

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 24-268 (2 of 2)

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): 08/28/24 Filing Description: Initial Listing of the HVO FOB ARA Range (Class II) (Argus) Futures and HVO FOB ARA Range (Class II) (Argus) vs. Low Sulphur Gasoil Futures Contracts

**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 checked="" 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:** See filing.

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- |                          |   |                      |
|--------------------------|---|----------------------|
| <input 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:**

**Rule Numbers:**

August 8, 2024

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the HVO FOB ARA Range (Class II) (Argus) Futures and HVO FOB ARA Range (Class II) (Argus) vs. Low Sulphur Gasoil Futures Contracts.  
NYMEX Submission No. 24-268 (2 of 2)**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the HVO FOB ARA Range (Class II) (Argus) Futures and HVO FOB ARA Range (Class II) (Argus) vs. Low Sulphur Gasoil Futures Contracts (the “Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on Sunday, September 15, 2024, for trade date Monday, September 16, 2024.

<b>Contract Title</b>	<b>HVO FOB ARA Range (Class II) (Argus) Futures</b>	<b>HVO FOB ARA Range (Class II) (Argus) vs. Low Sulphur Gasoil Futures</b>
<b>CME Globex and CME ClearPort Code</b>	HVO	HVG
<b>Rulebook Chapter</b>	750	751
<b>Settlement Type</b>	Financial	
<b>Contract Size</b>	100 metric tons	
<b>Pricing Quotation</b>	U.S. dollars and cents per metric ton	
<b>Minimum Price Fluctuation</b>	\$0.001 per metric ton	
<b>Value per tick</b>	\$0.10	
<b>Termination of Trading</b>	Trading terminates on the last business day of the contract month.	
<b>Listing Schedule</b>	Monthly contracts listed for the current year and the next 3 calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year.	
<b>First Listed Month</b>	October 2024	
<b>Block Trade Minimum Threshold / Reporting Window</b>	5 contracts – subject to a 15-minute reporting window	
<b>CME Globex Match Algorithm</b>	First-In, First-Out (FIFO)	

<b>Trading and Clearing Hours</b>	<p><b>CME Globex PreOpen:</b> Sunday 4:00 p.m. - 5:00 p.m. Central Time/CT Monday – Thursday 4:45 p.m. - 5:00 p.m. CT</p> <p><b>CME Globex:</b> Sunday 5:00 p.m. – Friday 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. - 5:00 p.m. CT</p> <p><b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 4:00 p.m. CT with no reporting Monday - Thursday from 4:00 p.m. – 5:00 p.m. CT</p>
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Exhibit A provides NYMEX Chapters, Exhibit B provides the Position Limits, Position Accountability and Reportable Level Table. Exhibit C provides the Exchange fees. Exhibit D provides the NYMEX Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) table and the Cash Market Overview and the Analysis of Deliverable Supply is provided in Exhibit E (confidential treatment requested).

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

- **Compliance with Rules:** Trading in the Contracts will be subject to Chapter 4 of the Exchange rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.
- **Contract Not Readily Subject to Manipulation:** The Contracts are not readily susceptible to manipulation and are based on the liquidity and robustness of the underlying cash markets.
- **Prevention of Market Disruption:** Trading in the Contracts will be subject to the Rules of NYMEX which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash settlement process. As with all products listed for trading on one of CME Group’s designated contract markets, activity in the new products will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department.
- **Position Limitations or Accountability:** The speculative position limits for the Contracts as demonstrated in this submission are consistent with the Commission’s guidance.
- **Availability of General Information:** The Exchange will publish on its website information regarding contract specifications, terms and conditions, as well as daily trading volume, open interest and price information for the Contracts.
- **Daily Publication of Trading Information:** The Exchange will publish information on contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contracts.
- **Execution of Transactions:** The Contracts will be listed for trading on the CME Globex electronic trading and for clearing through CME ClearPort. The CME Globex trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.

