

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-067

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): 02/23/23 **Filing Description:** Initial Listing of the Micro Platinum Futures Contract

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

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:

February 23, 2023

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 40.2(a) Certification. Initial Listing of the Micro Platinum
 Futures Contract.
 NYMEX Submission No. 23-067**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or Commission”) that it is certifying the initial listing of the Micro Platinum Futures contract (the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on Sunday, March 12, 2023 for trade date Monday, March 13, 2023, as set forth in the table below.

Contract Title	Micro Platinum Futures
Commodity Code	PLM
Rulebook Chapter	110
Settlement Type	Physical
Contract Size	10 troy ounces
Listing Schedule	Monthly contracts listed for 3 consecutive months and any January, April, July, and October in the nearest 12 months
Initial Listed Contract Month	April 2023
Price Quotation	U.S. dollars and cents per troy ounce
Minimum Price Fluctuation	\$0.10 per troy ounce
Value per Tick	\$1.00
Termination of Trading	Trading shall cease on the third last business day of the month
CME Globex Matching Algorithm	First-In, First-Out (FIFO)
Block Trade Minimum Threshold	10 contracts - subject to a 15-minute reporting window
Trading and Clearing Hours	CME Globex Pre-Open: Sunday 4:00 p.m. - 5:00 p.m. Central Time/CT Monday - Thursday 4:45 p.m. - 5:00 p.m. CT CME Globex: Sunday - Friday 5:00 p.m. CT with a daily maintenance period from 4:00 p.m. - 5:00 p.m. CT

	CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. CT with no reporting Monday - Thursday from 4:00 p.m. - 5:00 p.m. CT
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The new Micro Platinum Futures contract is a referenced contract and will be subject to federal position limits during the spot month. The core referenced futures contract is the Platinum Futures contract (Commodity Code: PL; NYMEX Rulebook Chapter: 105).

In addition, the Contract will be eligible for offset with the Exchange's existing Platinum Futures contract pursuant to NYMEX Rule 855. ("Offsetting Positions") as noted in Exhibit F below.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act" or "CEA") and identified that the Contract may have some bearing on the following Core Principles:

- **Availability of General Information:** NYMEX will publish on its website information in regard to contract specifications, terms, and conditions, as well as daily trading volume, open interest, and price information for the Contract. In addition, the Exchange will advise the marketplace of the launch of the Contract by releasing a Special Executive Report ("SER"). The SER will also be posted on CME Group's website
- **Contracts Not Readily Subject to Manipulation:** The Contract is not readily susceptible to manipulation due to its physically delivered nature and the terms and conditions of the delivery process.
- **Compliance with Rules:** Trading in the Contract will be subject to all NYMEX Rules, including prohibitions against fraudulent, non-competitive, unfair and abusive practices as outlined in NYMEX Rule Chapter 4, the Exchange's trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the NYMEX Rulebook, and the dispute resolution and arbitration procedures of NYMEX Rule Chapter 6. As with all products listed for trading on one of CME Group's designated contract markets, trading activity in the Contract will be subject to monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- **Position Limitations or Accountability:** The speculative position limits for the Contract will be consistent with the Commission's guidance.
- **Execution of Transactions:** The Contract will be listed for trading on the CME Globex for electronic trading and for clearing through CME ClearPort. CME Globex provides a transparent, open, and efficient mechanism to electronically execute trades on screen.
- **Daily Publication of Trading Information:** NYMEX will continue to comply with this Core Principle by making public daily information on settlement prices, volume, open interest, and opening and closing ranges for the Contract. This will be accomplished by publishing this information on a daily basis on the Exchange's website.
- **Prevention of Market Disruption:** Trading in the Contract will be subject to the Rules of NYMEX, which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the futures Contract proposed herein will be subject to monitoring and surveillance by CME Group's Market Regulation Department.

- **Trade Information:** All requisite trade information for the Contract is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Financial Integrity of Contracts:** The Contract will be cleared by the CME Clearing House, a derivatives clearing organization registered with the CFTC and subject to all CFTC regulations related thereto.
- **Protection of Market Participants:** CME Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in all of the Exchange's competitive trading venues.
- **Disciplinary Procedures:** Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the Contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in these products are identified.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the listing of the of the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
 Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: NYMEX Rulebook Chapter
 Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)
 Exhibit C: Exchange Fees
 Exhibit D: NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
 Exhibit E: NYMEX Rule 589. – (“Special Price Fluctuation Limits and Daily Price Limits Table”)
 Exhibit F: NYMEX Rule 855. (“Offsetting Positions”) Contracts Eligible for Offset Table
 Exhibit G: Analysis of Deliverable Supply

Exhibit A

NYMEX Rulebook

Chapter 110 Micro Platinum Futures

110100. SCOPE OF CHAPTER

This chapter is limited in application to Micro Platinum futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provision of these rules shall apply to all platinum bought or sold for future delivery on the Exchange.

