

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 24-473

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): 12/04/24 Filing Description: Amendments to Rule XXX101. ("Contract Specifications") of Certain Baltic and Platts Tanker Freight Futures and Option Contracts to Include Costs Associated with the EU Emission Trading System Commencing with the January 2025 Contract Month and Beyond

**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:**

**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:** See filing.

**Rule Numbers:** See filing.

December 4, 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 XXX101. (“Contract Specifications”) of Certain Baltic and Platts Tanker Freight Futures and Option Contracts to Include Costs Associated with the EU Emission Trading System Commencing with the January 2025 Contract Month and Beyond.**  
**NYMEX Submission No. 24-473**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC”) amendments to Rule XXX101. (“Contract Specifications”) for certain The Baltic Exchange (“Baltic”) and S&P Global Platts (“Platts”) tanker freight futures and option contracts provided in Table 1. below (the “Contracts”) commencing with the January 2025 contract month and beyond (collectively, the “Rule Amendments”) for trading on CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on January 2, 2025. There is no open interest in the impacted contract months of the Contracts.

**Table 1.**

| <b>Contract Title</b>  | <b>CME Globex and CME ClearPort Code</b> | <b>Rulebook Chapter</b> |
|--|--|-------------------------|
| Freight Route North Sea to Continent (TD7) (Baltic) Futures                  | TK                                       | 686                     |
| Freight Route North Sea to Continent (TD7) (Baltic) BALMO Futures            | TKB                                      | 886                     |
| Freight Route Ceyhan to Lavera (TD19) (Baltic) Futures                       | TDM                                      | 674                     |
| Freight Route West Africa to UK Continent (TD20) (Baltic) Futures            | T2D                                      | 944                     |
| Mini Freight Route West Africa to UK Continent (TD20) (Baltic) Daily Futures | T2M                                      | 891                     |
| Freight Route West Africa to UK Continent (TD20) (Baltic) BALMO Futures      | T2B                                      | 888                     |

|  |     |      |
|--|-----|------|
| USGC to UK Continent (Platts) Dirty Freight Futures                              | USE | 678  |
| Cross North Sea Dirty Freight 80kt (Platts) BALMO Futures                        | XUB | 706  |
| Cross North Sea Dirty Freight 80kt (Platts) Futures                              | XUK | 705  |
| Freight Route Continent to US Atlantic Coast (TC2) (Baltic) Futures              | TM  | 683  |
| Freight Route Continent to US Atlantic Coast (TC2) (Baltic) BALMO Futures        | TMB | 878  |
| Mini Freight Route Continent to US Atlantic Coast (TC2) (Baltic) Daily Futures   | TMD | 889  |
| Freight Route Skikda, Algeria to Euromed (TC6) (Baltic) Futures                  | TC6 | 1053 |
| Freight Route Skikda, Algeria to Euromed (TC6) (Baltic) BALMO Futures            | T6B | 880  |
| Freight Route US Gulf to Continent (TC14) (Baltic) Futures                       | FRC | 1103 |
| Freight Route US Gulf to Continent (TC14) (Baltic) BALMO Futures                 | T4B | 883  |
| Mini Freight Route US Gulf to Continent (TC14) (Baltic) Daily Futures            | T4D | 890  |
| Freight Route Middle East to UK Continent (TC20) (Baltic) Futures                | TF2 | 707  |
| Freight Route Middle East to UK Continent (TC20) (Baltic) BALMO Futures          | TFB | 708  |
| Freight Route Continent to US Atlantic Coast (TC2) (Baltic) Average Price Option | TCW | 947  |

Baltic and Platts<sup>1</sup> have concluded client outreach regarding the inclusion of the EU Emissions Trading System (EU ETS) carbon costs in their assessments and advised that effective on January 2, 2025, they will amend their methodology. Specifically, Baltic and Platts will include EU ETS carbon costs impacting the Contracts.

In accordance therewith, the Exchange will amend Rule XXX101. of the Contracts effective on January 2, 2025, the date that the January 2025 contract month shall become the lead month. As noted above, there is no open interest in the impacted contract months of the Contracts.

