

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-165 (3 of 4)

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): 04/16/18

Filing Description: Deletion of CME Rule 586. ("GFX Corporation") and Amendments to CME/CBOT/NYMEX/COMEX Rule 110. ("Claims Against Membership, Application of Proceeds").

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: 110. and 586.

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

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

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

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

Rule Numbers:

April 16, 2018

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. Deletion of CME Rule 586. (“GFX Corporation”) and Amendments to CME/CBOT/NYMEX/COMEX Rule 110. (“Claims Against Membership, Application of Proceeds”).
NYMEX Submission No. 18-165 (3 of 4)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME”) hereby notifies the Commission that it is self-certifying the deletion of Rule 586. (“GFX Corporation”) and CME, The Board of Trade of the City of Chicago, Inc. (“CBOT”), New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) hereby notify the Commission that they are self-certifying amendments to Rule 110. (“Claims Against Membership, Application of Proceeds”), (the “Rule Amendments”), effective on Tuesday, May 1, 2018.

GFX Corporation was decommissioned in March 2018. CME is therefore eliminating Rule 586. and the Exchanges are amending Rule 110. to remove a reference to GFX Corporation.

The Rule Amendments are set forth in Exhibit 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 (“CEA” or “Act”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

- **Availability of General Information:** The Exchange will the Rule Amendments on the CME Group website effective on Tuesday, May 1, 2018.

There were no substantive opposing views to this proposal.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges certify that the Rule Amendments comply with the Act and regulations thereunder.

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>.

If you require any additional information regarding this submission, please contact the undersigned at 212.299.2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: CME/CBOT/NYMEX/COMEX Rule Amendments (blackline format)

EXHIBIT A

(additions are underscored, deletions are ~~overstruck~~)

Chapter 1 Membership

CME/CBOT/NYMEX/COMEX

110. CLAIMS AGAINST MEMBERSHIP, APPLICATION OF PROCEEDS

For the purposes of this rule "sale" shall include a sale made pursuant to Rule 104 or a transfer made in accordance with the provisions of Rule 106; "seller" shall include owners of a membership and firms that have membership privileges pursuant to Rules 106. F., G., H., I., J., N., R. or S.; and "claim" shall be limited to claims involving incidents that occurred prior to the sale of the membership and which arose in connection with Transactions on the Exchange or membership in the Exchange. For purposes of this Rule, "Transactions on the Exchange" shall include, but are not limited to, transactions receiving preferential clearing fees as a result of the membership, regardless of the party entitled to receipt of such preferential fees. Claims resulting from conduct subsequent to the sale of a membership may not be asserted against that membership or its proceeds. All claims against the membership or proceeds resulting from the sale of the membership shall be submitted in writing to the Department within 20 days of the posting of notice of the sale of said membership. At the conclusion of the 20-day claim filing period, authorized Exchange staff shall conduct an investigation of all claims properly filed against the membership sale or its proceeds. This investigation shall be completed within 20 days unless the investigation cannot be resolved within that period.

The total proceeds of the sale, or in the case of a transfer, the value at the mid-point of the bid offer spread as of the date of the transfer, of the membership shall be applied to the following purposes and in the following order of priority:

- a. Payment of all 1) debts owed to the Clearing House, if the membership transferred was assigned to the Clearing House pursuant to Rule 902; and 2) dues, fines, contributions, charges and other indebtedness owed to the Exchange or, the CME Gratuity Fund [the reference to the CME Gratuity Fund appears solely in CME Rule 110] or GFX Corporation;
- b. Payment of any indebtedness to the clearing member who last qualified the selling member prior to the sale arising out of: (i) a pledge of such membership as collateral security on such indebtedness, or (ii) a deficit which authorized Exchange staff determines to have arisen directly out of Transactions on the Exchange or transactions with GFX Corporation;
- c. Payment of amounts due to other clearing members on claims filed which authorized Exchange staff determines to have arisen directly out of Transactions on the Exchange;
- d. Payment of amounts due to members and member firms on claims filed which authorized Exchange staff determines to have arisen directly out of Transactions on the Exchange; and
- e. Payment of amounts due to public customers of the seller or public customers of any party receiving preferential clearing fees as a result of the membership based on claims filed by such customers or based on reports of the Market Regulation Department, which claims are determined by authorized Exchange staff to be based upon misappropriation of customer funds, improperly executed transactions, unpaid credit balances, or other similar matters, directly related to Transactions on the Exchange.

[The remainder of the rule is unchanged.]

Chapter 5 Trading Qualifications and Practices

CME

~~584.-5857.~~ [RESERVED]

~~586.~~ GFX CORPORATION

~~The Exchange has established the GFX Corporation ("GFX") to make markets in futures, options and over-the-counter products (collectively, the "GFX Contracts") cleared by the Clearing House and/or for which a CME Group Inc. subsidiary is a CFTC derivatives clearing organization and to engage in hedging activities via varying offsetting~~

~~transactions. Position and counterparty limits, as well as parameters on GFX hedging, will be established by the Clearing House.~~

~~Employees of GFX may use Globex terminals or other electronic means to enter orders in GFX Contracts. Where applicable, such employees must be identified to the Exchange as Globex terminal operators in accordance with Rule 576 and shall be subject to the rules of the Exchange that relate to electronic trading. All transactions effected by GFX in GFX Contracts shall be cleared through a clearing member, and GFX shall be a customer of such clearing member.~~

587. [RESERVED]