The terms “seller” and “buyer” shall mean the seller of the physical product and the buyer of the physical product, respectively.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate New York time.

110101. CONTRACT SPECIFICATIONS

The contract unit shall be ten (10) troy ounces. Platinum delivered under this contract shall meet all of the specifications in Exchange Chapter 7 and Chapter 105 (“Platinum Futures”) as they apply to the Exchange’s 50 troy ounce Platinum futures contract.

Deliveries under the contract are restricted to multiples of five (5) futures contracts on all days on which deliveries may take place with the exception of the last intent day. On the last intent day, there will be no restriction on the delivery quantity.

Upon delivery, the buyer’s clearing member receives, and the seller’s clearing member delivers an Accumulated Certificate of Exchange (“ACE”), issued by the Clearing House. An ACE represents a part ownership in a platinum bar held in the form of a Warrant as described in Chapter 105.

Pursuant to Chapter 105, a clearing member may request the issuance of ACEs by electronically endorsing to the Clearing House a Warrant representing one (1) standard platinum contract unit or one (1) larger platinum unit in respect of the 50 troy ounce Platinum Futures contract.

ACEs may only be redeemed for a Warrant upon the accumulation of five (5) such ACEs. Upon presentation and endorsement to the Clearing House of five (5) ACEs, the owner will receive one (1) Warrant meeting the contract specifications in accordance with Rule 105101.A. Tolerance adjustments for ounces received vs. ounces represented by the ACEs will be made through the Clearing House.

Storage charges are invoiced to the clearing member who owns the ACEs.

110102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

110102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

110102.B. Trading Unit

The contract unit shall be ten (10) troy ounces.

110102.C. Price Increments

The minimum price fluctuation shall be ten cents (\$0.10) per troy ounce. Prices shall be quoted in dollars and cents per troy ounce.

110102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

110102.E. Termination of Trading

No trades in Micro Platinum futures deliverable in the current month shall be made after the third last business day of that month. Any contracts remaining open after the last trade date must be either:

- (A) Settled by delivery which shall take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but no later than the last business day of the delivery month.
- (B) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Rule 538. An EFRP is permitted in an expired futures contract until 12:00 p.m. on the business day following termination of trading in the expired 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.

110102.F. Final Settlement

Each contract shall be valued as the contract unit multiplied by the settlement price of the corresponding Platinum Futures contract.

110102.G. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

110103.-107. [RESERVED]

110108. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any document or instrument delivered pursuant to these rules.

Exhibit B

**NYMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")**

Position Limits, Position Accountability and Reportable Level Table

(attached under separate cover)

Exhibit C

Exchange Fees

	Member	Non-Member
CME Globex	\$0.20	\$1.00
EFP	\$0.20	\$1.00
Block	\$0.20	\$1.00
EFR/EOO	\$0.20	\$1.00
Processing Fees	Member	Non-Member
Delivery Notice	\$0.50	\$0.50
Facilitation Fee	\$0.60	
Give-Up Surcharge	\$0.05	
Position Adjustment/Position Transfer	\$0.10	

Exhibit D

NYMEX Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table

(additions underscored)

<u>Instrument</u>	<u>Globex Symbol</u>	<u>Outrights</u>			<u>Spreads</u>	
		<u>Globex Non-Reviewable Ranges (NRR)</u>	<u>NRR: Globex Format</u>	<u>NRR: Minimum Ticks</u>	<u>NRR: Globex Format</u>	<u>NRR: Outright Minimum Ticks</u>
<u>Micro Platinum Futures</u>	<u>PLM</u>	<u>\$10.00 per troy ounce</u>	<u>100</u>	<u>100</u>	<u>Each leg evaluated as an outright</u>	

Exhibit E

NYMEX Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

NYMEX Rule 589. (“Special Price Fluctuation Limits and Daily Price Limits Table”)

(additions underscored)

<u>Product</u>	<u>Rulebook</u>	<u>Commodity Code</u>	<u>PRIMARY/ASSOCIATED</u>	<u>ASSOCIATED WITH</u>	<u>Dynamically Calculated Variant - All Hours</u>	<u>Daily Price Limit</u>
<u>Micro Platinum Futures</u>	<u>110</u>	<u>PLM</u>	<u>Associated</u>	<u>PL</u>	<u>10% of Dynamically Calculated Reference Price</u>	<u>Daily Price Limit Table</u>

