

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-410

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): 11/22/19 **Filing Description:** Amendments to the Contract Specification Rules of Three (3) Platts Petroleum Futures 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

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.

November 22, 2019

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
 Office of the Secretariat
 Commodity Future Trading Commission
 Three Lafayette Centre
 1155 21st Street, N.W.
 Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to the Contract Specification Rules of Three (3) Platts Petroleum Futures Contracts. NYMEX Submission: 19-410

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the contract specification rules of three (3) Platts petroleum futures contracts (the “Contracts”) which are available for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort, effective Sunday, December 22, 2019 for trade data Monday, December 23, 2019, as noted in the table below.

Specifically, the Exchange will amend the language in Chapters 697 and 1087 to correctly reflect that trading shall end one business day prior to the termination of the Brent Crude Oil Last Day Financial Futures, rather than the incorrect reference to the Brent Crude Oil Penultimate Financial Futures. The Exchange will amend the language in Chapter 1425, to correctly reflect a barge delivery. Also at this time, the Exchange shall implement harmonization amendments to the product rulebook chapters (collectively, the “Rule Amendments”). The Table 1. below provides a summary of the Rule Amendments. Exhibit A below provides the rulebook chapters in blackline format.

The Rule Amendments are administrative in nature and will not alter the Exchange’s existing termination of trading practice nor the economic value of the Contracts.

Table 1.

Contract Title	Rulebook Chapter	CME Globex and ClearPort codes	Current Contract Specification Rule	Corrected Contract Specification Rule
Brent Crude Oil vs. Dubai Crude Oil (Platts) Futures	697	ADB/DB	(A)The Floating Price for each contract month is the arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.	(A)The Floating Price for each contract month is the arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.

			(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil Penultimate Financial Futures contract when the settlement price of the second nearby Brent Futures contract will be used	(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil <u>Last Day Financial Futures</u> Penultimate Financial Futures contract when the settlement price of the second nearby Brent Futures contract will be used
Brent Crude Oil vs. Dubai Crude Oil (Platts) BALMO Futures	1087	BDB	<p>The Floating Price for each contract month is the Balance of Month arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the midpoint between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted below.</p> <p>The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil Penultimate Financial Futures contract when the settlement price of the second nearby Brent Futures contract will be used.</p>	<p>(A) The Floating Price for each contract month is the Balance of Month arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the midpoint between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.</p> <p>(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil <u>Last Day Financial Futures</u> Penultimate Financial Futures contract when the settlement price of the second nearby Brent Futures contract will be used.</p>
European FOB Rdam Marine Fuel 0.5% (Platts) vs. European 3.5% FOB Barges (Platts) Futures	1425	R53	<p>The Floating Price for each contract month is equal to the arithmetic average of the "\$/mt" quotations from the Platts European Marketscan under the heading "Marine Fuel" for "0.5% FOB Rotterdam cargo" minus the arithmetic average of the high and low quotations from the Platts European Marketscan under the heading "Barges FOB Rotterdam" for "3.5% Fuel Oil" for each business day during the contract month.</p> <p>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,</p>	<p>The Floating Price for each contract month is equal to the arithmetic average of the "\$/mt" quotations from the Platts European Marketscan under the heading "Marine Fuel" for "0.5% FOB Rotterdam cargo Barge" minus the arithmetic average of the high and low quotations from the Platts European Marketscan under the heading "Barges FOB Rotterdam" for "3.5% Fuel Oil" for each business day during the contract month.</p> <p>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,</p>

			followed by the calculation of the spread differential between the two averages.	followed by the calculation of the spread differential between the two averages.
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The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”) and staff identified that the Rule Amendments may have some bearing on the following Core Principles:

- **Compliance with Rules:** The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rule of the Contracts.
- **Availability of General Information:** The Exchange will amend the CME 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.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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 e-mail CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – Amendments to NYMEX Rulebook Chapters 697, 1087 and 1425 (blackline format)

Exhibit A **NYMEX Rulebook**

(additions underscored; deletions ~~struck through~~)

Chapter 697 **Brent Crude Oil vs. Dubai Crude Oil (Platts) Futures**

697.01. SCOPE

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

697.02. FLOATING PRICE

(A) The Floating Price for each contract month is the arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.

(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil Penultimate Financial Futures contract when the settlement price of the second nearby Brent Futures contract will be used.

697.03. CONTRACT QUANTITY AND VALUE The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

697.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

697.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

697.06. TERMINATION OF TRADING

Trading shall cease on the last business day of the contract month.

697.07. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

697.08. RESERVED

697.09. DISCLAIMER

See NYMEX/COMEX Chapter iv. ("DISCLAIMERS") incorporated herein by reference.

Chapter 697 Brent Crude Oil vs. Dubai Crude Oil (Platts) Futures

697101. 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.

697102. CONTRACT SPECIFICATIONS

(A) The Floating Price for each contract month is the arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in (B) below.

(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil ~~Penultimate Financial Futures~~ **Last Day Financial Futures** contract when the settlement price of the second nearby Brent Futures contract will be used.

697103. TRADING SPECIFICATIONS

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

697103.A. Trading Schedule

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

697103.B. Trading Unit

The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1000) multiplied by the settlement price.

697103.C. Price Increments

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

697103.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.

697103.E. Termination of Trading

Trading shall cease on last day of the contract month.

697103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

697104. DISCLAIMER

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

Chapter 1087

Brent Crude Oil vs. Dubai Crude Oil (Platts) BALMO Futures

1087100. 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.

1087101. CONTRACT SPECIFICATIONS

(A) The Floating Price for each contract month is the Balance of Month arithmetic average of the Brent Crude Oil (ICE) Futures first nearby contract settlement price minus the mid-point between the high and low quotations from Platts Crude Oil Marketwire for the Dubai front month price for each business day during the contract month (using Non-common pricing), except as noted in **(B)** below.

(B) The settlement price of the first nearby contract month will be used except on the last day of trading for the expiring Brent Crude Oil Last Day Financial Futures ~~Penultimate Financial Futures~~ contract when the settlement price of the second nearby Brent Futures contract will be used.

1087102. TRADING SPECIFICATIONS

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

1087102.A. Trading Schedule

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

1087102.B. Trading Unit

The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

1087102.C. Price Increments

Prices shall be quoted in USD and cents per barrel. The minimum price fluctuation shall be USD 0.001 per barrel. There shall be no maximum price fluctuation.

1087102.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.

1087102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

1087103. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

1087104. DISCLAIMER

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

Chapter 1425

European FOB Rdam Marine Fuel 0.5% (Platts) vs. European 3.5% FOB Barges (Platts) Futures

1425101. 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.

1425102. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the "\$/mt" quotations from the Platts European Marketscan under the heading "Marine Fuel" for "0.5% FOB Rotterdam ~~cargo~~ **Barge**" minus the arithmetic average of the high and low quotations from the Platts European Marketscan under the heading "Barges FOB Rotterdam" for "3.5% Fuel Oil" for each business day during the contract month.

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.

1425103. TRADING SPECIFICATIONS

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

1425103.A. Trading Schedule

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

1425103.B. Trading Unit

The contract quantity shall be 1000 metric tons. Each contract shall be valued as the contract quantity (1000) multiplied by the settlement price.

1425103.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. There shall be no maximum price fluctuation.

1425103.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.

1425103.E. Termination of Trading

Trading shall cease on the last business day of the contract month

1425104. FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

1425105. DISCLAIMER

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