

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 19-403

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): 12/2/2019 Filing Description: Delisting of Two (2) Energy 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.

December 2, 2019

**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 the Delisting of Two (2) Energy Futures Contracts.  
NYMEX Submission No. 19-403**

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 the delisting of two (2) energy futures contracts (the “Contracts”) as noted in the table below effective immediately. There is no open interest in the Contracts.

<b>Contract Title</b>	<b>NYMEX Rulebook Chapter</b>	<b>CME Clearing Code</b>	<b>CME Globex Code</b>
Henry Hub Natural Gas Last Day Physically-Delivered Futures	1156	MNG	MNG
CBL California Carbon Allowance (CCA) Vintage-Specific 2016 Futures	1253	C6C	C6C

The Contracts are being delisted from the CME Globex electronic trading platform and CME ClearPort, the venues on which they were listed.

Exhibit A provides amendments to the applicable NYMEX Rulebook Chapters in blackline format.

As a result of the delisting, information regarding the Contracts has been deleted from the respective product rulebook chapter, related position limits in the Position Limit, Position Accountability and Reportable Level Table located in the Interpretations and Special Notices Section of Chapter 5 (“Trading Qualifications and Practices”) of the NYMEX Rulebook (the “Table”), the CME Globex non-reviewable ranges located in Rule 588.H. of the NYMEX Rulebook, and the list of block-eligible products located on the CME Group website. The Table is attached under separate cover, in blackline format, as Exhibit B.

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 by this initiative as follows:

- **Emergency Authority**: There is no open interest in the Contracts, and therefore there will be no market disruption related to their delisting.
- **Availability of General Information**: The Exchange will make publicly available the details of the delisting of the Contracts by publishing a Special Executive Report (“SER”) to the marketplace. The SER will 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 delisting of the Contracts complies 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 e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact the undersigned at (212) 299-2200.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A - Amendments to NYMEX Rulebook Chapters (blackline format)  
Exhibit B - Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)

## Exhibit A

### NYMEX Rulebook

(deletions are struck through)

## **Chapter 1156** **Henry Hub Natural Gas Last Day Physically-Delivered Futures**

### **1156100. SCOPE OF CHAPTER**

This chapter is limited in application to Henry Hub Natural Gas Last Day Physically-Delivered futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all natural gas bought or sold for future delivery on the Exchange with delivery at the Henry Hub.

The terms "seller" and "buyer" shall mean the seller of the physical product and the buyer of the physical product, respectively.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate New York time.

### **1156101. CONTRACT SPECIFICATIONS**

The contract grade for delivery on futures contracts shall be "natural gas" which shall mean any mixture of hydrocarbons, or hydrocarbons and noncombustible gases, in a gaseous state, consisting essentially of methane, meeting the specifications set forth in the FERC approved tariff of Sabine Pipe Line LLC as then in effect at the time of delivery and shall be deliverable in satisfaction of futures contract delivery obligations.

The futures contract delivery point shall be the Henry Hub which refers to piping and related facilities owned and/or leased by Sabine Pipe Line LLC near Erath, Louisiana.

### **1156102. TRADING SPECIFICATIONS**

Trading in Henry Hub Natural Gas Last Day Physically-Delivered futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.

#### **1156102.A. Trading Schedule**

The hours for trading shall be determined by the Exchange.

#### **1156102.B. Trading Unit**

The unit of trading shall be 2,500 MMBtu. Transaction sizes in any delivery month shall be restricted to whole number multiples of the number of calendar days in the contract month, provided however, this restriction on transaction size does not apply to Exchange for Related Position (EFRP) transactions, pursuant to Rule 538. A delivery tolerance of two percent (2%) above or below the unit of trading is permitted.

The term Btu (British thermal unit) shall mean the amount of heat required to raise the temperature of one (1) pound of avoirdupois pure water from fifty-eight and five tenths degrees (58.5) Fahrenheit to fifty-nine and five tenths degrees (59.5) Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute. MMBtu shall mean one million (1,000,000) Btu.

