

January 10, 2013

VIA E-MAIL

Ms. Sauntia Warfield
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Regulation 40.6(a) Rule Certification. New York Mercantile Exchange, Inc. & Commodity Exchange, Inc.
Submission # 13-009: TAS Block Trade Eligibility in NYMEX HH and NN and Issuance of NYMEX & COMEX Market Regulation Advisory Notices RA1301-4 and RA1302-4.**

Dear Ms. Warfield:

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 via this Submission the January 11, 2013, issuance of NYMEX & COMEX Market Regulation Advisory Notices RA1301-4 ("RA1208-4") and RA1302-4 ("RA1302-4"). Additionally, NYMEX is self-certifying the January 28, 2013, establishment of Trading at Settlement ("TAS") block trading in the spot month (except on the last trading day), 2nd and 3rd months in Henry Hub Natural Gas Last Day Financial futures ("NN") and Henry Hub Natural Gas Look-Alike Last Day Financial futures ("HH") at the minimum block trade thresholds currently applicable to those products: 25 contracts for NN and 50 contracts for HH.

Based on interest from market participants, on January 28, 2013, TAS trading in HH will be available on the trading floor, on CME Globex and as block trades. NN is currently TAS-eligible on the trading floor and on CME Globex, but will also begin to be eligible as a TAS block trade on January 28, 2013. These changes require that NYMEX and COMEX issue revised Market Regulation Advisory Notices on Rule 524 ("Trading at Settlement ("TAS"), Trading at Marker ("TAM") and Matched Order ("MO") Transactions") and Rule 526 ("Block Trades") advising the marketplace of the upcoming changes.

RA1301-4 appears in Exhibit A and RA1302-4 appears in Exhibit B.

The Market Regulation Department and the Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act"). During the review, we have identified that the changes described in this Submission may have some bearing on the following Core Principles:

Availability of General Information: As required by this Core Principle, the Exchanges are providing market authorities, market participants and the public information concerning the establishment of TAS in HH in the pit and on CME Globex and the establishment of TAS block trading in NN and HH via the issuance of RA1301-4 and RA1302-4. These Advisory Notices will be disseminated to the marketplace on January 11, 2013, in advance of the January 28, 2013, effective date.

Daily Publication of Trading Information: Block and TAS trades are separately identified in the price stream disseminated to the marketplace and the volume of block trades is also available on the CME Group website and in the daily bulletin.

Execution of Transactions: Core Principle 9 permits a designated contract market (“DCM”) to authorize for bona fide business purposes transactions executed away from the DCM’s centralized marketplace, and the Exchanges have established block levels in a wide array of futures and options products for quite some time. The addition of TAS block eligibility in NN and HH at the existing block levels in those products remains in compliance with this Core Principle.

Trade Information: As with all other trades in Exchange products, trade information attendant to TAS and block trades is recorded and safely stored by the Exchange. Additionally, TAS and block trades are currently integrated into the Market Regulation Department’s suite of proprietary regulatory systems, and are uniquely identifiable in those systems. As with all other block and TAS trades, TAS block trades in NN and HH will be incorporated into the Department’s review of daily trading activity to detect any violations of the rules attendant to their execution.

NYMEX certifies that the establishment of TAS block trading in NN and HH complies with the Act and regulations thereunder and NYMEX and COMEX certify that the issuance of RA1301-4 and RA1302-4 comply with the Act and regulations thereunder. There were no substantive opposing views to these changes.

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

If you have any questions regarding this submission, please contact Robert Sniegowski, Market Regulation, at 312.341.5991 or via email at Robert.Sniegowski@cmegroup.com. Alternatively, you may contact me at 312.930.8167 or via email at Sean.Downey@cmegroup.com. Please reference NYMEX/COMEX Submission # 13-009 in any related correspondence.

Sincerely,

/s/ Sean Downey
Director & Assistant General Counsel

Attachments: Exhibit A – RA1301-4
Exhibit B – RA1302-4

Exhibit A

MARKET REGULATION ADVISORY NOTICE

Exchange	NYMEX & COMEX
Subject	Trading at Settlement (“TAS”), Trading at Marker (“TAM”) and Matched Order (“MO”) Transactions
Rule References	Rule 524
Advisory Date	January 11, 2013
Advisory Number	NYMEX & COMEX RA1301-4
Effective Date	January 28, 2013

This Advisory Notice supersedes NYMEX & COMEX Market Regulation Advisory Notice RA1201-4 from February 6, 2012, and is being issued to add Henry Hub Natural Gas Look-Alike Last Day Financial futures (HH) to the list of products eligible to trade at settlement pursuant to NYMEX and COMEX Rule 524 (“Trading at Settlement (“TAS”), Trading at Marker (“TAM”) and Matched Order (“MO”) Transactions”). Pending all relevant regulatory review periods, on trade date January 28, 2013, the spot month (except on the last trading day), 2nd and 3rd months in HH will be eligible to trade at settlement in the trading pit and on CME Globex. Additionally, on January 28, 2013, HH and Henry Hub Natural Gas Last Day Financial futures (“NN”) will also be eligible for execution as a TAS block trade in the spot month (except on the last trading day), 2nd and 3rd months pursuant to NYMEX Rule 526 (“Block Trades”). Additional information on TAS block trades is included in today’s release of NYMEX & COMEX RA1302-4 concerning block trades.

