

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-176 (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): 06/05/15 Filing Description: Amendments to Various NYMEX Rules and Deletion of Rule 544 in Connection with the Closing of NYMEX and COMEX Open Outcry Futures Trading

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:** 524, 544, 550, 589 & Chapter 5 Quotation Changes Interpretation

**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:**

June 5, 2015

**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. Amendments to NYMEX/COMEX Rules and Deletion of NYMEX/COMEX Rule 544 in Connection with Closure of Futures Pits. NYMEX Submission No. 15-176 (1 of 2)**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) hereby notify the Commodity Futures Trading Commission (“CFTC” or “Commission”) that they are self-certifying minor amendments to NYMEX and COMEX Rules 524 (“Trading at Settlement (“TAS”), Trading at Marker (“TAM”) and Matched Order (“MO”) Transactions”), 550 (“Post Close Session”), 589 (“Special Price Fluctuation Limits”), and the Quotation Changes Interpretation in Chapter 5 of the NYMEX and COMEX Rulebook, and the deletion of NYMEX and COMEX Rule 544 (“Closing Day Orders”) in connection with the closing of NYMEX and COMEX open outcry futures trading by July 2015. Pursuant to CFTC Regulation 40.6(a), this Submission shall become self-certified on June 22, 2015. However, please note that the Exchanges shall implement the amendments effective on Monday, July 6, 2015.

Rule 524 is being amended to eliminate references to the open outcry execution of TAS transactions and to the execution of MO transactions based on the closing of open outcry trading of NYMEX and COMEX futures. The title of the Rule is also being modified to eliminate the MO reference.

Rule 544 is being eliminated as it is solely applicable to futures contracts traded via open outcry.

The amendments to Rule 550 codify that trading in the post close is applicable solely to pit-traded options contracts, inclusive of options-futures spreads transacted via open outcry in the applicable options trading pit.

In Rule 589, a reference to floor trading of futures contracts needs to be eliminated based on the elimination of open outcry trading in NYMEX and COMEX futures.

References to futures contracts are being eliminated from the Quotation Changes Interpretation in Chapter 5 of the NYMEX and COMEX Rulebook as the interpretation is solely applicable to open outcry trades.

The amendments to the NYMEX and COMEX rules appear in Exhibit A, with 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 amendments to Rules 524, 550, 589 and the Quotation Changes Interpretation, and the deletion of Rule 544, may have some bearing on the following Core Principle:

Availability of General Information: As required by this Core Principle, a Special Executive Report will be issued to the marketplace prior to the amendments and deletion becoming effective.

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, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact the undersigned at 212-299-2200.

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – NYMEX and COMEX Rules 524, 544, 550, 589 and Quotation Changes Interpretation (blackline format)

# Exhibit A

## NYMEX and COMEX Chapter 5 Trading Qualifications and Practices

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

### **524. TRADING AT SETTLEMENT (“TAS”), AND TRADING AT MARKER (“TAM”) ~~AND MATCHED ORDER (“MO”) TRANSACTIONS~~**

The Exchange shall determine the commodities, contract months and time periods during which TAS, and TAM ~~and MO~~ transactions shall be permitted.

#### **524.A. Trading at Settlement (“TAS”) Transactions**

The following shall govern TAS transactions:

- ~~1. TAS transactions executed in the pit must be made open and competitively pursuant to the requirements of Rule 521 during the hours designated for pit trading in the particular contract and must be identified as such on the member's trading records.~~
2. TAS orders may be entered on Globex at any time the applicable contracts are available for TAS trading on Globex and during each TAS contract's prescribed pre-open time period. The initiation of any TAS order on Globex outside these time periods is prohibited.
23. TAS-eligible commodities and contract months may be executed as block trades pursuant to the requirements of Rule 526 except that TAS block trades may not be executed on the last day of trading in an expiring contract.
34. Unless otherwise specified by the Exchange, TAS transactions may be executed at the current day's settlement price or at any valid price increment ten ticks higher or lower than the settlement price.

#### **524.B. Trading at Marker (“TAM”) Transactions**

The following shall govern TAM transactions:

1. TAM orders may be entered on Globex at any time the applicable contracts are available for TAM trading on Globex and during each TAM contract's prescribed pre-open time period. The initiation of any TAM order on Globex outside these time periods is prohibited.
2. TAM-eligible commodities and contract months may be executed as block trades pursuant to the requirements of Rule 526.
3. TAM transactions may be executed at the current day's applicable marker price or at any valid price increment ten ticks higher or lower than the applicable marker price.

#### **524.C. ~~Matched Order (“MO”) Transactions~~**

~~MO transactions are open outcry trades competitively executed pursuant to Rule 521 where the price of the trade is that day's settlement price for the contract.~~

~~The following shall govern MO transactions:~~

- ~~1. Members may execute an MO at any time during pit trading hours except during the post close session. Members may execute an order as an MO provided the order is placed as an MO and such instructions are denoted on the order. An order entered as an MO will be executed during the closing period as a Market on Close order if not previously executed as an MO or specifically designated to be executed only as an MO. An order specifically designated for execution only as an MO must be designated as such at the time the order is placed.~~
- ~~2. Members must identify an order executed as an MO on their trading record.~~

### **543. ~~[RESERVED]~~**

### **544. CLOSING DAY ORDERS**

~~During the last day of trading in an expiring futures contract, all allowable types of orders that reach the trading floor less than 15 minutes prior to the close of trading, except for market, closing, spread, limit and stop orders, will be accepted solely at the risk of the customer on a not-held basis. A broker shall not be responsible for cancellations unless the cancellation reaches the broker at least 15 minutes prior to the close on the last day of trading in an expiring futures contract.~~

### **550. POST CLOSE SESSION**

As soon as practicable, trading may resume for a period of three minutes after the close of Regular Trading Hours for ~~pit traded futures and~~ designated pit traded options contracts. Such trading must begin within 15 minutes after the close of Regular Trading Hours unless a later start time is approved by an Exchange Official. ~~The post close session for related products shall commence simultaneously.~~

During the post close session, members are obligated to bid or offer any orders that were received prior to or after the close which are executable in the post close session.

