

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-272 (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): 07/21/17 Filing Description: Amendments to NYMEX/COMEX Rule 300.20 ("Strike Price Listing Procedures"), Strike Price Listing Procedures Table, Twenty-Nine (29) NYMEX and Six (6) COMEX Option Contracts.

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 Number(s): See filing.

July 21, 2017

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) Certification. Notification Regarding Amendments to NYMEX/COMEX Rule 300.20 (“Strike Price Listing Procedures”), Strike Price Listing Procedures Table, Twenty-Nine (29) NYMEX and Six (6) COMEX Option Contracts.
 COMEX Submission No. 17-272 (2 of 2)**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) are notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that they are self-certifying amendments to the NYMEX/COMEX Rule 300.20 (“Strike Price Listing Procedures”), Strike Price Listing Procedures Table (“Table”), and the following NYMEX/COMEX energy and metal option contracts noted below (“the Contracts”) (collectively, the “Rule Amendments”) to eliminate contrary exercise instructions and amend at-the-money instructions effective on Sunday, August 6, 2017 for trade date Monday, August 7, 2017 and commencing with the February 2018 contract month and beyond.

NYMEX

Commodity Code	Contract Title	NYMEX Rulebook Chapter
ENERGY		
LO	Light Sweet Crude Oil Option	310
OH	NY Harbor ULSD Option	320
OB	RBOB Gasoline Option	335
CH	NY Harbor ULSD Crack Spread Option	350
6J	Natural Gas Option on Calendar Futures Strip	351
4D	Natural Gas Option on Summer Futures Strip	352
6I	Natural Gas Option on Winter Futures Strip	353
6E	Crude Oil Option on Quarterly Futures Strip	356
6F	Crude Oil Option on Calendar Strip	357
ON	Henry Hub Natural Gas Option	370
OS	Brent Crude Oil Option	376
RX	RBOB Gasoline Crack Spread Option	387

ZA, ZB, ZC, ZM	RBOB Gasoline Calendar Spread Option	388
WA, WB, WC, WM, WZ	WTI Calendar Spread Option	390
IA, IB, IC, IE, IM, IZ	Henry Hub Natural Gas Calendar Spread Option	391
FA, FB, FC, FM, FZ	NY Harbor ULSD Calendar Spread Option	392
AA, AB, AC, AM, AZ	Brent Calendar Spread Option	394
CE1, CE2, CE3, CE6	Chicago Ethanol (Platts) Calendar Spread Option	420
LM1 – LM5	Crude Oil Mid-Curve Option	468
GXA, GXB, GXC, GXM, GXZ	European Low Sulphur Gasoil Calendar Spread Option	552
BPC	Brent Option on Calendar Futures Strip	826
BQP	Brent Option on Quarterly Futures Strip	827
BW1-BW5	Brent Crude Oil Weekly Options	1007
LO1-LO5	Crude Oil Weekly Options	1011
ON1-ON5	Natural Gas Weekly Options	1012
WCO	Western Canadian Select (WCS) Crude Oil Option	1212
6Y	Crude Oil Option on Semi-Annual Strip	1244
METALS		
PAO	Palladium Option	119
PO	Platinum Option	360

COMEX

Commodity Code	Contract Title	COMEX Rulebook Chapter
METALS		
OG	Gold Option	115
SO	Silver Option	116
HX	Copper Option	117
OG1 – OG5	Gold Weekly Option	1008
SO1 – SO5	Silver Weekly Option	1009
H1E – H5E	Copper Weekly Option	1010

Description of Rule Amendments:

Specifically, the Exchanges are eliminating contrary instructions and amending the at-the-money instructions of the Contracts. The Rule Amendments will provide greater transparency and remove uncertainty for participants in the Exchanges' option markets. The improved automatic exercise process will allow all participants to know their exact positions and enable such participants to hedge risk during liquid, early afternoon U.S. trading hours. The Exchanges sought and garnered feedback from a broad range of customers and FCMs, who support a conversion to real-time auto-exercise for certain NYMEX/COMEX options on futures contracts on the expiration date.

Currently, at expiration, option buyers can exercise option contracts that are out-of-the-money or abandon options that are in-the-money at the time of futures settlement. However, this feature on the options termination of trading day, serves to create "assignment risk" for options sellers, who may only find out they have been assigned futures contracts several hours after futures settlement. It has been determined that this "assignment risk" is a deterrent to broader market use of the product. The Strike Price Listing Procedures Table will be renamed the Strike Price Listing and Exercise Procedures Table in Rule 300.20 in NYMEX/COMEX Chapter 300 ("Options Contracts"). Specifically, the Exchange will add two columns to the table entitled "Contrary Instructions" and "Exact At-the-Money Characteristics" which shall reflect the information for listed contract months effective through December 31, 2017 and, separately, effective January 1, 2018.

These Rule Amendments will: (1) remove the availability for contrary exercise instructions and amend at-the-money instructions for the Contracts (2) amend Rule 300.20 and the table located therein; and (3) provide amendments to twenty-nine (29) NYMEX and six (6) COMEX option contracts.

Elimination of Contrary Instructions:

NYMEX and COMEX are implementing changes to certain options exercise rules effective for existing and newly listed contract months, expiring after January 1, 2018 (February 2018 and deferred contract months). Note that, typically, rule revisions which may change the value of a contract are not applied to existing contracts under the Exchanges' rules. Due to consistent demand from customers to eliminate the "pin risk" and to simplify the options product suite, the Exchange undertook the task of contacting significant holders of open interest to determine if they would agree to the Exchanges applying the "no contrary instructions" rule changes at expiration to existing contracts. The majority of the responses were "no objection." Most holders of open interest approved of the Rule Amendments for existing contracts, regardless of whether they were long or short options that expire in 2018 and beyond. However, some customers surveyed opposed the change, not wanting to give up a right to exercise or not exercise options until two (2) hours after termination of trading. Upon further questioning and explanation of the importance of the Rule Amendments for future growth in the Contracts, these participants agreed that implementation of the Rule Amendments for existing contracts was acceptable. Apart from this, the overwhelming majority of customers surveyed supported the change to "no contrary instructions." In addition, the Exchange is providing the marketplace with an advanced notice period of six months prior to the implementation of the Rule Amendments.

Core Principle Analysis:

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

- Contracts Not Readily Susceptible to Manipulation: The Contracts are not readily subject to manipulation as a result of the deep liquidity and robustness of the underlying cash and futures market.
- Daily Publication of Trading Information: Trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.
- Availability of General Information: The Exchanges will amend the NYMEX/COMEX rulebook accordingly on the effective date which is publicly available on the CME Group website. In addition, the Exchange will publish a Special Executive Report ("SER") to advise the marketplace of the Rule Amendments. The SER will also be posted on the CME Group website.
- Execution of Transactions: The Contracts are listed for trading on CME Globex and for clearing through the CME ClearPort platform. The CME Globex platform provides a transparent, open and efficient mechanism to electronically execute trades.

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Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges hereby certify that the amendments comply with the Act, including regulations under the Act. There are no substantive opposing views to the Rule Amendments.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' 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.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A – Amendments to NYMEX/COMEX Rulebook Amendments (blackline format)
(under separate cover)
Appendix B – Strike Price Listing and Exercise Procedures Table (under separate cover)

Appendix A

Amendments to NYMEX/COMEX Rulebook Amendments

(blackline format)

(under separate cover)

Appendix B

Strike Price Listing and Exercise Procedures Table

(under separate cover)