



## MEDIA RELEASE

# Singapore Kilobar Gold Contract To Launch in October 2014

**Singapore, Monday, 29 September 2014**

International Enterprise (IE) Singapore, Singapore Bullion Market Association (SBMA), Singapore Exchange (SGX) and the World Gold Council, today announced that the new exchange-traded Singapore Kilobar Gold Contract ("Contract") will launch on Monday, 13 October 2014.

The Contract is the first wholesale 25 kilobar gold contract to be offered globally and is the result of a successful collaboration among the four parties. The Contract caters to the continuing strong demand for physical gold in Asia, which has increased significantly over the last decade. Its introduction underpins the creation of a centralised kilobar gold market, characterised by real-time transparent price discovery, daily expiration with physical delivery and robust verification of quality gold.

The launch of this world-first kilobar gold contract is a significant step towards establishing Singapore as a regional precious metals trading hub. The Contract will assist global suppliers of gold to better access markets across Asia and contribute to an increasingly efficient, transparent and trusted gold market.

It will also encourage a more developed gold market in South East Asia, while cementing Singapore's role as a driving force behind the growth of the industry.

The Contract is based on kilobar gold of at least 99.99% fineness of an Approved Brand, attested by the Gold Delivery Agent, freshly minted from an Approved Refinery from a SBMA gold delivery list, packed and sealed by the Approved Vault Operator in tamper-evident boxes, each containing 25 bars of a single Approved Brand. The Approved Brand and Approved Refineries are based on the SBMA's Good Delivery List.

Brink's Singapore Pte Ltd has been appointed as an Approved Vault Operator and its approved vault is at The Singapore Freeport. Banks supporting the development of the contract include JPMorgan Chase Bank, Standard Bank Plc Singapore Branch, Standard Chartered Bank and The Bank of Nova Scotia. (Please see Appendix A for further details of the Contract).

The Contract is another significant development for Singapore following its exemption of Goods and Services Tax (GST) on investment precious metals (IPM) in October 2012.

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## APPENDIX A

### SUMMARY OF KEY CONTRACT SPECIFICATIONS

<b>Product Name</b>	Singapore Kilobar Gold Contract
<b>Ticker Symbol</b>	GD_01 to GD_31 e.g., GD_14V14 would mean a contract expiring on 14 Oct 2014
<b>Contract Size</b>	1 lot = 25 kilogrammes
<b>Price Quotation</b>	US dollars per gramme
<b>Minimum Price Fluctuation</b>	0.005 US dollars per gramme (Tick value = US\$125 per lot)
<b>Contract Days</b>	6 consecutive Singapore business days
<b>Trading Day</b>	Any Singapore business day
<b>Trading Hours (Singapore Time)</b>	<ul style="list-style-type: none"> <li>• Pre-Open: 8.15 am – 8.28 am Non-Cancel: 8.28 am – 8.30 am</li> <li>• Open: 8.30 am to 11.25 am</li> <li>• Pre-Close : 11.25 am – 11.29 am Non-Cancel : 11.29 am – 11.30 am</li> </ul>
<b>Daily Price Limits</b>	No price limits
<b>Last Trading Day</b>	The same Singapore business day as the relevant Contract day, unless the Exchange knows, prior to the expected last trading day, that the expected last trading day will not be a business day, in which case the last trading day will be the business day following the expected last trading day.
<b>Position Limits</b>	A person shall not own or control more than the equivalent of 60 lots in respect of the First Contract Day, or 200 lots in respect of any other Single Contract Day, or 200 lots in respect of all Contract Days combined.
<b>Margins</b>	Initial and maintenance margins will be required, similar to existing futures trading requirements. Margins are set according to SPAN margin methodology.
<b>Final Settlement</b>	<p>The contracts are settled by physical delivery. Delivery Obligations entail the:</p> <ul style="list-style-type: none"> <li>• Delivery of Kilobar Gold by the Seller through its Selling Member; and</li> <li>• Payment of the full Contract Value of the Delivery Lot by the Buyer through its Buying Member.</li> </ul> <p>The transfer of Kilobar Gold from Seller to Buyer is to be effected through the Seller's and Buyer's respective Kilobar Gold Accounts.</p>
<b>Kilobar Gold Accounts</b>	Kilobar Gold Accounts are accounts maintained on an allocated basis with an Approved Vault Operator to maintain holdings and to make and take delivery of Kilobar Gold underlying the Contract.