#### **1156102.C. Price Increments**

The minimum fluctuation shall be \$0.001 (one tenth of one cent) per MMBtu (\$2.50 per contract). Prices shall be quoted in dollars and cents per MMBtu.

#### **1156102.D. Special Price Fluctuation Limits**

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

#### **1156102.E. 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.

#### **1156102.F. Termination of Trading**

No trades in Henry Hub Natural Gas Last Day Physically Delivered futures in the expiring contract month shall be made after the third business day prior to the first day of the delivery month for such expiring contract. In the event that the official Exchange holiday schedule changes subsequent to the listing of a Henry Hub Natural Gas Last Day Physically Delivered futures, the originally listed expiration date shall remain in effect. In the event that the originally listed expiration day is declared a holiday, expiration will move to the business day immediately prior. Any contracts remaining open after the last day of trading must be either:

- (a) Settled by delivery which shall take place no earlier than the first calendar day of the delivery month and shall be completed no later than the last calendar day of the delivery month; or
- (b) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Rule 538. An EFRP is permitted in an expired futures contract until 5:15 p.m. on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

### **1156103. MEASUREMENT**

The natural gas delivered hereunder shall be measured at the buyer's point of interconnection at the Henry Hub in accordance with transporting pipeline practices.

### **1156104. DELIVERY**

Delivery shall be made free on board ("F.O.B.") at the buyer's interconnection point at the Henry Hub. Delivery shall be made in accordance with all applicable Federal executive orders and all applicable Federal, State and Local laws and regulations. Delivery shall have occurred when product passes through the buyer's interconnection point, at which time the buyer shall bear the risk of loss.

The seller shall provide natural gas which is free from all liens, encumbrances, unpaid taxes, fees and other charges.

### **1156105. DELIVERY PROCEDURES**

#### **1156105.A. Notices of Intention to Deliver and Notices of Intention to Accept**

By 11:30 a.m. on the first business day after the final day of trading:

1. Exchange Clearing Members having open short positions shall provide the Clearing House with a Notice of Intention to Delivery. The Notice of Intention to Delivery must be in the form prescribed by the Exchange and must include: the name of the seller(s), the pipeline(s) through which the seller(s) will transport the product to the Henry Hub, the number of contracts to be delivered, and shall also provide any additional information as may be required by the Exchange.
2. Exchange Clearing Members having open long positions shall provide the Clearing House with a Notice of Intention to Accept. The Notice of Intention to Accept must be in the form prescribed by the Exchange and must include: the name of the buyer(s), the pipeline(s) through which the buyer(s) will receive the product at the Henry Hub, the number of contracts to be accepted, and shall also provide any additional information as may be required by the Exchange.

#### **1156105.B. Notice Day**

The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, and the designated delivery and receiving pipelines to the extent possible. The Clearing House shall provide copies of the notices to the respective clearing members by 2:00 p.m. on the first business day after the final day of trading. The day on which the notices are

provided to the clearing members shall be referred to as the Notice Day. Thereafter, a buyer's clearing member or seller's clearing member may amend the name(s) of the pipeline(s) for their respective buyer(s) or seller(s) in a form prescribed by the Exchange to the counterparty and the Exchange no later than 4:30 p.m. on the Notice Day.

#### **220105.C. Clearance and Non-Clearance**

1. ~~Notice of Scheduled Clearance. No later than 3:00 p.m. on the last business day prior to the delivery month, the seller's clearing member shall give the buyer's clearing member and the Exchange a properly completed Notice of Scheduled Clearance. The Notice of Scheduled Clearance must be in the form prescribed by the Exchange, indicate that the product and transportation are in place to enable the delivery to occur in accordance with the provisions of the Notice of Intention to Deliver and Notice of Intention to Accept.~~
2. ~~Non-Clearance. In the event that either the seller or the buyer is unable to make or take delivery in accordance with the Notice of Intention to Deliver and Notice of Intention to Accept because of a good faith inability to receive clearance from the Henry Hub facility, the seller's clearing member or the buyer's clearing member, as applicable, shall, no later than 3:00 p.m. on the last business day prior to the delivery month, notify the opposite clearing member and the Exchange, in a form prescribed by the Exchange, of the reasons for inability to make or take, as applicable, delivery in accordance with the Notice of Intention to Deliver and Notice of Intention to Accept. Such notification shall contain an alternate or preferred delivery site and set forth a revised designation of the pipeline(s) at the Henry Hub through which delivery will be completed.~~

#### **1156105.D. Final Settlement Price**

The final settlement price shall be the basis for delivery.

