

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 24-258

**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):** 06/13/24    **Filing Description:** Amendments to Rule 1253102. ("Trading Specifications") and Rule 1253105. ("Timing of Delivery") Regarding the Termination of Trading of European Union Allowance (EUA) Futures Contract

**SPECIFY FILING TYPE**

**Please note only ONE choice allowed per Submission.**

**Organization Rules and Rule Amendments**

- |                          |                                     |            |
|--------------------------|-------------------------------------|------------|
| <input 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:**

**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 checked="" 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:** See filing.

**Rule Numbers:** See filing.

June 13, 2024

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.6(a) Certification. Amendments to Rule 1253102. (“Trading Specifications”) and Rule 1253105. (“Timing of Delivery”) Regarding the Termination of Trading of the European Union Allowance (EUA) Futures Contract. NYMEX Submission No. 24-258**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or the “Commission”) various amendments to the European Union Allowance (EUA) Futures contract (Rulebook Chapter: [1253](#); Commodity Code: ECF) (the “Contract”) effective July 1, 2024.

Specifically, the Exchange will amend:

- (1) Rule 1253102.E. (“Termination of Trading”) to align the termination of trading determination of the Contract with current standard market practice in the EUA futures market. As a result of this amendment, the last trading date (“LTD”) of certain contract months currently listed for trading will be amended. The August 2024 contract month is impacted by this change. There is no open interest in the August 2024 contract month; and
- (2) Rule 1253105. (“Timing of Delivery”) to codify that the Clearing House shall not be liable for delays or inability of processing of transactions in the delivery process if such delays or failures are the consequence of Exchange holidays occurring during the delivery period (collectively, the “Rule Amendments”).

By way of illustration and with specific regard to the August 2024 contract month, pursuant to the current rules of the Contract, the LTD would have been Monday, August 26, 2024 (a Bank Holiday in the UK). Pursuant to the Rule Amendments, the LTD for the August 2024 contract month will be appropriately adjusted to Monday, August 19, 2024 (the Monday prior to the last Monday in the contract month).

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 Rule Amendments may have some bearing on the following core principles:

- **Availability of General Information:** The Exchange will publish information on the change via a Special Executive Report (“SER”) to notify the marketplace of the Rule Amendments. The SER will also be posted on the CME Group website.

- **Contract Not Readily Subject to Manipulation:** The Contract will continue to be not readily subject to manipulation because of its structural attributes and the active underlying market.
- **Compliance with Rules:** The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules of the Contract.
- **Execution of Transactions:** The Exchange will continue its current practice of providing a competitive, open, and efficient market mechanism for executing transactions in the Contract.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 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.

Exhibit A provides the Rule Amendments in blackline format.

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 (312) 466-7478 or via e-mail at [CEGSubmissionInquiry@cmegroup.com](mailto:CEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: NYMEX Rulebook Chapter 1253

## **EXHIBIT A**

### **NYMEX Rulebook**

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

## **Chapter 1253**

### **European Union Allowance (EUA) Futures**

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#### **1253102. TRADING SPECIFICATIONS**

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##### **1253102.E. Termination of Trading**

Trading in the contract shall terminate at 6:00 p.m. on the last Monday of the delivery month for the expiring contract, except as follows:

If the last Monday of the delivery month occurs on ~~a date on which the Union Registry is closed or not available, an Exchange Holiday, or a UK holiday, or a day on which the administrator of the Union Registry in the Netherlands is not processing transfers (“a Union Registry Holiday”)~~ or, if an Exchange Holiday or Union Registry Holiday (meaning a day on which the administrator of the Union Registry in the Netherlands is not processing transfers) occurs on any of the four (4) days following the last Monday of the delivery month, trading shall cease on the penultimate Monday of the delivery month.

If the penultimate Monday of the delivery month occurs on ~~a date on which the Union Registry is closed or not available, an Exchange Holiday, or a UK holiday, or a day on which the administrator of the Union Registry in the Netherlands is not processing transfers (“a Union Registry Holiday”)~~ or, if an Exchange Holiday or Union Registry Holiday (meaning a day on which the administrator of the Union Registry in the Netherlands is not processing transfers) occurs on any of the four (4) days following the last Monday of the delivery month, trading shall cease on the antepenultimate Monday of the delivery month.

Notwithstanding the above, the Exchange may, in its sole discretion, determine an alternative termination of trading date for specific expiries to accommodate UK holidays, Union Registry holidays or Exchange Holidays as the case may be, and to align with current market practices.

Any contracts remaining open after the last day of trading must be either:

(a) Settled by delivery which shall take place in accordance with Rule 1253105; or

(b) Liquidated by means of a bona fide Exchange for Related Position (“EFRP”) pursuant to Exchange Rule 538. An EFRP is permitted in the expiring futures contract at any time before 8:00 p.m. on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

[End of Rule.]

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#### **1253105. TIMING OF DELIVERY**

1. The seller’s Clearing Member or Designee (as applicable) shall submit a transfer request via the Communication Link instructing the transfer of EUAs subject to delivery to the Clearing House Registry Account the Business Day following assignment and such EUAs shall be received into the Clearing House Registry Account no later than 1:00 p.m. on the second Business Day on which the Union Registry administrator in the Netherlands is processing transfers of EUAs after the final day of trading of the delivery month.

2. The buyer's Clearing Member or Designee (as applicable) shall receive EUAs from the Clearing House Registry Account by 4:00 p.m. on the third Business Day after the final day of trading of the delivery month, except where the national administrator of the Registry Account of the buyer's Clearing Member or Designee (as applicable) is not processing transfers, in which case the transfer to the buyer's Clearing Member or Designee (as applicable) may be delayed.

3. The buyer's Clearing Member shall deposit/transfer Euro currency equal to the full value of the product to the designated Clearing House bank account by 1:00 p.m. on the second Business Day following the last day of trading of the delivery month.

4. For each seller's Clearing Member that has satisfied its obligations under subsection (1) of this rule, the Clearing House shall pay the seller's Clearing Member the full contract value by 4:00 p.m. on the third Business Day following the last day of trading of the delivery month.

The timings for delivery by the Clearing House shall be dependent on the operation of the Union Registry and therefore may be subject to change. The Clearing House shall not be liable for any delay in delivery of EUAs under Rule 1253105. where such delays relate to the delay or failure of processing of transactions by the Union Registry or any national administrator of a Registry Account, or the delay or inability of processing of transactions by the Clearing House due to holiday schedules as referenced in Rule 1253102.E. occurring during the above defined delivery period.

[End of Rule.]