

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-546

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): 12/14/2017 Filing Description: Amendments to Four (4) European Physically-Delivered Natural Gas 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

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 Numbers: NYMEX Chapters 1157, 1158, 1159 & 1160

December 14, 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, DC 20581

Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to Four (4) European Physically-Delivered Natural Gas Futures Contracts. NYMEX Submission No. 17-546

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”), hereby notifies the Commission that it is self-certifying amendments to four (4) European physically-delivered natural gas futures contracts (the “Contracts”) as provided in the table below (collectively, the “Rule Amendments”) effective on January 1, 2018.

Contract Title	Commodity Code	Rulebook Chapter
UK NBP Natural Gas Calendar Month Futures	UKG	1157
UK NBP Natural Gas Daily Futures	NBD	1158
Dutch TTF Natural Gas Calendar Month Futures	TTF	1159
Dutch TTF Natural Gas Daily Futures	TTD	1160

The Contracts became available for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort on trade date Monday, July 10, 2017 (see NYMEX Submission No. 17-211 dated June 22, 2017).

Specifically, the Rule Amendments outline responsibilities of the CME Clearing House, Clearing Members and end users in connection with the Value Added Tax (VAT) treatment of the Contracts subject to the Rule Amendments.

The Rule Amendments add clarity to a buyer’s existing obligation to account for VAT in accordance with applicable requirements. Additionally, Clearing Members will be obliged to provide relevant tax-related information to the CME Clearing House, certify its completeness and accuracy at the time the Contracts are entered into and indemnify the CME Clearing House to the extent such Clearing Member fails to provide the necessary information and the CME Clearing House incurs VAT, interest, costs or penalties.

As of the filing date, there is no open interest in the Contracts.

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

- DCM Core Principle 2 - Compliance with Rules. The Rule Amendments provide additional clarity to participants with respect to VAT obligations and impose process requirements on participants designed to facilitate compliance with these obligations.
- DCM Core Principle 7 - Availability of General Information. The Exchange will update the Rulebook on the effective date of the Rule Amendments. In addition, the Exchange will publish a Special Executive Report (“SER”) to advise the marketplace of these amendments. The SER will be posted on the CME Group website.
- DCM Core Principle 18 - Recordkeeping. The information collected by the Exchange under the Rule Amendments will be kept in accordance with the requirements of this Core Principle.

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

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>.

If you require any additional information regarding this submission, please contact me at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A –Amendments to NYMEX Rulebook Chapters 1157, 1158, 1159 and 1160
(blackline format)

Exhibit A

NYMEX Rulebook

(additions underlined; deletions ~~overstruck~~)

Chapter 1157

UK NBP Natural Gas Calendar Month Futures

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1157109. VAT

~~While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on UK NBP Natural Gas Calendar Month Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT.~~

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on UK NBP Natural Gas Calendar Month Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT to the relevant tax authority under the reverse charge procedure where applicable, provided that the Clearing House issues it with a valid VAT invoice for the purchase. Where VAT is due and payable and the reverse charge procedure does not apply, the buyer must make payment of such VAT to the Clearing House as seller at the same time as the payment of the purchase price and the Clearing House shall issue it with a valid VAT invoice for the purchase.

Where the reverse charge procedure applies, the Clearing Member warrants and represents that the relevant buyer has a valid VAT registration and will account for any applicable VAT to the relevant tax authority under the reverse charge procedure. Clearing Members must ensure that the buyer of natural gas provides the Clearing House with its valid VAT registration details prior to entry into any UK NBP Natural Gas Calendar Month Futures Contract, and the Clearing Member is deemed to represent and warrant that the information it has provided with respect to the buyer under this Rule is complete and accurate each time a contract is entered into.

Where the reverse charge procedure does not apply, the Clearing Member must notify the Clearing House prior to the entry into any UK NBP Natural Gas Calendar Month Futures contract and the Clearing Member shall provide such information reasonably requested by the Clearing House for the purposes of accounting for any applicable VAT to a tax authority. The Clearing Member agrees to indemnify the Clearing House in respect of any VAT, interest, penalties and associated costs of the Clearing House in the event that the Clearing House does not receive any applicable VAT from the relevant buyer when due under this rule.

...

The remainder of the rule is unchanged.

Chapter 1158
UK NBP Natural Gas Daily Futures

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1158109. VAT

~~While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on UK NBP Natural Gas Daily Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT.~~

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on UK NBP Natural Gas Daily Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT to the relevant tax authority under the reverse charge procedure where applicable, provided that the Clearing House issues it with a valid VAT invoice for the purchase. Where VAT is due and payable and the reverse charge procedure does not apply, the buyer must make payment of such VAT to the Clearing House as seller at the same time as the payment of the purchase price and the Clearing House shall issue it with a valid VAT invoice for the purchase.

Where the reverse charge procedure applies, the Clearing Member warrants and represents that the relevant buyer has a valid VAT registration and will account for any applicable VAT to the relevant tax authority under the reverse charge procedure. Clearing Members must ensure that the buyer of natural gas provides the Clearing House with its valid VAT registration details prior to entry into any UK NBP Natural Gas Daily Futures Contract, and the Clearing Member is deemed to represent and warrant that the information it has provided with respect to the buyer under this Rule is complete and accurate each time a contract is entered into.

