

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-155 (3 of 4)

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): 03/13/20 Filing Description: Notice of Emergency Action Pursuant to CME Rule 257. ("Exchange Physical Emergencies") Regarding Certain Equity and Weather Contracts and Relief from Certain Exchange Rules.

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.



March 13, 2020

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)(6) Emergency Rule Certification.
Notification of Emergency Action Regarding Covid-19 Pandemic.
NYMEX Submission No. 20-155 (3 of 4)**

Dear Mr. Kirkpatrick:

On March 11, 2020, [CME Group Inc. issued a press release](#) announcing the closure of its Chicago trading floor as of the close of business on Friday, March 13, 2020, as a precaution to reduce large gatherings that can contribute to the spread of Covid-19.

Pursuant to Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") Rule 257 ("Exchange Physical Emergencies"), the Exchanges are notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that effective for trade date Monday, March 16, 2020, they as applicable will amend the terms and conditions of the following contracts:

- (1) Flexible Options on Standard and Poor's 500 Price Index Futures Contracts (Commodity Code YP) and full-sized Options on Standard and Poor's 500 Stock Price Index Futures Contracts (Commodity Code SP); and
- (2) Options on CME Seasonal Strip Degree Days Index Futures Contracts – Dallas CDD July-Aug Seasonal Strip (Commodity Code K5N) and Options on CME Monthly Degree Days Index Futures Contracts – Dallas CDD July (Commodity Code K5).

In addition, the Exchanges will suspend the clearing of Options on Nikkei Stock Average Futures Contracts (Put and Call Commodity Codes JN and KN), Options on One-Month Eurodollar Futures Contracts (Code EM), and all weather contracts not referenced in (2) above. These suspended contracts, which have no open interest, were previously listed solely for trading via open outcry and made available for clearing via CME ClearPort.

Amended Terms and Conditions

(1) Flexible Options on Standard and Poor's 500 Stock Price Index Futures Contracts (Commodity Code YP, as amended Commodity Code YPB) and Options on Standard and Poor's 500 Stock Price Index Futures Contracts (Commodity Code SP)

Flexible Options on Standard and Poor's 500 Stock Price Index Futures Contracts (Commodity Code YP) were previously listed for open outcry trading only.

Due to the closure of the Chicago trading floor, select series in such options will be listed for trading and European Style exercise on the CME Globex electronic trading platform and for clearing via CME ClearPort under the new Commodity Code YPB. YPB contracts will exclusively follow all applicable CME Globex trading rules.

CME is establishing block trade eligibility for the YPB contracts at a 50-contract minimum threshold.

Additionally, CME is lowering the existing block threshold for all other full-sized Options on Standard and Poor's 500 Stock Price Index Futures Contracts to a 50-contract minimum threshold.

CME Globex trading hours:

Sunday – Friday 5:00 p.m. - 4:00 p.m. Central Time (CT) with daily trading halts from 3:15 p.m. - 3:30 p.m. CT

CME fees:

| Membership Type | Venue/Transaction Type | Exchange Fee |
|--|------------------------|--------------|
| Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds | CME Globex | \$0.72 |
| | EFP | \$0.97 |
| | EFR | \$0.97 |
| | Block | \$0.97 |
| | Delivery | \$0.22 |
| | Exe Asn Future From | \$0.27 |
| Rule 106.D Lessees Rule 106.F Employees | CME Globex | \$0.95 |
| | EFP | \$1.20 |
| | EFR | \$1.20 |
| | Block | \$1.20 |
| | Delivery | \$0.45 |
| | Exe Asn Future From | \$0.50 |
| Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply) | CME Globex | \$1.00 |
| Rule 106.H and 106.N Firms | CME Globex | \$1.00 |
| | EFP | \$1.35 |
| | EFR | \$1.35 |
| | Block | \$1.35 |
| | Delivery | \$0.60 |
| | Exe Asn Future From | \$0.65 |
| International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants (Open Outcry at same rate as CME Globex for Interest Rate products only) | CME Globex | \$1.01 |
| Central Bank Incentive Program (CBIP), Emerging Markets Bank Incentive Program (EMBIP), Latin American Fund Manager Incentive Program (FMIP), Participants (For other than CME Globex - Non-Member rates apply) | CME Globex | n/a |
| CBOE Members | | |

