

SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 16-103 (1 of 2)

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 03/16/2016 Filing Description: Amendments to NYMEX/COMEX Chapter 7 ("Delivery Facilities and Procedures")

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Chapter 7

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:

March 16, 2016

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

RE: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to NYMEX/COMEX Chapter 7 (“Delivery Facilities and Procedures”). NYMEX Submission No. 16-103 (1 of 2)

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) are notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that they are self-certifying amendments to NYMEX/COMEX Rulebook Chapter 7 (“Delivery Facilities and Procedures”), effective on Friday, April 1, 2016.

Specifically, the Exchanges are amending Rule 703 (“Designation and Obligations of Metal Service Providers”) to amend conveyance requirements for warehouses regular for storage and delivery of zinc delivered against COMEX’s the Zinc Futures contract. The conveyance requirements for zinc warehouses are being amended such that zinc warehouses are no longer required to have direct, unobstructed, access to both rail and truck for load-out purposes. The transportation of zinc is more frequently conducted by truck rather than rail and, therefore, by allowing facilities with truck only access the ability to be onboarded would enable the expansion of our delivery points, deliverable supply and potentially allow for greater market participation while maintaining an orderly and appropriate delivery process.

As a result of the amendment to conveyance requirements for zinc resulting in the removal of the requirement that a warehouse have direct access to both truck and rail conveyances, the load out procedures shall also be amended such that the minimum daily load out rate for zinc represented by COMEX cancelled warrant only apply to a load out via the conveyance designated as “primary” by a given warehouse. This load out process is currently in place for aluminum and lead.

NYMEX/COMEX Chapter 7, Rule 703 is set forth in Appendix A, with additions underscored and deletions overstruck.

The Exchanges reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act”) and identified that the amendments to NYMEX/COMEX Rulebook Chapter 7 may have some bearing on the following Core Principle:

Availability of General Information: In order to ensure that market participants are apprised of the amendments to NYMEX/COMEX Chapter 7, the Exchanges will issue a CME Group Market Surveillance Notice and a Registrar’s Office Notice to the marketplace notifying them of the implementation of these amendments in advance of the amendments becoming effective. The

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issuance of the Market Surveillance Notice and the Registrar's Office Notice constitutes compliance with this Core Principle.

The Exchanges certify that the amendments to Chapter 7 of the NYMEX/COMEX Rulebook comply with the Act and regulations thereunder. There were no opposing views to the amendments to Chapter 7.

The Exchanges certify that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A – Amendments to NYMEX/COMEX Rulebook Chapter 7 (blackline format)

Appendix A

NYMEX/COMEX RULEBOOK

Chapter 7

Delivery Facilities and Procedures

(additions underlined; deletions ~~overstruck~~)

703. DESIGNATION AND OBLIGATIONS OF METAL SERVICE PROVIDERS

703.A. Conditions for Approval

(12) The warehouse regular for delivery of copper, lead and zinc shall provide a fully secured indoor facility for the storage of copper, lead and zinc, as acceptable to the Exchange. The warehouse regular for delivery of copper ~~and zinc~~ must have direct unobstructed access to both a truck bay and rail. The warehouse regular for delivery of aluminum must consist of designated indoor and outdoor fully secured storage sheds. The warehouse regular for delivery of aluminum, ~~and~~ lead and zinc must have direct unobstructed access to a truck bay and/or rail. The warehouse regular for delivery of aluminum, lead and zinc must also qualify and be designated a weighmaster.

[The remainder of the Rule is unchanged.]

703.B. Load-Out

B. Load-Out Procedures for Base Metals

In the event that a warehouse has not permitted the load out of aluminum, lead or zinc represented by a COMEX cancelled warrant within twenty (20) business days (five (5) business days for copper) after such warrant has been cancelled for load out (all applicable charges paid) or in the event the warehouse has not met the minimum daily load out requirement, then the warehouse shall immediately notify the Exchange, in writing, of the reason(s) for the delay. Upon receipt of such notification, the Exchange, at its discretion, may direct, in writing, the warehouse not to accept additional base metal for deposit until the Exchange directs it to do otherwise.

If the warehouse fails to comply with the delivery and load-out Rules as prescribed herein, the warehouse shall not charge the warrant holder for additional storage charges, provided, however, that the delay was not caused by the holder of a COMEX warrant cancelled for load out or their agent.

The warehouse shall be required to load out metal beginning on the third business day following receipt of loading orders or after a conveyance of the type identified in the loading orders is constructively placed, whichever occurs later. For load out by rail, the warehouse shall be required to load out metal beginning on the third business day following receipt of loading orders or one business day after a rail car is constructively placed, whichever occurs later. Loading orders must be received no later than five business days after warrants are cancelled for load out. If loading orders are not received within five business days after warrants are cancelled for load out, the load out of such metal shall not be subject to the load-out Rules herein.

The regular warehouse is required to ship out of the warehouse metal at a minimum guaranteed daily load out rate of 2% of total inventory, with a minimum daily load out rate of 1,000 metric tons, for each business day (via primary conveyance for aluminum). In addition, the warehouse shall not be required to exceed the minimum daily load out rate of 500 metric tons for zinc (via primary conveyance), 500 short tons for copper, unless otherwise prescribed in the Interpretations & Special Notices Related to Chapter 7, or 500 metric tons for lead (via primary conveyance). Preference is given to load out of metal represented by COMEX cancelled warrants (via primary conveyance for aluminum, ~~and~~ lead and zinc). In the event the warehouse has load out orders for COMEX cancelled warrants representing multiple metal types, the warehouse shall load out each metal concurrently on a pro rata by commodity basis at their prescribed minimum load out rate. If the pro rata exceeds the minimum load out rate, the warehouse shall only be required to load out at the prescribed minimum load out rate. Total inventory shall be defined as

the sum of all COMEX registered and eligible aluminum, lead, zinc and copper stored at the regular warehouse as reported to the Exchange on the first business day of the month.

The warehouse shall transmit to the Registrar by 11:00 a.m. Central Prevailing Time, the name, location of regular facility, the number of warrants cancelled for load out (via primary conveyance for aluminum, ~~and~~ lead and zinc) and associated loading orders on a daily basis. The Registrar shall maintain a current record of the number of warrants cancelled for load out (via primary conveyance for aluminum, ~~and~~ lead and zinc) and shall be responsible for posting this record on the Exchange website.

Alternate Load-Out Instructions via Alternate Conveyance for Aluminum, ~~and~~ Lead and Zinc: A party may elect to load out via an alternate conveyance, if available. Load-out via alternate conveyance shall be subject to the minimum guaranteed daily load out rate as published under the Interpretations & Special Notices Related to Chapter 7 contingent on any pending load-out orders submitted prior to the load-out order via alternate conveyance and shall be conducted on a first-come, first served, non-discriminatory basis.

[The remainder of the Rule is unchanged.]