Where the reverse charge procedure does not apply, the Clearing Member must notify the Clearing House prior to the entry into any UK NBP Natural Gas Daily Futures contract and the Clearing Member shall provide such information reasonably requested by the Clearing House for the purposes of accounting for any applicable VAT to a tax authority. The Clearing Member agrees to indemnify the Clearing House in respect of any VAT, interest, penalties and associated costs of the Clearing House in the event that the Clearing House does not receive any applicable VAT from the relevant buyer when due under this rule.

...

The remainder of the rule is unchanged.

Chapter 1159
Dutch TTF Natural Gas Calendar Month Futures

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1159109. VAT

~~While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on Dutch TTF Natural Gas Calendar Month Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT.~~

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on Dutch TTF Natural Gas Calendar Month Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT to the relevant tax authority under the reverse charge procedure where applicable, provided that the Clearing House issues it with a valid VAT invoice for the purchase. Where VAT is due and payable and the reverse charge procedure does not apply, including where VAT must be declared by the buyer under the rules for the place of supply for natural gas delivered within networks, the buyer must make payment of such VAT to the Clearing House as seller at the same time as the payment of the purchase price and the Clearing House shall issue it with a valid VAT invoice for the purchase.

Where the reverse charge procedure applies, the Clearing Member warrants and represents that the relevant buyer has a valid VAT registration and will account for any applicable VAT to the relevant tax authority under the reverse charge procedure. Clearing Members must ensure that the buyer of natural gas provides the Clearing House with its valid VAT registration details prior to entry into any Dutch TTF Natural Gas Calendar Month Futures Contract, and the Clearing Member is deemed to represent and warrant that the information it has provided with respect to the buyer under this Rule is complete and accurate each time a contract is entered into.

Where

(a) the reverse charge procedure is not applicable; or

(b) the relevant buyer under a Dutch TTF Natural Gas Calendar Month Futures contract:

(i) is not domiciled and has no VAT registration within the Netherlands; and

(ii) is not a “trader” within the meaning of the rules for the place of supply for natural gas delivered within networks; and

(iii) uses Dutch TTF Natural Gas within the Netherlands.

the Clearing Member must notify the Clearing House prior to entry into any Dutch TTF Natural Gas Calendar Month Futures contract and the Clearing Member shall provide such information reasonably requested by the Clearing House for the purposes of accounting for any applicable VAT to a tax authority. The Clearing Member agrees to indemnify the Clearing House in respect of any VAT, interest, penalties and associated costs of the Clearing House in the event that the Clearing House does not receive any applicable VAT from the relevant buyer when due under this rule.

...

The remainder of the rule is unchanged.

Chapter 1160 Dutch TTF Natural Gas Daily Futures

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1160109. VAT

~~While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on Dutch TTF Natural Gas Daily Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT.~~

While contract prices shall be exclusive of any taxes or duties, should Value Added Tax (VAT) be payable on Dutch TTF Natural Gas Daily Futures, the relevant buyer shall be responsible for ensuring that it accounts for such VAT to the relevant tax authority under the reverse charge

procedure where applicable, provided that the Clearing House issues it with a valid VAT invoice for the purchase. Where VAT is due and payable and the reverse charge procedure does not apply, including where VAT must be declared by the buyer under the rules for the place of supply for natural gas delivered within networks, the buyer must make payment of such VAT to the Clearing House as seller at the same time as the payment of the purchase price and the Clearing House shall issue it with a valid VAT invoice for the purchase.

Where the reverse charge procedure applies, the Clearing Member warrants and represents that the relevant buyer has a valid VAT registration and will account for any applicable VAT to the relevant tax authority under the reverse charge procedure. Clearing Members must ensure that the buyer of natural gas provides the Clearing House with its valid VAT registration details prior to entry into any Dutch TTF Natural Gas Daily Futures Contract, and the Clearing Member is deemed to represent and warrant that the information it has provided with respect to the buyer under this Rule is complete and accurate each time a contract is entered into.

Where

(a) the reverse charge procedure is not applicable; or

(b) the relevant buyer under a Dutch TTF Natural Gas Daily Futures contract:

(i) is not domiciled and has no VAT registration within the Netherlands; and

(ii) is not a “trader” within the meaning of the rules for the place of supply for natural gas delivered within networks; and

(iii) uses Dutch TTF Natural Gas within the Netherlands.

the Clearing Member must notify the Clearing House prior to entry into any Dutch TTF Natural Gas Daily Futures contract and the Clearing Member shall provide such information reasonably requested by the Clearing House for the purposes of accounting for any applicable VAT to a tax authority. The Clearing Member agrees to indemnify the Clearing House in respect of any VAT, interest, penalties and associated costs of the Clearing House in the event that the Clearing House does not receive any applicable VAT from the relevant buyer when due under this rule.

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The remainder of the rule is unchanged.