| | | |
|---|------------------------|--------|
| (For S&P products only; for all other products - Non-Member rates apply) | CME Globex | \$1.40 |
| | EFP | \$1.46 |
| | EFR | \$1.46 |
| | Block | \$1.46 |
| | Delivery | \$0.71 |
| | Exe Asn Future From | \$0.76 |
| CTA/Hedge Fund Incentive Program Participants (For other than FX CME Globex - Non-Member rates apply) | CME Globex | n/a |
| Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply) | Globex During ETH Only | \$1.31 |
| Non-Members | | |
| | CME Globex | \$1.50 |
| | EFP | \$1.56 |
| | EFR | \$1.56 |
| | Block | \$1.56 |
| | Delivery | \$0.81 |
| | Exe Asn Future From | \$0.86 |

(2) Options on CME Seasonal Strip Degree Days Index Futures Contracts – Dallas CDD Jul-Aug Seasonal Strip Commodity Code K5N) and Options on CME Monthly Degree Days Index Futures Contracts – Dallas CDD Jul (Commodity Code K5)

Options on (a) CME Seasonal Strip Degree Days Index Futures Contracts – Dallas CDD Jul-Aug Seasonal Strip Commodity Code K5N) and (b) CME Monthly Degree Days Index Futures Contracts – Dallas CDD Jul (Commodity Code K5) were previously listed for open outcry trading only and made available for clearing via CME ClearPort.

These cooling degree days options will now be available for trading on the CME Globex electronic trading platform in addition to being available for clearing via CME ClearPort. The options will also exclusively follow all applicable CME Globex trading rules.

CME Globex trading hours:

Sunday - Friday 5:00 p.m. - 3:15 p.m. Central Time/CT with a daily trading halts between 3:15 p.m. - 5:00 p.m. CT

CME fees:

| | | |
|---|-----------------------------|--------|
| Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds | | |
| | CME Globex | \$0.15 |
| | EFP EFR Block | \$0.46 |
| | Exercise Assign Future From | \$0.07 |

| | | |
|--|---------------------------------|--------|
| Rule 106.D Lessees Rule 106.F Employees | | |
| | CME Globex | \$0.20 |
| | EFP EFR Block | \$0.51 |
| | Exercise Assign Future From | \$0.12 |
| Rule 106.R Electronic Corporate Member (For other than CME Globex - See Non- Members) | CME Globex | \$0.44 |
| Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms | | |
| | CME Globex | \$0.25 |
| | EFP EFR Block | \$0.56 |
| | Exercise Assign Future From | \$0.17 |
| International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - See Non- Members) | CME Globex | \$0.26 |
| Members Trading Outside of Division (For other than Globex During ETH - See Non- Members) | CME Globex - During ETH Only | \$0.29 |
| Non-Members (Including: Central Bank Incentive Program (CBIP) Participants, Emerging Markets Bank Incentive Program (EMBIP) Participants, Latin American Fund Manager Incentive Program (FMIP) Participants, CTA/Hedge Fund Incentive Program Participants & CBOE Members) | | |
| | CME Globex | \$0.54 |
| | EFP | \$0.60 |
| | EFR Block | |
| | Exercise Assign Future From | \$0.21 |

The marketplace will be notified of the regulatory relief in connection with Covid-19 via CME Group Special Executive Report S-8559 (“S-8559”). S-8559 appears in Exhibit B.

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

Emergency Authority: The action by the Exchanges constitutes an emergency action taken in accordance with the provisions of Exchange Rule 257, and requires prompt notice to be provided to the CFTC under both Commission Regulations and Exchange Rule 257.