The list of TAS- and TAM-eligible products and contract months appear in Sections 6 and 7 and the text of NYMEX and COMEX Rule 524 appears in Section 8 of this Advisory Notice.

1. General Information on TAS, TAM and MO Transactions

TAS transactions may be executed at the current day’s settlement price or at any valid price increment ten ticks higher or lower than the settlement price, and, depending on the particular product, may be executed in the pit, on CME Globex, or as a block trade.

TAM trading is analogous to existing Trading at Settlement (“TAS”) trading wherein parties are permitted to trade at a differential to a not-yet-known price. TAM trading uses a marker price, whereas TAS trading uses the Exchange-determined settlement price for the applicable contract month. As with TAS trading, parties will be able to enter TAM orders at the TAM price or at a differential between one and ten ticks higher or lower than the TAM price. TAM trading is available on CME Globex, and, beginning on February 13, will be eligible to be executed as block trades pursuant to the requirements of Rule 526 (“Block Trades”).

MO transactions in pit-traded Copper futures are transactions which are priced at that day’s settlement price for the contract.

All market participants are reminded that any trading activity that is intended to unfairly affect or to attempt to unfairly affect a settlement or marker price to benefit a TAS, TAM or MO position, including a TAS or TAM block position, will subject the member and/or the market participant to disciplinary action for any of a number of rule violations, including, but not limited to:

- price manipulation or attempted price manipulation

- wash trading
- conduct substantially detrimental to the interests or welfare of the exchange

Any Market Regulation Department investigation of suspected manipulative pricing involving TAS, TAM or MO trades will include review of such positions acquired by market participants and **whether the offset of those positions during the close or during the time period used to determine a marker price was disruptive, collusive, and/or caused or attempted to cause aberrant price movement during these periods.**

2. Entry of TAS and TAM Orders on CME Globex

Rule 524 permits the initiation of TAS and TAM orders into CME Globex only subsequent to the beginning of each group's pre-open state and during the time period the applicable contracts are available for TAS or TAM trading on CME Globex. The initiation of any TAS or TAM order on CME Globex outside of these time periods is strictly prohibited.

Any market participant who initiates the entry of a TAS or TAM order prior to receipt of the market status message will be subject to disciplinary action by a panel of the Business Conduct Committee, notwithstanding that the order may have been rejected by the CME Globex system. Sanctions for noncompliance may include a fine, disgorgement of any profits realized as a result of any orders accepted by CME Globex which were initiated prior to receipt of the security status message and/or a suspension of access to the market. Market participants must ensure that they have appropriate protocols in place to ensure that TAS and TAM orders are not initiated prior to receipt of the security status message.

3. TAS and TAM Calendar Spreads

Intra-commodity calendar spreads in the nearby month/second month spread, the second month/third month spread and the nearby month/third month spread in Light Sweet Crude Oil, New York Harbor ULSD Heating Oil, Henry Hub Natural Gas and RBOB Gasoline futures may be executed on CME Globex or on the trading floor and priced at TAS.

Intra-commodity calendar spreads in the nearby month/second month spread, the second month/third month spread and the nearby/third month spread in Light Sweet Crude Oil, New York Harbor ULSD Heating Oil, RBOB Gasoline and Brent Crude Oil Last Day Financial futures may be executed on CME Globex and priced at TAM.

The pricing of the legs of a TAS or TAM calendar spread will be calculated as follows:

- The nearby leg of the spread will always be priced at the settlement or marker price, as applicable, for that contract month.
- The far leg of the spread will be priced at the settlement or marker price, as applicable, for that contract **minus** the allowable TAS or TAM price increment traded (negative 10 through positive 10), except in circumstances where the traded TAS or TAM price is the actual settlement or marker price of the contract.

Example 1:

A March 2013/April 2013 Light Sweet Crude Oil calendar spread trades at TAS -1 (minus 1). Assume the March contract settles at 93.34 and the April contract settles at 93.76.

The March leg will be priced at the March settlement price of 93.34. The April leg will be priced at 93.35, which is the March settlement price of 93.34 minus the TAS price increment of -1 (93.34 minus -.01 = 93.35).