### **1156106. TIMING OF DELIVERY**

~~Delivery shall take place no earlier than the first calendar day of the delivery month and shall be completed no later than the last calendar day of the delivery month.~~

~~All deliveries shall be at as uniform an hourly and daily rate of flow over the course of the delivery month as is possible under the operating procedures and conditions of the transporting pipelines. Deliveries shall be subject to the transporting pipelines' variation in daily flow rate and balancing of receipts and deliveries of the transporting pipelines.~~

~~The seller shall give the buyer, upon request, within one business day, copies of Henry Hub transportation confirmations and invoices issued by Sabine Pipe Line LLC related to a standard delivery involving both parties.~~

~~The seller shall give the buyer all appropriate documents to transfer title of product upon receipt of payment.~~

### **1156107. DELIVERY MARGINS AND PAYMENTS**

#### **1156107.A. Definitions**

For the purposes of this Section 107,

~~"Payment Date" shall mean the twentieth day of the month following the delivery month or if such date is a Saturday or an Exchange or New York bank holiday other than Monday, payment shall be made on the preceding day which is not an Exchange or New York bank holiday. If such day is a Sunday or an Exchange or New York bank holiday which occurs on a Monday, payment shall be made on the next day which is not an Exchange or New York bank holiday.~~

#### **1156107.B. Margin**

~~On the third business day following the last day of trading, the clearing member shall obtain from any buyer margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and, shall be drawn in favor of the Exchange.~~

#### **1156107.C. Payment**

No later than 12:00 p.m. on the third business day prior to the Payment Date, the seller shall advise its clearing member of the name and address of the bank, and the name of the account to which payment shall be made. The clearing member shall advise the opposite clearing member who shall advise the buyer. On the Payment Date, the buyer shall pay the short contract value by federal funds wire transfer to the account of the seller at the bank nominated by the seller. The term "contract value" shall mean the amount equal to the settlement price on the last day of trading in a futures contract times two thousand five hundred (2,500) times the number of contracts to be delivered.

No later than 12:00 p.m. on the Payment Date, the buyer shall advise its clearing member of the federal funds wire transfer number and the name of the sending bank. The clearing member representing the buyer shall advise the opposite clearing member who shall similarly advise the seller.

No later than the business day following the Payment Date, the seller shall advise its clearing member of receipt of payment, who shall deliver a notice of payment to the clearing member representing the buyer and the Clearing House no later than the business day following the Payment Date. Upon receipt of such notice, the delivery shall be complete.

Any payment made on the required Payment Date shall be based on British thermal units actually delivered. If quantitative results are unavailable prior to the time established in the rules for payment, a pro-forma payment based on 25,000 MMBtu per contract shall be made. Payment adjustments based on the actual quantity delivered shall be completed by 12:00 p.m. on the tenth business day after initial payment.

In the event that the seller's clearing member receives notification that payment has not been received, the seller's clearing member shall advise the Exchange and the buyer's clearing member in writing. On the following business day, unless the buyer or the buyer's clearing member has advised the Exchange in writing that the seller failed to deliver, the Exchange shall liquidate the margins held and, when the liquidation is complete, shall pay the seller's clearing member which shall pay its seller. If the buyer or the buyer's clearing member has advised the Exchange in writing that the seller failed to deliver, the matter shall be deemed a failure to deliver pursuant to Rule 714.

#### **1156108. VALIDITY OF DOCUMENTS**

The Exchange makes no representation respecting the authenticity, validity, or accuracy of any Notice of Intention to Deliver, Notice of Intention to Accept, check or any document or instrument delivered pursuant to these rules.