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<sup>1</sup>Baltic Exchange announcement, dated 10 September 2024: <https://www.balticexchange.com/en/data-services/Circulars/market-announcements/-category-a/2024/circular-28-24-change--new-multiplier-for-bsi-from-2-september-21.html>  
Platts announcement, dated 13 September 2024: <https://www.spglobal.com/commodityinsights/en/our-methodology/subscriber-notes/091324-platts-proposes-including-eu-ets-carbon-costs-in-tanker-freight-assessments-launching-parallel-carbon-exclusive-rates-for>

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 principle:

- **Availability of General Information:** NYMEX will issue a Special Executive Report (“SER”) to the marketplace regarding the Rule Amendments amendment. The SER will also be posted on the CME Group website.

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.

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 [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A - Rulebook Chapters (blackline format)

## APPENDIX A

### NYMEX Rulebook

(additions underscored)

#### Chapter 686

##### Freight Route North Sea to Continent (TD7) (Baltic) Futures

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###### 686101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the USD per metric ton rate for the TD7 freight route (North Sea to Continent for cargoes of 80,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

#### Chapter 886

##### Freight Route North Sea to UK Continent (TD7) (Baltic) BALMO Futures

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###### 886101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the balance of month arithmetic average of the USD per metric ton rate for the TD7 freight route (North Sea to UK Continent for cargoes of 80,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

#### Chapter 674

##### Freight Route Ceyhan to Lavera (TD19) (Baltic) Futures

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###### 674101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the USD per metric ton rate cost for the TD19 freight route (Ceyhan to Lavera for cargoes of 80,000 metric tons or as subsequently amended) provided by the Baltic Exchange for each day that is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

## Chapter 944 Freight Route West Africa to UK Continent (TD20) (Baltic) Futures

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### 944101. **CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the USD per metric ton rate cost for the TD20 freight route (West Africa to UK Continent for cargoes of 130,000 metric tons or as subsequently amended) provided by the Baltic Exchange for each day that is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

## Chapter 891 Mini Freight Route West Africa to UK Continent (TD20) (Baltic) Daily Futures

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### 891101. **CONTRACT SPECIFICATIONS**

The Floating Price for each contract day is equal to the USD per metric ton freight rate cost provided by the Baltic Exchange for the TD20 freight route (West Africa to UK Continent for cargoes of 38,000 metric tons or as subsequently amended) provided by The Baltic Exchange for that business day.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

## Chapter 888 Freight Route West Africa to UK Continent (TD20) (Baltic) BALMO Futures

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### 888101. **CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the balance of month arithmetic average of the USD per metric ton rate for the TD20 freight route (West Africa to UK Continent for cargoes of 130,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

## Chapter 678 USGC to UK Continent (Platts) Dirty Freight Futures

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### 678101. **CONTRACT SPECIFICATIONS**

The Floating Price is equal to arithmetic average of the high and low quotations from the "Platts Dirty Tankerwire" under the heading "America's Dirty Tankers" subheading "Aframax" and "\$/mt" for the USGC to UK Continent for each business day that is determined during the contract month.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

[Remainder or Rule unchanged.]

**Chapter 706**  
**Cross North Sea Dirty Freight 80kt (Platts) BALMO Futures**

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**706101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the balance of month arithmetic average of the freight rates published each day during the Settlement Period by Platts in the Dirty Tankerwire report under the heading "West of Suez Dirty Tankers" and "Aframax" in "\$/mt" for the route UK Continent to UK Continent for cargoes of 80,000 metric tons starting from the selected start date through to the end of the contract month for each day that it is determined during the settlement period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

[Remainder or Rule unchanged.]

**Chapter 705**  
**Cross North Sea Dirty Freight 80kt (Platts) Futures**

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**705101. CONTRACT SPECIFICATIONS**

The Floating Price is equal to the arithmetic average of the freight rates published each day during the Settlement Period by Platts in the Dirty Tankerwire report under the heading "West of Suez Dirty Tankers" and "Aframax" in "\$/mt" for the route UK Continent to UK Continent for cargoes of 80,000 metric tons for each business day that it is determined during the settlement period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

[Remainder or Rule unchanged.]

