# Paper Silver vs Pool Allocated Silver: What is the Difference?

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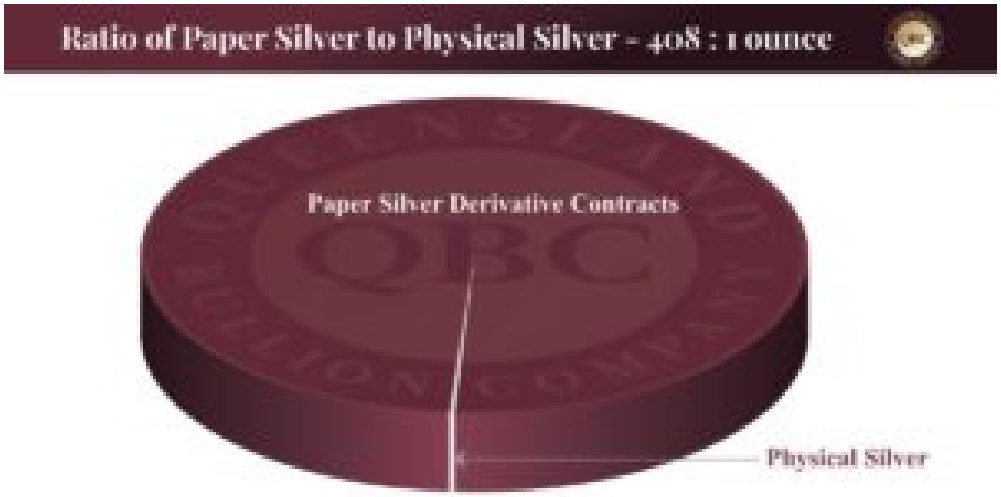
There is a difference between paper silver, pool allocated silver and physical silver that, in the main, is reflected in who actually holds the metal and what risks are associated. Understanding the distinction is important because not all silver investments provide the same benefits, risks, or level of exposure to the underlying asset.

## What is paper silver?

Paper silver refers to financial products that provide exposure to the silver price without direct ownership of physical metal. Common examples include exchange-traded funds (ETFs), futures contracts, and contracts for difference (CFDs). These products are designed to track the silver price and are often used by traders seeking convenience, leverage, or short-term exposure; however, investors typically own a financial instrument rather than the silver itself.

The largest paper silver market is the Commodities Exchange (COMEX) in New York, where contracts are traded in large volumes. While these contracts influence the global silver price, the volume of paper silver traded often exceeds the amount of physical silver available for delivery. This dynamic attracted significant attention in early 2026 when declining COMEX inventories raised questions about the relationship between paper claims and physical supply.




### Key characteristics of paper silver

Paper silver provides exposure to the silver price without requiring ownership of physical metal. Investors typically hold a contract, fund unit, or derivative rather than bullion itself, meaning the investment remains dependent on the institution or exchange facilitating the transaction. As a result, investors may also be exposed to counterparty risk and, in some circumstances, cash settlement rather than physical delivery.

**Learn more about paper silver here.**

## What is pool allocated silver?

Pool allocated silver represents ownership of physical silver stored within a professionally managed vaulting system. Rather than owning a specific numbered bar, investors own a proportionate share of a larger pool of audited physical metal. The key distinction at Queensland Bullion Company is that the silver exists and is physically held onsite in the highest-grade vaults available in Australia on behalf our clients. And viewing the metal is possible via appointment.

Pool allocated programs are designed to provide many of the benefits of physical ownership while reducing some of the practical challenges associated with storing and insuring metal personally. At Queensland Bullion Company storage and insurance costs are absorbed by the company and is provided as a free service to those who choose pool allocated silver.

## Benefits of pool allocated silver

Pool allocated silver is backed by physical metal held in a secure vaulting facility. Because investors own a proportionate share of a larger pool of silver, entry costs are generally lower than purchasing larger individual bars. At the same time, investors retain the ability to buy and sell at live market prices without needing to arrange private storage or locate a buyer for a physical bar or coin. When purchasing pool allocated silver via Queensland Bullion Company, the company will buy it back from you at the buyback market price at the time.

## Which approach is right for you?

The answer depends on your objectives.

If you have a significant grasp of the market, are prepared to monitor closely, and your goal is short-term price exposure or active trading, paper silver may provide the flexibility you are seeking.

If your goal is ownership of physical silver without the responsibility of storing it yourself, pool allocated silver offers a direct connection to the underlying metal while maintaining convenience and liquidity.

## In summary

Both paper silver and pool allocated silver provide exposure to the silver market, but they do so in very different ways. Understanding how each structure works, and the risks and benefits associated with each, can help investors make more informed decisions.

For those seeking genuine exposure to physical silver while retaining flexibility and ease of access, pool allocated silver provides a practical middle ground between paper products and holding bullion personally. Purchasing pool allocated bullion via Queensland Bullion Company also provides extra confidence with an on-shore team that you can call during business hours to discuss your holdings. **Learn more about pool allocated bullion.**