- **Trade Information:** All required trade information for the Contracts will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Financial Integrity of Contract:** The Contracts will be cleared by the CME Clearing House, which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- **Protection of Market Participants:** Chapters 4 and 5 of the Rulebook contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange's competitive trading venues and will be applicable to transactions in the Contracts.
- **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 rules. Trading in the Contracts 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 Contracts is identified.
- **Dispute Resolution:** Disputes with respect to trading in the Contracts will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. The rules in Chapter 6 allow all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to the rules in Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that the Contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

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

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
 Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: NYMEX Rulebook Chapters  
 Exhibit B: Position Limits, Position Accountability and Reportable Level Table  
 Exhibit C: Exchange Fees  
 Exhibit D: NYMEX Rule 588.H. ("Globex Non-Reviewable Trading Ranges") Table  
 Exhibit E: Cash Market Overview and the Analysis of Deliverable Supply  
 (attached under separate cover) (confidential treatment requested)

**Exhibit A**  
**NYMEX Rulebook**

**Chapter 750**  
**HVO FOB ARA Range (Class II) (Argus) Futures**

**750100. SCOPE OF CHAPTER**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

**750101. CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of the bid and ask quotations from the Argus Biofuels publication for "HVO Class II" under the heading "RED hydrotreated vegetable oil (HVO) fob ARA range" for each business day that the Floating Price is determined during the contract month.

**750102. TRADING SPECIFICATIONS**

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

**750102.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange.

**750102.B. Trading Unit**

The contract quantity shall be one hundred (100) metric tons.

**750102.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

**750102.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.

**750102.E. Termination of Trading**

Trading terminates on the last business day of the contract month.

**750103. FINAL SETTLEMENT**

Final settlement under the contract shall be by cash settlement. The final settlement price will be the Floating Price calculated for each contract month.

**750104. DISCLAIMER**

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

## Chapter 751 HVO FOB ARA Range (Class II) (Argus) vs Low Sulphur Gasoil Futures

### 751100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

### 751101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the mid-point of the bid and ask quotations from Argus Biofuels publication for "HVO Class II" under the heading "RED hydrotreated vegetable oil (HVO) fob ARA range" for each business day that such quotation is determined during the contract month minus the arithmetic average of the ICE Low Sulphur Gasoil Futures first nearby contract month settlement price for each business day that it is determined during the contract month, except as noted below.

The settlement price of the 1st nearby ICE Low Sulphur Gasoil Futures contract month will be used except on the last day of trading for the expiring ICE Low Sulphur Gasoil Futures contract when the settlement price of the 2nd nearby ICE Low Sulphur Gasoil Futures contract month will be used. The Floating Price is calculated using the non-common pricing convention.

In calculating the spread differential, the monthly average for each component leg of the spread shall be calculated by using all trading days in the month for each component leg of the spread, followed by the calculation of the spread differential between the two averages.

### 751102. TRADING SPECIFICATIONS

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

#### 751102.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

#### 751102.B. Trading Unit

The contract quantity shall be one hundred (100) metric tons.

#### 751102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

#### 751102.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.

#### 751102.E. Termination of Trading

Trading terminates on the last business day of the contract month.

### 751103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. The final settlement price will be the Floating Price calculated for each contract month.

### 751104. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

**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**

	<b>Member</b>	<b>Non-Member</b>
CME Globex	\$0.85	\$1.35
EFP	\$0.85	\$1.35
Block	\$0.85	\$1.35
EFR/EOO	\$0.85	\$1.35
<b>Processing Fees</b>		
	<b>Member</b>	<b>Non-Member</b>
Cash Settlement	\$0.10	\$0.10
	<b>Fee</b>	
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")  
Rule 588.H. ("Globex Non-Reviewable Trading Ranges") Table**

(additions underscored)

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR:Minimum Ticks	NRR: Globex Format	NRR: Outright Minimum Ticks
<u>HVO FOB ARA Range (Class II) (Argus) Futures</u>	<u>HVO</u>	<u>\$2.00 per metric ton</u>	<u>2000</u>	<u>2000</u>	<u>N/A</u>	<u>N/A</u>
<u>HVO FOB ARA Range (Class II) (Argus) vs Low Sulphur Gasoil Futures</u>	<u>HVG</u>	<u>\$2.00 per metric ton</u>	<u>2000</u>	<u>2000</u>	<u>N/A</u>	<u>N/A</u>

**Exhibit E**

**CONFIDENTIAL TREATMENT REQUESTED)**

**ADDITIONAL SUPPLEMENTAL MARKET INFORMATION  
[REDACTED]**