Availability of General Information: The emergency action will be communicated to the marketplace via the issuance of S-8559. S-8559 will be distributed via email to subscribers of these publications in addition to being posted publicly on the CME Group website.

The Exchanges certify that the emergency action complies with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

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 have any questions regarding this submission, please contact me at 212.299.2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – CME Rule 257. (“Exchange Physical Emergencies”)
Exhibit B – SER 8559

Exhibit A

CME Rulebook Chapter 2 ("Government")

* * *

257. EXCHANGE PHYSICAL EMERGENCIES

In the event that the functions of the Exchange are, or are threatened to be, severely and adversely affected by a physical emergency such as fire or other casualty, bomb threats, substantial inclement weather, power failures, communications breakdowns, computer system breakdowns, screen-based trading system breakdowns, malfunctions of plumbing, heating, ventilation, and air conditioning systems or transportation breakdowns, the Chief Executive Officer, President or Chief Operating Officer or their delegate may take any action necessary to deal with the emergency, including but not limited to, a suspension of trading. In the absence of the aforementioned Exchange officers or delegate, any member of the Executive Committee may act instead of the Chief Executive Officer, President or Chief Operating Officer.

Upon a determination by the Chief Executive Officer, President, or Chief Operating Officer or their delegate that the physical emergency has sufficiently abated to permit the orderly functioning of the Exchange, he shall order restoration of trading or the removal of other restrictions imposed.

The Exchange shall notify the CFTC of the implementation, modification or termination of a physical emergency action as soon as possible after taking the action.

Nothing in this rule shall in any way limit the authority of the Board of Directors to act in an emergency situation pursuant to Rule 230.k.

[End of Chapter]

Exhibit B



S-8559

March 13, 2020

Regulatory Relief Concerning Covid-19 Pandemic

In anticipation of Commodity Futures Trading Commission (“CFTC”) no-action relief, CME, CBOT, NYMEX, and COMEX (each an “Exchange” and together the “Exchanges”) are extending relief with respect to various Exchange rules concerning the solicitation and handling of customer orders, including by CME and CBOT registered floor brokers, effective immediately. The relief will remain in effect until further notice.

Entry of Customer Orders into CME Globex

Rule 574 (Globex Access Restrictions) currently provides that customer orders may be entered only from the premises of an entity registered to conduct customer business or the trading floor.

The Exchanges will permit parties authorized to handle customer orders for CME Group products from alternate locations provided they have obtained the necessary approval to do so from their employer, except with respect to CME and CBOT registered floor brokers who do not also maintain registration in an additional capacity that permits the handling of customer orders.

As previously communicated, **in order for CME and CBOT floor brokers who do not also maintain registration in an additional capacity to handle customer orders from an alternate location, they must receive permission to do so from their qualifying clearing member firm.** In the absence of such permission, CME and CBOT floor brokers may not handle customer orders from an alternate location.

Written Recordkeeping Requirements

Rule 536.B.1. (Globex Order Entry – General Requirement) requires each party entering customer orders into Globex to accurately input a series of required fields as specified in the rule. These requirements will continue to apply to all Globex order entry.

If the order is entered into Globex immediately upon receipt, no other record other than the entry into Globex is required.

However, if a Globex terminal operator receives an order which cannot be immediately entered into Globex, the Globex terminal operator must prepare a written order and include the account designation, date, and an electronic timestamp showing the time of receipt and the time such order was modified, returned, confirmed, or cancelled.

The Exchanges will not require that written orders include electronic timestamps, provided however, that parties receiving such orders comply with the following requirements:

- Create a written or electronic record of the order with the appropriate account designation;
- Ensure the record includes the time of receipt, the time the order was modified, returned, confirmed, or cancelled;
- Retain any electronic communications concerning the order, including instant messages and emails; and;
- Retain all of the above for no less than 5 years from the date the record was created.

Furthermore, the aforementioned records must, under existing Exchange rules, be provided to Market Regulation upon request.

