

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-244

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): June 15, 2016 **Filing Description:** Extension of the NYMEX European Coal and Dry Freight Incentive Program

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: Not Applicable

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:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 15, 2016

VIA ELECTRONIC PORTAL

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

**RE: Extension of the NYMEX European Coal and Dry Freight Incentive Program
NYMEX Submission No. 16-244**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to extend the NYMEX European Coal and Dry Freight Incentive Program ("Program") through June 30, 2017. The extension of the Program will become effective on July 1, 2016. All other Program terms remain unchanged.

Exhibit 1 sets forth the terms of the Program. Modifications appear below, with additions underscored and deletions ~~overstruck~~.

NYMEX reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, NYMEX staff identified the following Core Principles as potentially being impacted: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program does not impact the Exchange's ability to perform their trade practice and market surveillance obligations under the CEA and NYMEX market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, NYMEX has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The products included in this Program are listed for trading in the open and competitive market. Participants in the Program will be selected by NYMEX staff using criteria as further stated in Exhibit 1. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with NYMEX in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

NYMEX certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our NYMEX Submission No. 16-244 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

NYMEX European Coal and Dry Freight Incentive Program

Program Purpose

The purpose of this Program is to incentivize higher levels of volume contribution in the European Coal and Dry Freight markets in order to improve market liquidity for those products. A more liquid contract benefits all participants in the market.

Product Scope

The following NYMEX products that are executed on Globex or submitted for clearing via CME ClearPort ("Products"):

Coal (API 2) cif ARA (Argus/McCloskey) Swap Futures ("MTF"), Coal (API 4) fob Richards Bay (Argus/McCloskey) Swap Futures ("MFF"), Coal (API 4) fob Richards Bay (Argus/McCloskey) Options ("MFO"), Coal (API 4) fob Richards Bay (Argus/McCloskey) Option on Quarterly Futures Strip ("RQA"), Coal (API 4) fob Richards Bay (Argus/McCloskey) Option on Calendar Futures Strip ("RLA"), Coal (API 2) cif ARA (Argus/McCloskey) Options ("CQA"), Coal (API 2) cif ARA (Argus/McCloskey) Option on Calendar Futures Strip ("CLA"), Coal (API 2) cif ARA (Argus/McCloskey) Options ("MTO"), Coal (API 8) cfr South China (Argus/McCloskey) Futures ("SSI"), Indonesian Coal (McCloskey sub-bituminous) Futures ("MCC"), Coal (API 5) fob Newcastle (Argus/McCloskey) Futures ("ACM"), Capesize Timecharter Average (Baltic) Futures ("CFU"), Panamax Timecharter Average (Baltic) Futures ("PFU"), Supramax Timecharter Average (Baltic) Futures ("SFT"), and Handysize Timecharter Average (Baltic) Futures ("HFT") (or "Products").

Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants may be NYMEX member or non-member firms. Participants must be a bank, commercial firm, or hedge fund. When selecting participants for the Program, NYMEX will take into account the following factors: (i) historical volume and experience trading the Products and similar contracts, and (ii) the participant's ability to maintain threshold volume obligations for the duration of the Program. NYMEX may, in its sole discretion, add or subtract from the aforementioned factors as it deems necessary.

Program Term

Start date is July 5, 2012. End date is ~~June 30, 2016~~ June 30, 2017.

Hours

N/A

Incentives

Fee Discounts. For each calendar month of participation in the Program, participants who meet certain volume thresholds in the Products will receive predetermined reduced fee rates for all trades in the Products submitted for clearing via CME ClearPort or executed on Globex.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant has failed to meet its obligations or no longer meets the eligibility requirements of the Program.