

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 24-404 (4 of 5)

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): 09/12/24 Filing Description: Deletion of the text of CME, CBOT, NYMEX/COMEX Rule 956.D. ("Position Limits")

**SPECIFY FILING TYPE**

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: 956.D.

**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:

September 12, 2024

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.6(a) Certification. Deletion of the text of CME, CBOT, NYMEX/COMEX Rule 956.D. (“Position Limits”). NYMEX Submission No. 24-404 (4 of 5)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME”), in its capacities as both a designated contract market (“DCM”) and a derivatives clearing organization (“DCO” or “Clearing House”), and The Board of Trade of the City of Chicago, Inc. (“CBOT”), New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”), in their capacities as DCMs, (each an “Exchange” and collectively with CME, the “Exchanges”) hereby certify to the Commission the deletion of the text of the Exchanges’ Rule 956.D. (“Position Limits”) (collectively, the “Rule Amendments”) effective on September 27, 2024.

**Background**

Various versions of Rule 956.D. have been in CME’s rulebook as far back as 1967, long before exchanges had any affirmative regulatory obligation to adopt position limits. As such, the Exchanges believe the current existence of Rule 956.D. is merely a carry-over from decades ago that has since been overtaken by current CFTC requirements with respect to position limit aggregation requirements. These requirements are covered pursuant to the long-standing CME, CBOT, and NYMEX/COMEX Rule 559. (“Position Limits and Exemptions”). As the Commission and market participants are no doubt aware, Exchange Rules 559., 560. (“Position Accountability”), 561. (“Submission of Large Trader Positions and Volume Threshold Accounts”), and 562. (“Position Limit Violations”), as well as their related Market Regulation Advisory Notices, have amply covered the topic of position limits over the years. Therefore, in order to provide for greater clarity for market participants, the Clearing House and Exchanges are deleting the text of Rule 956.D.

The Rule Amendments are provided in Exhibit 1 below in blackline format.

**Core Principle Analysis**

The DCO reviewed the DCO Core Principles and the Exchanges reviewed the DCM Core Principles (collectively, the “Core Principles”) as set forth in the Commodity Exchange Act (“CEA”) and identified that the Rule Amendments may have some bearing on the following Core Principles.

**A. DCO Core Principles**

**DCO Core Principle L - Public Information:** This Core Principle requires the Clearing House to publicly disclose its rules and procedures. The Rule Amendments will be incorporated into the

Exchanges' publicly available rulebooks.

**DCO Core Principle R – Legal Risk:** This Core Principle requires the Clearing House to operate pursuant to a well-founded, transparent, and enforceable legal framework that addresses each aspect of its activities. The Rule Amendment eliminates any ambiguity market participants may have had with respect to position limit aggregation rules of the Exchanges.

**B. DCM Core Principles**

**DCM Core Principle 5 – Position Limitations or Accountability:** The Rule Amendments will make it clear that the primary rules regarding position limits and aggregation are located in Chapter 5 of the Exchanges' and Clearing House's rulebooks.

**DCM Core Principle 7 - Availability of General Information:** The Rule Amendments will be incorporated into the Exchanges' publicly available rulebook.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges and the Clearing House certify that the Rule Amendments comply with the CEA and the regulations thereunder. There were no substantive opposing views to the Rule Amendments.

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 contact the undersigned at (312) 466-7478 or via email at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1 – Amendments to CME, CBOT, NYMEX/COMEX Rule 956.D. ("Position Limits") (blackline format)

**Exhibit 1**  
**CME, CBOT, NYMEX/COMEX Rulebooks**  
**Chapter 9**  
**Clearing Members**  
(additions underscored; deletions struck through)

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**956. DISCRETIONARY, CONTROLLED AND MANAGED ACCOUNTS**

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**956.D. [RESERVED] Position Limits**

~~A person with discretionary trading authority over one or more discretionary trading accounts shall not execute or order the execution of trades for such accounts where such trades, by themselves or in addition to his personal trades, exceed the limits prescribed in these rules regarding total positions in any contract.~~

~~A husband, wife and dependent children are presumed to be a single entity and, as such, must adhere to the position limits as prescribed by the Exchange rules unless otherwise approved by Exchange staff upon written application.~~

[Remainder of Rule is unchanged.]