Oral Recordkeeping Requirements

Rule 536.H. (Retention of Records) currently requires members, member firms, and employees of the foregoing to comply with applicable recordkeeping requirements as set forth in CFTC Regulation 1.35, including oral recording requirements.

With respect to complying with CFTC Regulation 1.35, the Exchanges will not require compliance with the oral recording requirements based on the expectation that the CFTC will provide relief from this requirement.

Exchange Member Solicitations

CME and CBOT Rule 127 (Trading and Solicitation Privileges) requires all solicitations by members for business to take place from the trading floor or the premises of an entity registered to conduct customer business. Similarly, NYMEX and COMEX Rule 127 (Broking and Solicitation Privileges) requires broking and solicitations by members for business to take place from the premises of an entity registered to conduct customer business.

With respect to complying with Rule 127, the Exchanges will not require that solicitations for business take place from the trading floor or the premises of an entity registered to conduct customer business, provided that members comply with any conditions specified in the no-action relief subsequently granted by the CFTC.

Permissible Pre-Execution Communications Concerning Globex Trades

Exchange Rule 539.C. (Pre-Execution Communications Concerning Globex Trades) permits parties to engage in pre-execution communications pursuant to the provisions of the Rule and the associated Market Regulation Advisory Notice ("MRAN") concerning Rule 539, available at <https://www.cmegroup.com/rulebook/files/cme-group-Rule-539.pdf>.

Parties may continue to engage in pre-execution communications in compliance with the provisions of the Rule 539.C. and the associated MRAN.

Block Trades and Exchange for Related Positions (EFRPs)

Block trades and EFRPs remain available pursuant to the provisions of Rules 526 (Block Trades) and 538 (Exchange for Related Positions) and the associated Market Regulation Advisory Notices concerning those rules.

Block Trades: <https://www.cmegroup.com/rulebook/files/cme-group-Rule-526.pdf>

EFRPs: <https://www.cmegroup.com/rulebook/files/cme-group-Rule-538.pdf>

The Exchanges will not require that block trade and EFRP orders include electronic timestamps, provided however, that parties receiving such orders comply with all other requirements of Rules 526 and 538, in addition to complying with the following requirements:

- Create a written or electronic record of the order with the appropriate account designation;
- Ensure the record includes the time of receipt, the time the order was modified, returned, confirmed, or cancelled;
- Retain any electronic communications concerning the order, including instant messages and emails; and;
- Retain all of the above for no less than 5 years from the date the record was created.

While the Exchanges are not modifying the required submission deadlines for block trades and EFRPs, Market Regulation appreciates that due to the current circumstances, strict compliance with such deadlines may present operational challenges. Accordingly, Market Regulation strongly suggests that individuals and firms experiencing difficulty in complying with the deadlines self-report noncompliance using the links below:

Block Trades: <https://www.cmegroup.com/content/dam/cmegroup/notices/market-regulation/2017/08/SER-7974.pdf>

EFRPs: <https://www.cmegroup.com/market-regulation/self-report.html>

If you have any questions, please contact one of the following individuals in Market Regulation:

Robert Sniegowski, 312.341.5991 or Robert.Sniegowski@cmegroup.com

Erin Middleton, 312.341.3286 or Erin.Middleton@cmegroup.com

Andrew Vrabel, 312.435.3622 or Andrew.Vrabel@cmegroup.com

Greg Benbrook, 312.341.7619 or Greg.Benbrook@cmegroup.com

Steve Schwartz, 212.299.2853 or Steven.Schwartz@cmegroup.com

Chris Reinhardt, 312.435.3665 or Chris.Reinhardt@cmegroup.com

Tom LaSala, 212.299.2897 or Thomas.LaSala@cmegroup.com

If you have questions over the weekend of March 14 and 15, please contact one of the following individuals in Market Regulation:

Robert Sniegowski, 312.576.8543

Greg Benbrook, 312.296.0535

Andrew Vrabel, 312.618.9968