

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 16-443

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): 11/21/16 Filing Description: Elimination of Open Outcry Trading Venue in Connection with the Closing of NYMEX Open Outcry Options Trading Pits.

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: See filing.

**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:

November 21, 2016

**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. Elimination of Open Outcry Trading Venue in Connection with the Closing of NYMEX Open Outcry Options Trading Pits. NYMEX Submission No. 16-443**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the elimination of the open outcry trading venue in connection with the closing of NYMEX open outcry options trading on December 30, 2016. Beginning on trade date January 3, 2017, NYMEX options contracts will no longer be eligible to be executed via open outcry. The elimination of open outcry in NYMEX options pits as described above will not occur until after the close of the open outcry trading on December 30, 2016.

Commencing on January 3, 2017, all NYMEX and Commodity Exchange, Inc. (“COMEX”) products will fully transition from open outcry trading (trading pits) to electronic trading on CME Globex, in addition to allowable privately negotiated block trades pursuant to Rule 526. (“Block Trades”) and privately negotiated exchange for related positions pursuant to Rule 538. (“Exchange for Related Positions”). The Exchange has, however, established a trading annex in the Exchange building at 300 Vesey Street, New York, NY for members and their employees to conduct their business relating to Exchange products, space permitting, and provided the members remain qualified by a clearing member firm pursuant to Rule 511. (“Qualified Traders and Brokers”).

The above-referenced closures were publicly announced in April of this year. In July 2015, open outcry in all NYMEX futures pits was eliminated. Trading floor volumes for options have declined dramatically over the past five years. The customers of the Exchange have overwhelmingly demonstrated, based on volumes, a preference for electronic trading for NYMEX options. The Exchange has continued to maintain the floors for the last several years, which has given market participants the time and the ability to adjust to this volume shift to the screen.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the elimination of open outcry trading of NYMEX options may have some bearing on the following Core Principles:

Execution of Transactions: Notwithstanding the closure of the open outcry options trading pits, the CME Globex platform provides a transparent, competitive, open and efficient mechanism for executing transactions that protects the price discovery process of trading in the centralized market.

Compliance with Rules: The elimination of open outcry trading in all NYMEX options pits represents a change to the terms and conditions of all affected options products currently trading

via open outcry on the trading floor. This venue elimination has been widely communicated to market participants and will not otherwise affect the ability of NYMEX to enforce compliance with its rules.

Availability of General Information: Information on the upcoming closing of all NYMEX options trading pits has been widely disseminated.

General views opposing electronic trading without concurrent floor-based access to the same products have been expressed to the Exchange. Such views propose that certain contracts are best entered into via open outcry or that electronic trading without concurrent floor-based access may potentially decrease the size and types of orders that market participants are willing to provide. Notably, the percentage of overall trading activity that is generated electronically, current electronic trading functionalities which, in many instances, replicate similar market strategies, and the Exchange's ability to make product-specific determinations in response to the demands of market participants counter and contradict such opposing views.

The Exchange certifies that the action covered by this submission is consistent with the Act and the regulations issued thereunder.

NYMEX certifies 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