	These accounts can be opened and held either directly with the Approved Vault Operator, or indirectly through direct account holders such as Gold Delivery Agents or SGX Clearing Members.
<b>Gold Delivery Agents</b>	SBMA Category 1 Members or such other person appointed by the Clearing House
<b>Approved Vault Operator</b>	Brink's Singapore Pte Ltd
<b>Approved Vault</b>	The vault operated by Brink's Singapore Pte Ltd at The Singapore Freeport
<b>Quality Specifications of Kilobar Gold</b>	<ol style="list-style-type: none"> <li>1. Cast in one kilogramme bars of an Approved Brand (Approved Brand based on SBMA Good Delivery List)</li> <li>2. 99.99% fineness</li> <li>3. Does not constitute Conflict Gold</li> <li>4. Originates from an Approved Refinery (Approved Refinery based on SBMA Good Delivery List)</li> <li>5. Packed and sealed in accordance with SGX's requirements by the Approved Vault Operator, one Approved Brand per box of 25 bars</li> <li>6. Verified to meet the above specifications by a Gold Delivery Agent</li> <li>7. To be deliverable or re-sold under this contract, Kilobar Gold must NOT have been removed from the Approved Vault and its original box seal must not have been broken.</li> </ol>
<b>Delivery Lot</b>	25 bars of Kilobar Gold
<b>Delivery Period</b>	LTD + 2
<b>Delivery Documents</b>	<p>All deliveries must be accompanied by the following documents issued by the Approved Vault Operator</p> <ol style="list-style-type: none"> <li>1. Confirmation Note</li> <li>2. Earmark Confirmation</li> </ol>
<b>Failed Delivery</b>	Outstanding positions that are not settled by physical delivery will be cash settled. A penalty of 10% may be levied on the defaulting member for failing to fulfil delivery obligations.
<b>Price Information</b>	<p>Bloomberg: GDDAILY Comdty CT&lt;GO&gt; Reuters: GD_ddmyy,344</p>

## **About International Enterprise Singapore**

International Enterprise (IE) Singapore is the government agency driving Singapore's external economy. It spearheads the overseas growth of Singapore-based companies and promotes international trade.

Trade has always been the backbone of Singapore's economy. In addition to promoting export of goods and services, IE Singapore also attracts global commodities traders to establish their global or Asian home base in Singapore. Today, Singapore is a thriving trading hub with a complete ecosystem for the energy, agri-commodities and metals & minerals trading clusters.

Renowned worldwide for their dedication to quality and innovation, Singapore-based companies make ideal business partners. With its global network in over 35 locations spanning many developed and emerging markets, the agency connects businesses with relevant Singapore-based companies for their business expansion by:

- helping to identify and cultivate relationships with Singapore-based partners that have a pan-Asian or global presence
- keeping companies abreast of the latest business trends and opportunities in Asia

Visit [www.iesingapore.com](http://www.iesingapore.com) for more information.

## **About Singapore Bullion Market Association**

The SBMA was first formed in 1993 and currently has a membership base of 27 corporate members from the gold industry. The Executive Management Committee was formed on 2 April 2012 comprising of the following members, World Gold Council, J.P. Morgan, Standard Chartered Bank, Standard Merchant Bank (Asia) Limited, ANZ Banking Group Ltd, The Singapore Mint, Metalor Technologies Singapore Pte Ltd, UOB Ltd and Brink's Singapore Pte Ltd.

Visit [www.sbma.com.sg](http://www.sbma.com.sg) for more information.

## **About Singapore Exchange**

Singapore Exchange (SGX) is the Asian Gateway, connecting investors in search of Asian growth to corporate issuers in search of global capital. SGX represents the premier access point for managing Asian capital and investment exposure, and is Asia's most international exchange with more than 40% of companies listed on SGX originating outside of Singapore. SGX offers its clients the world's biggest offshore market for Asian equity index futures, centred on Asia's three largest economies – China, India and Japan.

In addition to offering a fully integrated value chain from trading and clearing, to settlement and depository services, SGX is also Asia's pioneering central clearing house. Headquartered in Asia's most globalised city, and centred within the AAA strength and stability of Singapore's island nation, SGX is a leading Asian counterparty for the clearing of financial and commodity products.

For more information, please visit [www.sgx.com](http://www.sgx.com)

## **About World Gold Council**

The World Gold Council is the market development organisation for the gold industry. Working within the investment, jewellery and technology sectors, as well as engaging in government affairs, our purpose is to provide industry leadership, whilst stimulating and sustaining demand for gold.

The World Gold Council develops gold-backed solutions, services and markets, based on true market insight. As a result, it creates structural shifts in demand for gold across key market sectors.

The World Gold Council provide insights into the international gold markets, helping people to better understand the wealth preservation qualities of gold and its role in meeting the social and environmental needs of society.

Based in the UK, with operations in India, the Far East, Europe and the US, the World Gold Council is an association whose members include the world's leading and most forward thinking gold mining companies. Visit [www.gold.org](http://www.gold.org) for more information.