#### **1156109. ALTERNATIVE DELIVERY PROCEDURE**

A seller and buyer matched by the Exchange under Section 105.B may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, clearing members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed and executed copy of such notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the clearing members and the Exchange from their respective obligations under the rules of this Chapter and any other rules regarding physical delivery.

In executing such notice, clearing members shall indemnify the Exchange against any liability, cost or expense the Exchange may incur for any reason as a result of the execution, delivery or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the clearing members all margin monies held for the account of each with respect to the contracts involved.

### **Chapter 1253**

## **CBL California Carbon Allowance (CCA) Vintage-Specific 2016 Futures**

#### **1253100. SCOPE OF CHAPTER**

This chapter is limited in application to California Carbon Allowance (CCA) Vintage-Specific 2016 Futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all California Carbon Allowance (CCA) Vintage-Specific 2016 Futures bought or sold for future delivery on the Exchange with the delivery of applicable CCAs made through the Compliance Instrument Tracking System Service (CITSS).

The terms “seller” and “buyer” shall mean the seller of the physical product and the buyer of the physical product, respectively. The seller’s clearing member and buyer’s clearing member may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the CITSS.

The term “Applicable Emissions Law” shall mean Assembly Bill 32, the State of California’s Global Warming Solutions Act of 2006, together with associated regulations or rules, and amendments thereto.

The term California Carbon Allowance or (CCA), means a limited authorization to emit up to one metric ton of CO<sub>2</sub> or CO<sub>2</sub> equivalent, as defined by the California Air Resources Board in accordance with the Applicable Emissions Law.

The term “In-Force” shall mean: (i) CCAs have been issued and (ii) the CITSS is in operation.

The term “Compliance Instrument Tracking System Service” or “CITSS” shall mean the market tracking system in which accounts are established for market participants to hold and retire California Carbon Allowances and to participate in transactions of California Carbon Allowances with other account holders.

The term “Vintage Year” shall mean the calendar year for which the allowance may be utilized for compliance.

For purposes of this rule, unless otherwise specified, times referred to herein shall refer to and indicate the Eastern Prevailing Time (EPT).

#### **1253101. CONTRACT SPECIFICATIONS**

The California Carbon Allowance (CCA) Vintage-Specific 2016 Futures specifies the physical delivery of applicable California Carbon Allowances (CCAs) within the Compliance Instrument Tracking System Service (CITSS).

Deliverable allowances under this Chapter shall be CCAs dated with the Vintage Year 2016.

#### **1253102. TRADING SPECIFICATIONS**

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

##### **1253102.A. Trading Schedule**

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

##### **1253102.B. Trading Unit**

The contract unit shall be one thousand (1,000) CCAs for a delivery made by transfer through the CITSS. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.



**1253102.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per allowance. The minimum price fluctuation shall be \$0.01 per allowance (\$10.00 per contract).

**1253102.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.

**1253102.E. Termination of Trading**

Trading shall cease on the third business day prior to the last business day of the contract month. Any contracts remaining open after the last day of trading must be

(a) Settled by delivery, which shall take place no later than the third business day after the termination of trading for the contract month, or

(b) Liquidated by means of a bona fide Exchange for Related Position (EFRP), pursuant to Exchange Rule 538. An EFRP is permitted in the expiring futures contract no later than two hours after trading terminates on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

**1253102.F. Final Settlement**

Final settlement shall occur on the business day following the last trading day.

**1253103. DELIVERY**

CCA delivery shall comply with all requirements for the electronic transfer of allowances on the CITSS.

**1253104. DELIVERY PROCEDURES**

The Exchange is a party to all deliveries under this contract and will receive allowances by electronic transfer from the seller's clearing member into the Clearing House holding account at the CITSS. Following receipt from the seller's clearing member, the Exchange will deliver allowances from the Clearing House holding account to the CITSS holding account nominated by the buyer's clearing member.

All rights, title, and interest in and to, and risk of loss related to, the allowances will transfer upon receipt in the applicable CITSS account.

