

**17 February 2021**

**Appointment of Responsible Manager and Compliance Manager for our gold and precious metals commodities businesses.**



William (Bill) Purpura  
Chairman - **COMEX Governors Committee**  
Principal - **GLT DIRECT DMCC**  
Responsible Manager and Compliance Manager – **The Merkin Group, Australia**

Merkin Advisory Pty Ltd announce and welcome Mr William (Bill) Purpura's appointment as both our Responsible Manager and Compliance Manager for our gold and precious metals commodities businesses.

Merkin Advisory have been working with Mr Purpura through his firm GLT Direct, based in the DMCC in the UAE, since September 2020 as a facilitator as well as a senior consultant to the gold and precious metals and liquid commodities business.

William Purpura has been involved in the gold and precious metals markets since 1976 and currently is serving his fourth term as Chairman of the COMEX Governors.

He is Principal at GLT Direct DMCC and Managing Partner at GLT Group LLP in the USA.

Mr. Purpura traded gold in Chicago until 1983 when he was approved as a member of COMEX in New York. In 1987 he co-founded Great Lakes Metals which became one of the largest brokers and trading firms on the Exchange. Clients included major bullion banks, fund managers and large professional traders. He also served as a Senior Vice President of NYMEX and advisor to the Dubai Mercantile Exchange (DME). In 2007 he rewrote the rules for the COMEX Gold Futures contract and implemented the first iteration of the electronic warrant system for COMEX deliverable metals.

Mr. Purpura was the chief negotiator for the COMEX members during the NYMEX IPO, resulting in more than \$800 million of equity for the members.

Mr. Purpura founded Northport Commodities in 2011 with offices in New York, Singapore, and Shanghai. Northport's Shanghai company was one of the first foreign firms permitted to trade precious metals on Chinese Exchanges. He sold Northport in 2017 to focus on the physical commodity markets.

He has served as an advisor to various exchanges in the US, China, and Singapore along with major banks and brokerages in China and Hong Kong. This included an appointment as an International Advisor to the Shanghai Gold Exchange from 2007 to 2013. Mr. Purpura has conducted numerous seminars in Asia and lectured at major universities in the region. He was a member the Board of Advisors to the Faculty of Business at the University of Macau as well as the Advisory Board of Asia Pacific Academy of Economics and Management. (APAEM).

Mr. Purpura is active in the physical precious metals and energy markets through his firm GLT Group LLP and is one of the founders of Dillon Gage Asia, a distributor for major sovereign mints around the world. In 2019 he formed GLT DIRECT DMCC in Dubai as a licensed trading firm in oil products and metals.

Sean Rothsey, Chairman of The Merkin Group in Australia welcomed the appointment, noting that "After working with Bill for 6 months we have established that Mr Purpura brings a global network, a wide skills matrix and specialist core competencies in governance, transparency, risk mitigation and compliance oversight that fits with and underpins The Merkin Group's growing footprint in to the gold and precious metals and liquid commodities business. The appointment of Bill supplements our engagement of industry stakeholders, banks trade commodity, criminal and anti fraud units ,specialist legal consultants such as global sanctions and World Trade Office specialist lawyers, Asian strategic partners such as PAP E-CON , Ballantine Resources, and other specialist consultants. "

## ENDS

## What Is COMEX ?

COMEX is the primary futures and options market for trading metals such as gold, silver, copper, and aluminium. Formerly known as the Commodity Exchange Inc., COMEX merged with the New York Mercantile Exchange (NYMEX) in 1994 and became the division responsible for metals trading.

## KEY TAKEAWAYS

- COMEX is the world's largest futures and options trading for metals.
- It is a division of the Chicago Mercantile Exchange (CME).
- Metals futures are mostly used for hedging and are not typically delivered upon.
- The COMEX does not supply metals, instead, acting as an intermediary.

## Understanding COMEX

### History

Commodity Exchange Inc., the main exchange for gold futures, was first founded in 1933 through the merger of four smaller exchanges based in New York—the National Metal Exchange, the Rubber Exchange of New York, the National Raw Silk Exchange, and the New York Hide Exchange. The merger between Commodity Exchange Inc. and the New York Mercantile Exchange (NYMEX) created the world's largest physical futures trading exchange, known simply as COMEX.

### About COMEX

COMEX operates out of the World Financial Center in Manhattan and is a division of the Chicago Mercantile Exchange (CME). According to CME Group, there are over 400,000 futures and options contracts executed on COMEX daily, making it the most liquid metals exchange in the world. The prices and daily activities of global traders on the exchange impact the precious metals markets around the world.

COMEX serves as the primary clearinghouse for gold, silver and copper futures, all of which are traded in standardized contract sizes, as well as a mini and/or micro version. Other futures contracts traded on the COMEX include aluminum, palladium, platinum, and steel. Since the futures market is mostly used as a hedging vehicle to mitigate price risk, the majority of futures contracts are never delivered on. Most trades are made simply on the promise of that metal and on the knowledge that it exists. This is not to say that a trader or hedger cannot take delivery of physical metals through the COMEX, but less than 1% of the trades actually go to delivery.

For traders looking to take actual delivery on a futures contract, deliveries are available beginning on the first notice day and extend to the final day of the contract period. To take delivery, the futures contract holder must first alert the clearinghouse of his intentions and must inform the COMEX that he intends to take possession of the physical commodity in the trading account. Someone who wants to take delivery on gold, for example, will establish a long (buy) futures position and wait until a short (seller) tenders a notice to delivery.

### Special Considerations

It is important to note that the COMEX does not supply precious metals. These are made available by the seller as part of the contract rules. A short seller that does not have the metals to deliver must liquidate their position by the last trading day. A short that goes to delivery must have the metal, such as gold, in an approved depository. This is represented by the holding of COMEX-approved electronic depository warrants or warehouse receipts, which are required to make or take delivery.

An investor who requests to take delivery will be given COMEX acceptable or deliverable bars, which are precious metal bars produced by COMEX-approved refiners and created to strict standards set by COMEX. For metals to be considered

as COMEX deliverable or good delivery, they must meet certain standards that dictate the minimum purity of the bar, as well as its weight and size. For example, the metal must have an assay certificate from an approved COMEX assayer and gold bars must be of .995 minimum purity level, that is, 995 parts per thousand or 99.5% pure.

Delivery occurs by the transfer of ownership of the metal warrant two business days after the seller provides the notice of intent. The transfer takes place at the settlement price set by the exchange on the day the seller provides the notice of intent. The exchange does not determine or set the price for precious metals. These are set by buyers and sellers paying heed to the level of demand and supply in the market.