

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 22-258

Organization: Commodity Exchange, Inc. ("COMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/29/22 Filing Description: Amendments to Daily Settlement Procedure Document of the Aluminum Futures Contract

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: See filing.

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

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:

June 29, 2022

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 Daily Settlement Procedure Document of the Aluminum Futures Contract. COMEX Submission No. 22-258

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the Daily Settlement Procedure Document (the “Document”) in connection with the Aluminum Futures contract (the “Contract”) to change the daily settlement period and expiration time for the Contract from 11:30:00-12:00:00 Eastern Time to 16:30:00-16:35:00 London Time effective on Sunday, July 17, 2022 for trade date Monday, July 18, 2022.

Contract Title	Commodity Code	Rulebook Chapter
Aluminum Futures	ALI	107

Additionally, daily settlement period and expiration time in connection with the related Aluminum Option contract (Commodity Code: AX; Rulebook Chapter: 123) will be aligned with the Aluminum Futures contract (collectively, the “Rule Amendments”).

The Rule Amendments are being implemented to better align the settlement period of COMEX’s Aluminum contracts with global aluminum markets.

Exhibit A provides the amended Document in blackline format.

The Exchange reviewed the designated contracts 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:

- **Compliance with Rules:** The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules for the Contract, including the Rule Amendments.
- **Prevention of Market Disruption:** The Exchange has the capacity to detect abnormal price movements and unusual trading volumes, including such abnormal price movements or trading volumes as may associated with bilaterally negotiated trades. The Exchange holds the authority to take remedial action as appropriate.

- **Daily Publication of Trading Information:** The Exchange will continue to publish on its website information regarding contract specifications, terms and conditions, as well as daily trading volume, open interest and price information for the Contract.
- **Availability of General Information:** The Exchange shall disseminate a Special Executive Report (“SER”) regarding the Rule Amendments. The SER will also be posted on the CME Group website.
- **Execution of Transactions:** The Rule Amendments will further enable the Exchange to continue their current practice of providing a competitive, open, and efficient market mechanism for executing transactions.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchange certifies 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 CEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: Daily Settlement Procedure Document – Aluminum Futures (blackline format)

Exhibit A

Daily Settlement Procedure Aluminum Futures

(additions underscoring; deletions ~~struck through~~)

Aluminum

Normal Daily Settlement Procedure

COMEX Aluminum (ALI) futures are settled by CME Group staff based on trading activity on CME Globex during the settlement period. The settlement period is defined as: ~~44:30:00 to 12:00:00 Eastern Time (ET)~~ 16:30:00 to 16:35:00 London Time.

Lead Month

The lead month is the anchor month for settlements and will be the third chronological month. However, on the 15th of the current calendar month, the lead month becomes the 4th chronological month, and remains the 4th chronological month until expiry of the current calendar month. The lead month is settled based on market activity on CME Globex between ~~44:30:00 to 12:00:00 Eastern Time (ET)~~ 16:30:00 to 16:35:00 London Time – the lead month settlement period.

Tier 1: The lead month settles to the volume-weighted average price (VWAP) of the outright between ~~44:30:00 to 12:00:00 Eastern Time (ET)~~ 16:30:00 to 16:35:00 London Time, the settlement period, rounded to the nearest tradable tick. If the VWAP is equidistant between two ticks, then it's rounded to the tick that is closer to the prior-day's settlement price.

Tier 2: If there is no VWAP, then the last trade price is checked against the current bid/ask.
a. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
b. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price.

Tier 3: If there is no last trade price available, then the prior settle is checked against the current bid/ask.
a. If the prior settle is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
b. If the prior settle is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

All Other Months

Deferred contract months consist of all non-lead months and settle according to the following procedure:

Tier 1: All months other than the designated lead month will settle based upon the VWAP of calendar spread transactions executed on CME Globex from ~~44:30:00 to 12:00:00 Eastern Time (ET)~~ 16:30:00 to 16:35:00 London Time.

Tier 2: In the absence of relevant calendar spread trades, bids and offers in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and the best possible ask. Provided that implied bid/ask spread is consistent with reasonability thresholds for the product, as determined by the Global Command Center, the contract will settle at the midpoint of the implied bid/ask spread.

Tier 3: In the absence of an implied best bid/best ask that meets reasonability thresholds, the net change of the previous contract month will be applied to determine the contract's settlement price. However, if a contract is initially settled to the net change of the previous month and there are posted markets at ~~12:00 ET~~ **16:35 London Time** in one or more calendar spreads with that contract as the nearby leg, then the settlement price will be adjusted on a subsequent iteration based upon the implied best bid/best ask of those calendar spreads, provided it is consistent with bid/ask reasonability thresholds.

Tier 4: If the settlement price in a deferred month created by using the "net change" method described above violates a bid or an offer in a calendar spread or in the deferred month itself that could otherwise be honored, the settlement price for that deferred month will be adjusted to honor that bid or offer. If not all spread bids or offers can be honored in this way, precedence will be given to the tightest bid/ask markets.

If you have any questions, please call the [CME Global Command Center](#).