

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 21-193 (2 of 2)

**Organization:** Commodity Exchange, Inc. ("COMEX")

**Filing as a:**  DCM  SEF  DCO  SDR

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 04/16/21 **Filing Description:** Amendments to NYMEX/COMEX Rule 703.A. ("Conditions of Approval") of NYMEX/COMEX Chapter 7 ("Delivery Facilities and Procedures")

**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:** See filing.

**Rule Numbers:** See filing.

April 16, 2021

**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) Rule Certification. Notification Regarding Amendments to NYMEX/COMEX Rule 703.A. (“Conditions of Approval”) of NYMEX/COMEX Chapter 7 (“Delivery Facilities and Procedures”). COMEX Submission No. 21-193 (2 of 2)**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) are certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to NYMEX/COMEX Chapter 7 (“Delivery Facilities and Procedures”) in connection with the requirements for responsible sourcing for NYMEX platinum and palladium and COMEX silver deliverable against the respective physically delivered futures contracts listed on the Exchanges effective on May 3, 2021 (collectively, the “Rule Amendments”).

In addition to the existing conditions for approval of NYMEX platinum and palladium producers, the Rule Amendments are intended to implement additional safeguards by requiring that a producer of platinum or palladium bars also be in compliance with the current London Platinum and Palladium Market (“LPPM”) Responsible Platinum Guidance and Responsible Palladium Guidance. With regard to COMEX silver, the Rule Amendment is intended to implement additional safeguards by requiring that a producer of silver bars also be in compliance with the current London Bullion Market Association (“LBMA”) Responsible Silver Guidance.

Specifically, the Exchanges are amending Rule 703.A. (“Conditions of Approval”) to render the Exchanges’ standards consistent with international standards for conflict-free platinum, palladium, and silver. The LPPM Responsible Platinum Guidance and Responsible Palladium Guidance and the LBMA Responsible Silver Guidance are intended to assure investors and consumers that platinum, palladium and silver stocks are conflict-free due to compliance with an audited, conflict-free process.

Amendments to NYMEX/COMEX Rule 703.A. are provided in Exhibit A below in blackline format.

The Exchanges reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act”) and identified that the amendments to NYMEX/COMEX Rulebook Chapter 7 may have some bearing on the following Core Principle:

**Availability of General Information:** In order to ensure that market participants are apprised of the Rule Amendments, the Exchanges will issue a CME Group Market Surveillance Notice to notify the marketplace notifying in advance of the effective date. The issuance of the Market Surveillance Notice constitutes compliance with this Core Principle.

The Exchanges certify that the Rule Amendments comply with the Act and regulations thereunder. There were no opposing views to the Rule Amendments.

The Exchanges certify that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact me at 212-299-2200.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – Amendments to NYMEX/COMEX Rule 703.A. (“Conditions for Approval”)

**EXHIBIT A**  
**NYMEX/COMEX RULEBOOK**  
**Chapter 7**  
**DELIVERY FACILITIES AND PROCEDURES**  
(additions underscored)

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**703. DESIGNATION AND OBLIGATIONS OF METAL SERVICE PROVIDERS**

**703.A. Conditions for Approval**

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(14) The facility shall promptly advise the Exchange of any damage to metal held in store by it, whenever such damage shall occur to an extent that will render the metal undeliverable.

The Exchange, in its sole discretion, may determine not to approve facilities for regularity, or for increases in regular capacity of existing regular facilities, regardless of whether such facilities meet the preceding requirements and conditions. Some factors that the Exchange may, but is not required to, consider in exercising its discretion include, among others, whether warrants issued by such facilities, if tendered in satisfaction of futures contracts, might be expected to adversely affect the price discovery function of futures contracts or impair the efficacy of futures trading in the relevant market, or whether the currently regular capacity provides for an adequate deliverable supply.

The Exchange shall designate and approve the metal brands deliverable against the metals futures contracts. Such brands must be produced by an Exchange approved producer and display the unique brand mark of the approved producer's specified facility that created such brand of metal.

The Exchange shall designate and approve metal producers whose function shall be a refiner or smelter whose products meet all Exchange brand requirements and metals specifications as prescribed herein or in the respective metal futures contract rule chapters and are acceptable for delivery against the applicable metal futures contract. A current gold producer and current silver producer must also comply with current London Bullion Market Association (LBMA) Responsible Gold Guidance and Responsible Silver Guidance, respectively, in order for such gold producer and silver producer to obtain and maintain Exchange approval for delivery against any of the Exchange's physically delivered gold and silver futures contracts. A current platinum producer and current palladium producer must also comply with current London Platinum and Palladium Market (LPPM) Responsible Platinum Guidance and Responsible Palladium Guidance, respectively, in order for such platinum and palladium producer to obtain and maintain Exchange approval for delivery against any of the Exchange's physically delivered platinum and palladium futures contracts.

The Exchange shall designate assayers for metals deliverable against the metals futures contracts. Exchange approved assayers shall verify the metallurgical assay of Exchange approved metal brands in order to maintain the integrity of said brands deliverable against the metal futures contracts. In the event that the metallurgical assay of any brand shall be questioned, the Exchange shall refer the matter to said assayers.

The Exchange shall designate and approve an armored car company as a carrier whose function is to provide for the secure transportation of gold, platinum and palladium and shall maintain a chain of integrity for each such metal, as described in the applicable metals futures contract rule chapters.

The Exchange shall designate and approve a weighmaster whose function is to verify the weight of registered aluminum, copper, lead, gold, silver and zinc.

A service provider shall mean an assayer, carrier, producer, depository, warehouse or weighmaster designated, approved or declared regular by the Exchange. The Exchange, in its sole discretion, may determine not to approve service providers regardless of whether such service providers meet the preceding requirements and conditions.

Service providers shall be subject to the Rules of the Exchange, the disciplinary procedures set forth in Chapter 4, and the arbitration procedures set forth in Chapter 6, and shall abide by and comply with the terms

of any disciplinary decision imposed or any arbitration award issued against it pursuant to the Rules of the Exchange.

Service providers shall consent to the disciplinary jurisdiction of the Exchange for five (5) years after such regularity lapses, for conduct which occurred while the facility was regular.

The service provider shall immediately notify the Exchange, in writing of any actual change in control or ownership.

The service provider represents and warrants that all of the information in its application for approval or regularity is accurate. The service provider agrees that it has a continuing obligation to promptly notify the Exchange of any change in the information contained therein.

[End of Rule 703.A.]