

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-405 (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): October 17, 2016 Filing Description: Implementation of the Precious Metals Cash-Settled Futures Fee Waiver Program

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: Not Applicable

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:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

October 17, 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: Implementation of the Precious Metals Cash-Settled Futures Fee Waiver Program
NYMEX Submission No. 16-405 (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") of plans to implement the Precious Metals Cash-Settled Futures Fee Waiver Program ("Program"). The proposed Program will become effective on November 1, 2016.

Exhibit 1 sets forth the terms of the Program.

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, the Exchanges' 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 will not impact the Exchanges' ability to perform their trade practice and market surveillance obligations under the CEA. The Exchanges' staff will monitor trading in the Program's products in order to prevent manipulative trading and market abuse. Additionally, the Exchanges have implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The Program does not impact the Exchanges' order execution. Participants in the Program will be selected by the Exchanges' staff using criteria as set forth in Exhibit 1. Chapter 4 of the NYMEX/COMEX rules include prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must comply with, and be subject to, applicable regulations and Exchanges' rules. Additionally, the Program is subject to the Exchanges' record retention policies, which comply with the CEA.

The Exchanges certify that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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 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. 16-405 (1 of 2) in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Precious Metals Cash-Settled Futures Fee Waiver Program

Program Purpose

The purpose of this Program is to incentivize participants to build liquidity in the products listed below. A more liquid contract benefits all participants in the marketplace.

Product Scope

Gold/Silver Ratio Futures (“GSR”), Gold/Platinum Spread Futures (“GPS”), and Platinum/Palladium Spread Futures (“PPS”) (collectively, the “Products”).

Eligible Participants

There is no limit to the number of participants in the Program. Participants may be members or non-members.

Program Term

Start date is November 1, 2016. End date is April 30, 2017.

Hours

N/A

Incentives

Fee Waivers. All Program participants will receive all-in fee waivers for all activity in the Products. Give-up surcharges and COMEX lessee trading fees/surcharges will be waived for all activity in the Products.