The seller's clearing member shall comply with such requirements and obligations imposed by or under applicable CITSS regulations in all respect material to the submission of the delivery of allowances noted in this rule. The buyer's clearing member shall comply with such requirements and obligations imposed by or under applicable CITSS regulations in all respect material to ensure the acceptance of a valid transfer into its holding account. Seller, buyer and the Exchange shall obtain and adequately maintain at all times systems and technology as may be necessary in order to comply with CITSS regulations. The Exchange may make amendments to delivery and timing of delivery, which may have a material impact to the contract, and will notify the Clearing Members of such amendments resulting from amendments to CITSS regulations.

By transferring allowances to the Exchange, the seller's clearing member represents and warrants that, at the time of delivery, it has good and marketable title to such allowances, and that such allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

**1253104.A. Responsibilities of Clearing Members**

1. ~~Notice of Intention to Accept~~

~~Exchange clearing members having open long positions shall provide the Clearing House with a Notice of Intention to Accept delivery by 11:00 a.m. on the second business day after the final day of trading providing number of contracts and any other information required by the Exchange.~~

2. ~~Notice of Intention to Deliver~~

~~Exchange clearing members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver by 11:00 a.m. on the second business day after the final day of trading providing number of contracts and any other information required by the Exchange.~~

**1253104.B. Final Settlement Price**

~~The final settlement price shall be the basis for delivery.~~

**1253104.C. Assignment Day**

~~The Clearing House shall allocate Notices of Intention to Accept and Notices of Intention to Deliver by matching positions, to the extent possible.~~

~~The Clearing House shall provide Assignment Notice Reports to the respective clearing members on the second business day after the final day of trading.~~

**1253105. TIMING OF DELIVERY**

~~For purposes of this Rule 1253105,~~

~~"Delivery Period" shall mean the time between the final day of trading and the third business day following the final day of trading.~~

~~Delivery shall take place on the third business day after the final day of trading. Should the CITSS be inoperable during the Delivery Period due to periodic maintenance that is an Exchange business day, the Exchange shall have the option to extend the Delivery Period to the next valid business day at the Registry and Exchange.~~

- ~~1. The seller's clearing member shall transfer allowances subject to delivery to the Clearing House holding account of the CITSS by 10:00 a.m. on the third business day after the final day of trading of the delivery month.~~
- ~~2. The buyer's clearing member shall deposit / transfer payment equal to the full value of the product to the designated Clearing House bank account by 10:00 a.m. on the third business day after the final day of trading of the delivery month.~~
- ~~3. For each buyer's clearing member that has satisfied its obligations under subsection (2) of this rule, the Clearing House shall initiate the process of transferring the allowances to the buyer's clearing member's account at the CITSS by 12:00 p.m. on the third business day after the final day of trading of the delivery month.~~
- ~~4. The buyer's clearing member shall receive allowances from the Clearing House holding account of the CITSS by 3:00 p.m. on the third business day after the final day of trading of the delivery month.~~
- ~~5. For each seller's clearing member that has satisfied its obligations under subsection (1) of this rule, the Clearing House shall pay the seller's clearing member full contract value by 3:00 p.m. on the third business day after the final day of trading of the delivery month.~~

**1253106. DELIVERY MARGINS AND PAYMENT**

**1253106.A. Definitions**

~~For purposes of this Rule 1253106,~~

~~"Payment Date" shall mean the date on which the Clearing House transfers Payment in connection with a delivery to the seller's clearing member.~~

~~"Payment" shall include the settlement price, in U.S. dollars and cents, times the number of contracts times one thousand (1,000).~~

**1253106.B. Margin**

~~The buyer's clearing member and seller's clearing member shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the business day following notification to the Exchange that delivery and Payment have been completed.~~

~~**1253106.C. Payment**~~

~~Any Payment made on the Payment Date shall be based on allowances actually delivered.~~

~~**1253107. VALIDITY OF DOCUMENTS**~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~**1253108. ALTERNATIVE DELIVERY PROCEDURE**~~

~~Please refer to Rule 771 in Chapter 7.~~