Exhibit F

**NYMEX Rulebook
Chapter 8
("Clearing House and Performance Bonds)
NYMEX Rule 855. ("Offsetting Positions") – Contracts Eligible for Offset Table**

(additions underscored)

Product Name	Rulebook Chapter	Offset Ratio	Offset to Clearing/ Globex Code	Offset to Product Name	Rulebook Chapter	Cash/ Deliverable	Futures/ Option
Micro Platinum Futures	110	5	PL/PL	Platinum Futures	105	D	F
Platinum Futures	105	0.2	PLM/PLM	Micro Platinum Futures	110	D	F

Exhibit G

Analysis of Deliverable Supply

Consistent with Core Principle 3 of the Commodity Exchange Act, Exhibit C of Part 38, the Exchange based the definition of deliverable supply on existing registered and eligible inventories at its Exchange approved depositories for Exchange delivery. Below is the guidance provided for in Exhibit C.

The quantity of the commodity meeting the contract's delivery specifications that reasonably can be expected to be readily available to short traders and salable by long traders at its market value in normal cash marketing channels at the contract's delivery points during the specified delivery period, barring abnormal movement in interstate commerce. Typically, deliverable supply reflects the quantity of the commodity that potentially could be made available for sale on a spot basis at current prices at the contract's delivery points. For a non-financial physical-delivery commodity contract, this estimate might represent product which is in storage at the delivery point(s) specified in the futures contract or can be moved economically into or through such points consistent with the delivery procedures set forth in the contract and which is available for sale on a spot basis within the marketing channels that normally are tributary to the delivery point(s)¹.

As of November 29, 2022, the platinum inventory held at Exchange approved depositories totaled 137,614.230 troy ounces, the equivalent of 2,752 Platinum Futures contracts (contract size = 50 troy ounces). Exchange practice is to set spot month position limits at a maximum level of 25% of deliverable supply over the most recent three-year period. Deliverable supply is calculated as the sum of total reported registered platinum with total reported eligible platinum, after taking a 10% discount for eligible platinum. Table 1 below shows the monthly average platinum stocks in Exchange approved depositories for the most recent three-year period in contract equivalents.

Table 1. Platinum Inventories Held at Exchange Approved Depositories
(contract equivalents)

Month	Average Eligible Inventory (with 10% haircut)	Average Registered Inventory	Average Total Inventory
Nov-19	1,743	1,341	3,084
Dec-19	1,824	1,189	3,013
Jan-20	1,810	1,171	2,981
Feb-20	1,784	1,168	2,952
Mar-20	1,785	1,148	2,933
Apr-20	1,780	1,098	2,878

¹ <http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2012-12746a.pdf>

May-20	1,753	1,118	2,871
Jun-20	1,955	1,523	3,478
Jul-20	2,268	4,459	6,727
Aug-20	3,399	5,023	8,422
Sep-20	4,778	5,850	10,628
Oct-20	2,772	9,963	12,735
Nov-20	2,613	9,703	12,316
Dec-20	2,583	9,596	12,179
Jan-21	2,648	9,986	12,634
Feb-21	2,525	10,073	12,598
Mar-21	2,404	10,324	12,728
Apr-21	2,352	11,231	13,583
May-21	2,291	11,236	13,527
Jun-21	2,190	11,327	13,517
Jul-21	1,971	10,629	12,600
Aug-21	1,852	9,114	10,966
Sep-21	1,713	8,740	10,452
Oct-21	1,979	8,487	10,466
Nov-21	2,448	7,800	10,248
Dec-21	2,049	7,685	9,734
Jan-22	2,763	6,416	9,179
Feb-22	2,359	5,439	7,798
Mar-22	2,277	5,528	7,805
Apr-22	2,533	5,710	8,243
May-22	2,849	4,161	7,010
Jun-22	2,236	3,965	6,201
Jul-22	2,779	2,928	5,707
Aug-22	2,218	2,507	4,725
Sep-22	2,114	2,077	4,191
Oct-22	1,793	1,511	3,304
3-year average	2,311	5,867	8,178

Source: CME Group

Based on the above analysis, it is estimated that the deliverable supply, as defined above, for the Platinum Futures contract to be 8,178 futures contract equivalents based on the average total inventory in the Exchange approved depositories during the most recent three (3) year period. The current spot month position limit for the Platinum Futures contract is 500 contracts which represents approximately 6.1% of deliverable supply at Exchange approved warehouses during the most recent three (3) year period.