

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-236 (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): May 14, 2020 **Filing Description:** Extension of Alternative Quoting Requirements for June 2020 in Certain CME, CBOT, NYMEX, and COMEX Market Maker Programs

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: N/A

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 |

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:

May 14, 2020

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. Extension of Alternative Quoting Requirements for June 2020 in Certain CME, CBOT, NYMEX, and COMEX Market Maker Programs.
NYMEX Submission No. 20-236 (3 of 4)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“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 the extension of alternative quoting criteria in certain market maker programs for the month of June 2020, effective June 1, 2020.

Previously, in CME/CBOT/NYMEX/COMEX Submission No. 20-178 dated April 1, 2020 and 20-199 dated April 16, 2020, the Exchanges notified the Commission of the establishment of alternative quoting requirements which became effective during the month of April and were extended into May. The Exchanges are extending the alternative quoting criteria for June 2020 due to continued market volatility resulting from the COVID-19 virus. In addition, because many regions are still under stay-at-home orders, market maker trading activity is being adversely impacted and participants are not able to meet pre-established quoting criteria set forth in certain existing market maker programs. Specifically, the Exchanges are extending alternative quoting criteria that reduce contract size requirements, increase width requirements, and in certain instances, amend the required time-in-market obligations. All impacted program participants will be advised of the alternative quoting requirements.

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 extension of the alternative quoting requirements may have some bearing on the following Core Principles:

- **Compliance with Rules:** The amendments to the quoting requirements will not impact the Exchanges’ ability to perform its trade practice and market surveillance obligations under the CEA. The Exchanges’ market regulation staff will monitor trading in the products to prevent manipulative trading and market abuse. All program participants execute an agreement with the Exchanges in which each participant expressly agrees to comply with and be subject to, applicable regulations and Exchange rules.
- **Availability of General Information:** The Exchanges will alert all market participants enrolled in a program of the alternative quoting requirements. Notice of the proposal will be communicated to the marketplace via the issuance of a Special Executive Report (“SER”). The SER will be posted publicly on the CME Group website.

- **Execution of Transactions:** The products included in the impacted programs are listed for trading in the open and competitive market.
- **Protection of Market Participants:** Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All program participants expressly agree to comply with Exchange rules.
- **Recordkeeping:** The alternative quoting requirements are subject to the Exchanges' record retention policies which comply with the CEA.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges certify that the establishment of alternative quoting requirements complies with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' 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 – SER# 8582RR

EXHIBIT A



Special Executive Report

DATE: May 14, 2020

SER#: 8582RR

SUBJECT: **Second Extension of Alternative Quoting Requirements for June 2020 in Certain CME, CBOT, NYMEX, and COMEX Market Maker Programs**

As a direct result of the COVID-19 virus' continuing impact on volatility in the marketplace and many regions issuing stay-at-home orders which have adversely affected trading activity, Chicago Mercantile Exchange Inc. ("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") are extending alternative quoting requirements in certain market maker programs offered by the Exchanges for the month of June 2020, pending CFTC regulatory review. Determined on a program-by-program basis, the Exchanges are making amendments such as reducing contract size requirements, increasing width requirements, and amending time-in-market obligations. The specific details regarding the alternative quoting obligations will be communicated to all impacted program participants.

The Exchanges previously advised of the establishment of alternative quoting requirements on April 1, 2020 (see [SER 8582](#)), and extended the alternative quoting requirements into May on April 16, 2020 (see [SER 8582R](#)).

Please refer questions on this matter to:

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