PMEX 100 Tola Gold Futures Contract Specification

Trading hours	Hours of Trading in the PMEX 100 Tola Gold Contract for future delivery shall be Monday to Friday (excluding Exchange specified holidays): Normal Trading Session: 05:00 am to 02:00 am PST On the last trading day of a contract normal trading will end at 4 pm
Unit of Trading	100 Tola (1Tola =11.664gms)
Delivery Unit	In lots of 100 Tola or multiples thereof.
Trading System	PMEX ETS
Tick Size	Re. 1
Deliverable Grade & Quality	In fulfilment of each contract, Sellers must deliver refined Gold assaying not less than 999.0 fineness cast in 10 Tola Bars. Only deliveries from exchange approved Refiner's meeting the 'Good Delivery' criteria approved by the Exchange will be accepted.
Price Quotation	The unit of price quotation for Gold will be in Rupees per Tola with 999.0 fineness Ex Karachi, excluding freight, customs duty, taxes and other levies payable at the time of import and exclusive of General Sales Tax, if applicable.
Active Contracts	At any date, a minimum of 3 concurrent month contracts will be active.
Delivery Centers	Karachi, at designated Exchange facilities.
Opening Date	Trading in any contract month will open, at the latest, on 1st day of the month, 3 months prior to the contract month e.g. September 2008 contract opens on 1st June 2008. If 1st is an Exchange holiday, trading will commence on the next working day.
Last Trading Day	Contracts will expire on the 3rd Wednesday of the respective month. If the 3rd Wednesday is an Exchange holiday the following business day will be the last trading day.
Notice Period	100 Tola Gold futures contract is deliverable; however, Physical Delivery will be dependent on Intention Matching between Sellers and Buyers. Sellers and Buyers with open positions who intend to make and take delivery will be required to inform the Exchange two trading days prior to the last trading day (E-2, where E refers to the expiration day) of their intention to deliver and receive delivery along with the quantity. Open positions where intentions have been received will be matched randomly by the Exchange on the date of the expiration [E] of the contract and will be bound to settle by physical delivery in three working days [excluding Saturdays, Sundays and Public Holidays] from the date of expiration of the contract [E]. In the absence of any notification received by the Exchange from Sellers and Buyers with open positions at expiry, all such positions at the expiration of the contract will be cash settled at the final settlement price as determined by the Exchange. Once Exchange has communicated final delivery obligations, any failure to deliver by the Seller or taking delivery by the matched Buyers will result in a penalty prescribed by the Exchange.
Delivery Period	The first delivery date shall be the first business day after the last trading day of the contract month and the last delivery day will be by 3.00 pm on the third business day after the last trading day or expiration of the contract.
Daily Settlement Price	The Daily settlement price shall be the consensus price determined during the closing session. Exchange can also determine the daily settlement price in the manner and the conditions described herein or in such other manner as may be determined by the Exchange and notified at the time of opening of contract: - Value Weighted Average Price - Theoretical Futures Price based on the international spot price of Gold and PKR/USD exchange rate that have been obtained in the manner notified by the exchange.
Final Settlement	Final Settlement Price will be determined by the Exchange at the maturity of the

Price	Contract and will be based on the international spot price of gold, at the time of expiry of the contract and converted to Rs/ tola at USDPKR exchange rate on the day obtained in the manner notified at the time of opening of contract.
Freight, Taxes & Duties etc	Freight, all duties, taxes, etc. up to the point of sale of physical Gold will have to be fully paid by the Seller to the concerned authority and all documentation fully complying with Exchange procedures should be completed before delivery of Gold to the Exchange approved Logistic Agency. After submission and subsequent verification by the Exchange, matched Buyers will be required to pay freight and taxes incurred by the Sellers as part of their Final Pay-in Settlement Amount.
Price Fluctuation	Maximum price fluctuation is +/- 5% of the last trading day's settlement price or as determined and notified by the Exchange.
Position Limit	200 contracts per Broker (including proprietary and all its clients) and 50 contracts per Client and Broker's proprietary position. At any point in time a Broker shall not have outstanding position of more than the number of contracts as specified by the Exchange, collectively on his own and on account of his Clients. If such a position is acquired in different maturity contracts of the same commodity, his outstanding position in different maturity contracts shall be added together, and not netted off, for the purpose of such outstanding position limit. All violations of position limits will also attract fines as defined by the Exchange.
Margin Requirement	The amount of margin payable by Brokers in respect of their outstanding contracts in Gold shall be determined by the Exchange. Exchange will amend margin requirement whenever necessary or required due to changes in market conditions and risk management principles. Margins on all open positions in Gold futures contracts with different maturities shall be on the basis of gross positions.
Initial Margin	Initial Margin will be based on VaR methodology at 99% Confidence Interval over a 1-day Time Horizon, rounded up to the nearest 0.25%.
Delivery Margin	Delivery margin may be imposed in increments of 5% per day on all open positions starting at two days prior to expiration [E- 2], such that delivery margin payable on last trading day will be 10%. Delivery Margin shall replace the Initial Margin. However, delivery margin will be applicable only on those open positions for which intention to make or take delivery would have been received.
Special Margin	Exchange reserves the right to impose special margins for short duration of time during periods of increased or excessive volatility. Special margins will be computed by increasing the look-ahead period, reducing sample size, or by changing any other parameters used in the VaR methodology.
Spread Discounts	Positions in two offsetting PMEX 100 tola Gold Futures Contract with different expirations will be eligible for a spread discount.
Spread Contracts	PMEX may list spread contract on the 1st of every month through final expiration being the 3rd Wednesday of the Month.
Further Regulations	This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange.