

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 20-215

**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):** 05/05/20   **Filing Description:** Delivery Margin and Payment Procedures

**SPECIFY FILING TYPE**

**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     |

**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.

May 5, 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, D.C. 20581

**Re: CFTC Regulation 40.6(a) Notification. Delivery Margin and Payment Procedures.  
NYMEX Submission No. 20-215**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6 (a), New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying an advisory on delivery margin and payment procedures for the Light Sweet Crude Oil and WTI Houston Crude Oil Futures contracts (the “Contracts”). The certification would become effective on Tuesday, May 19, 2020 for trade date Wednesday, May 20, 2020.

The Advisory is provided in Appendix A. The Advisory notes that in the event of a negative final settlement price in the Contracts – (i) the Exchange will interpret “full value of the product to be delivered” for purposes of the margin that a Clearing Member has to collect from the buyer to mean an amount fixed by the Exchange; and (ii) the payment obligations of long and short position holders as set forth in applicable NYMEX product margin and payment rule would be reversed.

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 following Core Principles may be impacted as follows:

- **Availability of General Information:** The Exchange will make publicly available the details of the procedures described herein by publishing an Exchange advisory to the market which will also be available on CME Group’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the procedures set forth herein comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal by market participants.

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 via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A –Exchange Advisory

Appendix A

## Special Executive Report

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**DATE:** May 5, 2020

**SER#:** 8595

**SUBJECT:** Delivery Margin and Payment Procedures

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) Light Sweet Crude Oil (Rulebook Chapter 200; Commodity Code: CL) and WTI Houston Crude Oil (Rulebook Chapter 201; Commodity Code: HCL) futures contracts (the “Contracts”) are enabled for negative price trading and settlement. In order to facilitate deliveries, and subject to CFTC regulatory review, NYMEX is issuing this advisory to clarify position holder and clearing member delivery margin and final payment obligations in the event of a negative final settlement price in the Contracts.

Specifically, with regard to NYMEX Contract Rules 200107/201107 (“Delivery Margin and Payment”):

1. The Exchange will interpret “full value of the product to be delivered” for purposes of the margin that a Clearing Member must collect from the buyer under Rules 200107.B and 201107.B to mean an amount fixed by the Exchange.
2. The procedural payment and related notice obligations of buyers and sellers under Rules 200107.C and 201107.C will be transposed where the Contract expires at a negative final settlement price.

Please refer questions on this subject to:

Daniel Brusstar  
Russell Karas

[Daniel.Brusstar@cmegroup.com](mailto:Daniel.Brusstar@cmegroup.com)  
[Russell.Karas@cmegroup.com](mailto:Russell.Karas@cmegroup.com)

212.299.2604  
212.299.2345