in gold futures, by the close of the last trading day of the month prior to the delivery month, each Member or each Client shall adjust their speculative positions held through the Member, to multiples of three (3) lots and a one-day delay is allowed under special market conditions; in the delivery month, the speculative positions as well as newly opened and closed-out positions shall be held in multiples of three (3) lots.

**Article 47** If the Exchange makes a forced position reduction to a gold futures contract, the amount of the unfilled orders subject to the order fill, positions eligible to fill the unfilled orders, and the principles and methods for the order fill of unfilled orders shall be determined as follows:

(i) Amount of the unfilled orders subject to the order fill. The term “amount of unfilled orders subject to the order fill” means the total amount of all the unfilled orders submitted after the close of the base date at the limit price into the central order book by each Client who has incurred losses on net positions in the contract of an average level of no less than six percent (6%) for gold futures contracts, of the settlement price of the base date.

(ii) Positions eligible to fill the unfilled orders. The positions eligible to fill the unfilled orders include the net positions, on which the Client, as calculated using the above formula stipulated in the Risk Management Rules of the Shanghai Futures Exchange, records average gains for speculative purposes or for hedging purposes at no less than six percent (6%).

(iii) Principles for the order fill of unfilled orders. The order fill of unfilled orders shall take place in the order of the following four levels with regard to the amount of gains and whether such positions are speculative or hedging:

Level 1: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of any Client with average gains on net positions of no less than six percent (6%) of the settlement price on the base date for the contracts in gold futures, or the Speculative Position Gains of Over 6%;

Level 2: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of any Client with average gains on net positions of no less than three percent (3%) but no more than six percent (6%) of the settlement price on the base date for contracts with respect to gold futures, or the Speculative Position Gains of Over 3%;

Level 3: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of a Client with average gains on net positions of no more than three percent (3%) of the settlement price on the base date for contracts in gold futures, or the Speculative Position Gains Below 3%; and

Level 4: Unfilled orders shall be filled with the hedging positions eligible to fill the unfilled orders of a Client with average gains on net positions of no less than six percent (6%) of the settlement price on the base date for contracts in gold futures, or the Hedging Position Gains of Over 6%.

(iv) Methods for the order fill of unfilled orders. If the amount of the Speculative Position Gains of Over 6% is greater than or equal to that of the unfilled orders, the unfilled orders shall be filled pro rata to the amount of the Speculative Position Gains of Over 6%. If the amount of the Speculative Position Gains of Over 6% is smaller than that of the unfilled orders, the Speculative Position Gains of Over 6% shall be filled pro rata to the amount of the unfilled orders. The residual unfilled orders, if any, shall be filled with the Speculative Positions Gains of Over 3% in the same manner as the foregoing, and if there are still orders remaining, the outstanding unfilled orders shall be filled to the Speculative Position Gains of Below 3%, and so to the Hedging Position Gains of Over 6%. Unfilled orders which eventually remain after all the order fills described above, if any, shall not be filled at all.

**CHAPTER 5 MISCELLANEOUS**

**Article 48** Matters not covered herein shall be governed by the applicable business rules of the Exchange.

**Article 49** For the purpose of these *Gold Futures Rules*, “gross weight” of a gold ingot refers to its weight excluding packaging; “fine weight” refers to its weight of pure gold, fine weight = gross weight × gold content (fineness).

**Article 50** Any violations of these *Gold Futures Rules* will be handled by the Exchange in accordance with the *Enforcement Rules of the Shanghai Futures Exchange*.

**Article 51** The Exchange reserves the right to interpret these *Gold Futures Rules*.

**Article 52** These *Gold Futures Rules* take effect on July 16, 2025.