**Chapter 683**  
**Freight Route Continent to US Atlantic Coast (TC2) (Baltic) Futures**

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**683101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the USD per metric ton rate for the TC2 freight route (Continent to US Atlantic Coast for cargoes of 37,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

**Chapter 878**  
**Freight Route Continent to US Atlantic Coast (TC2) (Baltic) BALMO Futures**

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**878101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the balance of month arithmetic average of the USD per metric ton rate for the TC2 freight route (Continent to US Atlantic Coast for cargoes of 37,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period. The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

[Remainder or Rule unchanged.]

## Chapter 889

### Mini Freight Route Continent to US Atlantic Coast (TC2) (Baltic) Daily Futures

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**889101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract day is equal to the USD per metric ton rate for the TC2 freight route (Continent to US Atlantic Coast for cargoes of 37,000 metric tons or as subsequently amended) provided by the Baltic Exchange for that business day. The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

## Chapter 1053

### Freight Route Skikda, Algeria to Euromed (TC6) (Baltic) Futures

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**1053101. CONTRACT SPECIFICATIONS**

The underlying reference price for each contract month is equal to the arithmetic average of the USD per metric ton rate for the TC6 freight route (Algeria to Euromed for cargoes of 30,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

## Chapter 880

### Freight Route Skikda, Algeria to Euromed (TC6) (Baltic) BALMO Futures

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**880101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the balance of month arithmetic average of the USD per metric ton rate for the TC6 freight route (Algeria to Euromed for cargoes of 30,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]



**Chapter 1103**  
**Freight Route US Gulf to Continent (TC14) (Baltic) Futures**

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**1103101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the USD per metric ton rate for the TC14 freight route (US Gulf to Continent for cargoes of 38,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

**Chapter 883**  
**Freight Route US Gulf to Continent (TC14) (Baltic) BALMO Futures**

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**883101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the balance of month arithmetic average of the USD per metric ton rate inclusive of an EU Emissions Trading Scheme cost for the TC14 freight route (US Gulf to Continent for cargoes of 38,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

**Chapter 890**  
**Mini Freight Route US Gulf to Continent (TC14) (Baltic) Daily Futures**

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**890101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the USD per metric ton rate for the TC14 freight route (US Gulf to Continent for cargoes of 38,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

[Remainder or Rule unchanged.]

**Chapter 707**  
**Freight Route Middle East to UK Continent (TC20) (Baltic) Futures**

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**707101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the rates for each business day that the TC20 Tanker Route (for 90,000 metric tons for Middle East to UK Continent) is published by The Baltic Exchange during the contract settlement period, converted to a US dollar per metric ton valuation by dividing the published \$ lumpsum rate by the size of the ship (i.e. 90,000 metric tons, or such amended size as stipulated by The Baltic Exchange).

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

[Remainder or Rule unchanged.]

**Chapter 708**  
**Freight Route Middle East to UK Continent (TC20) (Baltic) BALMO Futures**

\*\*\*

**708101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the balance of month arithmetic average of the rates for each business day that the TC20 Tanker Route (for 90,000 metric tons for Middle East to UK Continent) is published by The Baltic Exchange during the contract settlement period starting from the selected start date through the end of the settlement period. The price will be converted to a US dollar per metric ton valuation by dividing the published \$ lumpsum rate by the size of the ship (i.e. 90,000 metric tons, or such amended size as stipulated by The Baltic Exchange).

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

[Remainder or Rule unchanged.]

**Chapter 947**  
**Freight Route Continent to US Atlantic Coast (TC2) (Baltic) Average Price Option**

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**947101. CONTRACT SPECIFICATIONS**

The Freight Route TC2 (Baltic) Average Price Option is an option on the rates for the freight route TC2 published by The Baltic Exchange. The contract size is 1,000 metric tons. The underlying reference price for each contract month is equal to the arithmetic average of the USD per metric ton rate for the TC2 freight route (Continent to US Atlantic Coast for cargoes of 37,000 metric tons or as subsequently amended) provided by The Baltic Exchange for each day that it is provided during the Settlement Period. The USD per metric ton rate is calculated by The Baltic Exchange from the published value in Worldscale points multiplied by the applicable Worldscale flat rate for the specified route.

**This rate shall be quoted inclusive of EU Emissions Trading System costs.**

[Remainder or Rule unchanged.]