# SUBMISSION COVER SHEET **IMPORTANT:** Check box if Confidential Treatment is requested Registered Entity Identifier Code (optional): <u>15-391 (1 of 4)</u> Organization: Chicago Mercantile Exchange Inc. ("CME") $\times$ DCM SEF DCO SDR Filing as a: Please note - only ONE choice allowed. Filing Date (mm/dd/yy): <u>09/15/15</u> Filing Description: <u>Amendments</u> to CME/CBOT/NYMEX/COMEX Rule 701 ("Declarations of Force Majeure") and **CBOT Rule 703.C.G(8)** 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 Official Product Name: **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:**



September 15, 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. Notification Regarding Amendments to CME/CBOT/NYMEX/COMEX Rule 701 ("Declarations of Force Majeure") and CBOT Rule 703.C.G(8) ("Regular Warehouses and Shipping Stations – Load Out") CME Submission No. 15-391 (1 of 4)

Dear Mr. Kirkpatrick:

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 Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying amendments to CME/CBOT/NYMEX/COMEX Rule 701 ("Declarations of Force Majeure"). Additionally, CBOT is self-certifying revisions to Rule 703.C.G(8) ("Regular Warehouses and Shipping Stations – Load-Out"). These amendments will be effective on Wednesday, September 30, 2015.

The amendments to Rule 701 add the Chief Regulatory Officer to the list of individuals authorized to declare Force Majeure. This change is intended to ensure that there are a significant number of senior leaders able to declare Force Majeure promptly when the situation so requires.

In a related matter and upon review of language of subsection G(8) of CBOT Rule 703.C. ("Regular Warehouses and Shipping Stations – Load-Out"), it was determined that no declaration of Force Majeure should be required in circumstances where less than a majority of the shipping stations were unable to load out. Therefore, the Force Majeure provision is being amended such that it applies solely to a circumstance where a majority of the shipping stations are unable to load out.

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 Rule 701 and CBOT Rule 703 may have some bearing on the following Core Principles:

<u>Availability of General Information</u>: As required by this Core Principle, the Exchanges are publicly issuing a Special Executive Report to ensure that market participants have updated guidance and information attendant to the amendments. The Special Executive Report will also be available on the CME Group website.

<u>Emergency Authority</u>: The amendments to Rule 701 provide clear guidelines for decision-making authority regarding the declaration of Force Majeure. The addition of the Chief Regulatory Officer to the list of individuals authorized to declare Force Majeure ensures coverage to act promptly in situations when such a declaration is needed, and is therefore in compliance with this Core Principle.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges hereby certify that the amendments to Rule 701 and CBOT Rule 703 comply 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 <a href="http://www.cmegroup.com/market-regulation/rule-filings.html">http://www.cmegroup.com/market-regulation/rule-filings.html</a>.

If you require any additional information, please e-mail <a href="mailto:CMEGSubmissionInquiry@cmegroup.com">CMEGSubmissionInquiry@cmegroup.com</a> or contact the undersigned at 212-299-2200.

Sincerely,

/s/Christopher Bowen Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – CME/CBOT/NYMEX/COMEX Rule 701 and CBOT Rule 703 (blackline

format)

# **Exhibit A**

### CME/CBOT/NYMEX/COMEX Rulebook

# Chapter 7 Delivery Facilities and Procedures

(deletions are everstruck and additions are underscored)

## 701. DECLARATIONS OF FORCE MAJEURE

If a determination is made by the Chief Executive Officer, Executive Chairman & President, President of Global Operations, Technology & Risk, erChief Operating Officer or Chief Regulatory Officer, or their delegate, that delivery or final settlement of any contract cannot be completed as a result of Force Majeure, he shall take such action as he deems necessary under the circumstances, and his decision shall be binding upon all parties to the contract. The Exchange shall notify the CFTC of the implementation, modification or termination of any action taken pursuant to this Rule as soon as possible after taking the action.

It shall be the duty of clearing members, members and regular facilities to notify the Exchange of any circumstances that may give rise to a declaration of Force Majeure.

Nothing in this Rule shall in any way limit the authority of the Board of Directors to act in a Force Majeure situation pursuant to Rule 230.k.

#### **CBOT**

### Rule 703. REGULAR WAREHOUSES AND SHIPPING STATIONS

[Sections A. and B. are unchanged.]

### 703.C. Load-Out

[Subsections C.A. – C.G(7) are unchanged.]

(8) The shipper shall load water conveyance at the shipping station designated in the shipping certificate. If it becomes impossible to load at the designated shipping station for three (3) consecutive business days due to any circumstance beyond the control of the shipping station (including, but not limited to an act of God, strike, lockout, blockage, embargo, governmental action or terrorist activity) and precludes any party from making or taking delivery of product as a result of Force Majeure, the shipper will arrange for water conveyance to be loaded at another regular shipping station in conformance with the shipping certificate and will compensate the owner for any transportation loss resulting from the change in the location of the shipping station. If the aforementioned condition of impossibility prevails at a majority of regular shipping stations, and a declaration of Force Majeure is made pursuant to Rule 701, then shipment may be delayed for the number of days that such impossibility prevails at a majority of regular shipping stations. If conditions covered in this Rule make it impossible to load at the designated shipping station, the shipper shall notify the Registrar's Office in writing of such condition within 24 hours of when the condition of impossibility began.

[The remainder of the Rule is unchanged.]