Outright ~~futures and~~ options and options-only spread and combination trades during the post close session may occur at any price, ~~provided such price is within the daily limits for contracts with daily price limits.~~

An option spread which includes a futures leg executed ~~Spreads or combination transactions~~ during the post close session may occur at any price, provided that the futures both legs ~~is~~ are priced within the daily price limits for futures contracts with price limits.

The prices at which trades occur during the post close session may establish a new high or low in the outright contract month or spread or combination.

Except as otherwise specifically set forth in this rule, the rules applicable to trading during Regular Trading Hours shall be applicable to trading during the post close session.

## 589. SPECIAL PRICE FLUCTUATION LIMITS

The special price fluctuation limits applicable to those contracts with special price fluctuation limits are set forth in the Special Price Fluctuation Limits Table ("Table") in the Interpretations Section at the end of Chapter 5.

Notwithstanding any other provisions of this rule, the GCC may, in its absolute and sole discretion, take any action it determines necessary to protect market integrity. For avoidance of doubt, this authority includes, but is not limited to, modifying or eliminating price fluctuation limits at any time and/or determining whether to halt or not to halt trading. The GCC will promptly issue an alert with respect to actions taken pursuant to this provision.

[Sections A. and B. are unchanged.]

### C. Price Fluctuation Limits on Trading Floor (Floor Trading)

(i) The special price fluctuation limits cited in Section 589.A. of this rule shall be applicable on the trading floor. All markets on the trading floor shall be limited to trading at these special fluctuation price levels (locked limit); however, such trading shall not constitute a Triggering Event for purposes of a Temporary Trading Halt.

~~(ii) In all instances when a Temporary Trading Halt in the lead contract month of the Primary Futures Contract occurs on Globex, floor trading in all contract months of the Primary Futures Contract and in all contract months of Associated Products of the Primary Futures Contract of this rule shall immediately halt. Additionally, trading~~ in any option related to the Primary Futures Contract or in an option contract related to any Associated Product of the Primary Futures Contract of this rule shall be subject to a coordinated Temporary Trading Halt.

(iii) Whenever Globex markets are re-opened with expanded price limits pursuant to the provisions of Section 589.B. of this rule, the affected markets on the trading floor shall simultaneously re-open with the expanded limits in place.

## INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 5

### QUOTATION CHANGES

#### I. GENERAL PROCEDURES

A. Corrections requested up to 15 minutes from the time the bid, offer or trade occurred or reportedly occurred: Changes must be authorized by a member of the Pit Committee or an Exchange Official.

B. Corrections requested more than 15 minutes from the time the bid, offer or trade occurred or reportedly occurred: Changes must be authorized by:

1. 15-30 Minutes: A member of the Pit Committee and one Exchange Official.

2. Over 30 Minutes: A member of the Pit Committee, a member of the Floor Conduct Committee and a Senior Exchange Official.

C. Unanimous Approval Required: Unanimous approval among the individuals participating in the quote change consideration is required to effectuate the requested change. In the absence of unanimity, the proposed quote adjustment shall not be made.

D. A request for a quote change which results in a new high or low for the day must be made within ~~5 minutes (futures) or 10 minutes (options)~~ of the time the bid, offer or trade occurred or reportedly occurred.

A request for a quote change which affects an established opening range must be made within 15 minutes after the posting of the range, or, in the case of a request for a quote change which affects an established closing range, within 10 minutes of the posting of the closing range. Such requests shall be considered by a member of the Pit Committee, a Floor Conduct Committee member and a Senior Exchange Official. Failure to make such a

timely request will bar consideration of the quote change. The time limitations described in this Section D will not apply in the case of options strikes ~~or futures contracts~~ deemed by a Senior Exchange Official to be inactive or illiquid or in the case of a fast market designation. These requests may be considered by a member of the Pit Committee, a Floor Conduct Committee member and a Senior Exchange Official at any time during the same day's trading session.

- E. A decision to adjust a quote must be made within 15 minutes after a quote change request has been made. However, in the event a fast market has been declared while the quote adjustment is under consideration, the period for consideration may continue for 15 minutes after the end of the fast market. To the extent practicable, quote change adjustments shall be announced to the pit.
- F. Reconsideration: Once a request for a particular quote change has been resolved, or if no decision is reached within the allotted time pursuant to paragraph 5 above, a subsequent request for reconsideration involving the original quote or adjustment may be considered if a Senior Exchange Official deems that new relevant information pertaining to the original request is now available. Such request for reconsideration must be considered by the same individuals who ruled on, or failed to reach a timely resolution of, the original request. In the event one or more of the individuals who participated in the consideration of the original quote change request is unavailable to consider the request for reconsideration, a Senior Exchange Official shall designate a substitute. However, this reconsideration process may not be utilized for a correction involving a quote change which results in a new high or low for the day, with the exception of option strikes ~~or futures contracts~~ deemed by a Senior Exchange Official to be inactive or illiquid, or in declared fast markets.

[The remainder of the Interpretation is unchanged.]