Example 2:

A March 2013/April 2013 New York Harbor ULSD Heating Oil calendar spread trades at TAM +/- 0. Assume the March marker price is 3.0150 and the April marker price is 2.9973.

The March leg will be priced at the March marker price of 3.0150. The April leg will be priced at 2.9973, which is the April marker price.

Example 3:

A March 2013/May 2013 Henry Hub Natural Gas calendar spread trades at TAS +3. Assume the March contract settles at 3.214 and the May contract settles at 3.306.

The March leg will be priced at the March settlement price of 3.214. The May leg will be priced at 3.303, which is the May settlement price of 3.306 minus the TAS price increment of +3 (3.306 minus +.003 = 3.303).

4. TAS on Gold, Silver and Copper Futures

TAS transactions are allowed in the active contract month in Gold and Silver futures trading in the pit or on CME Globex and in the first active contract month in Copper futures trading on CME Globex. **TAS transactions are not allowed in any pit-traded Copper futures contract month.**

In Gold futures, TAS trades are permitted in the following active contract months: February, April, June, August, and December. Accordingly:

When the February contract becomes spot, the April contract becomes the TAS-eligible month;
When the April contract becomes spot, the June contract becomes the TAS-eligible month;
When the June contract becomes spot, the August contract becomes the TAS-eligible month;
When the August contract becomes spot, the December contract becomes the TAS-eligible month; and
When the December contract becomes spot, the February contract becomes the TAS-eligible month.

In Silver and Copper futures, TAS trades are permitted in the following active contract months: March, May, July, September and December. Accordingly:

When the March contract becomes spot, the May contract becomes the TAS-eligible month;
When the May contract becomes spot, the July contract becomes the TAS-eligible month;
When the July contract becomes spot, the September contract becomes the TAS-eligible month;
When the September contract becomes spot, the December contract becomes the TAS-eligible month; and
When the December contract becomes spot, the March contract becomes the TAS-eligible month.

5. MO Transactions in Pit-Traded Copper Futures

MO transactions in Copper futures are open outcry trades competitively executed in the Copper futures pit where the trade is priced at that day's settlement price for the contract. MO transactions in Copper futures are eligible to be executed in the spot month and the next six consecutive contract months. Additionally, with the exception of the post close session, members may execute an MO order at any time the Copper futures pit is open for trading, provided that the order is placed as an MO order. Regular trading hours for open outcry trading in the Copper futures pit are from 8:10 a.m. until 1:00 p.m. Eastern Time ("ET").

Instructions to execute the order as an MO must be denoted on the order and members must identify an order executed as an MO on their trading record.

An order entered as an MO will be executed by the floor broker as a Market on Close order if the order is not previously executed as an MO or specifically designated to be executed only as an MO. An instruction to execute an order only as an MO must be communicated at the time the order is placed.

6. TAS-Eligible Products and Contract Months

Pit-Traded Contracts

Light Sweet Crude Oil (CL)

spot (except on the last trading day), 2nd, 3rd and 7th months
nearby/second month, second/third month and nearby/third month calendar spreads

Brent Crude Oil Last Day Financial (BZ)

spot (except on the last trading day)

New York Harbor ULSD Heating Oil (HO)

spot (except on the last trading day), 2nd and 3rd months
nearby/second month, second/third month and nearby/third month calendar spreads

Henry Hub Natural Gas (NG)

spot (except on the last trading day), 2nd and 3rd months
nearby/second month, second/third month and nearby/third month calendar spreads

Henry Hub Natural Gas Last Day Financial (NN)

spot (except on the last trading day), 2nd and 3rd months

Henry Hub Natural Gas Look-Alike Last Day Financial (HH)

Spot (except on the last trading day), 2nd and 3rd months

RBOB Gasoline (RB)

spot (except on the last trading day), 2nd and 3rd months
nearby/second month, second/third month and nearby/third month calendar spreads

European Gasoil (100mt) Bullet (7F)

spot (except on the last trading day), 2nd and 3rd months

COMEX Gold (GC)

February, April, June, August and December contract months (first active month only)

COMEX Silver (SI)

March, May, July, September and December contract months (first active month only)

CME Globex Contracts

For compliance and enforcement purposes, the start of a TAS pre-open period is defined by receipt of the security status message indicating that the group has transitioned to the pre-open state and the end of a TAS trading session is defined by receipt of the security status message indicating that group is closed.

TAS orders may not be entered into CME Globex from the end of a TAS trading session until receipt of the security status message indicating that the group has transitioned to the pre-open state.

Commodity Code on CME Globex	Product Name and Contract Months	Cleared Product
CLT	Light Sweet Crude Oil spot (except on the last trading day), 2 nd , 3 rd and 7 th months and nearby/second month, second/third month and nearby/third month calendar spreads	CL
BZT	Brent Crude Oil Last Day Financial spot (except on the last trading day)	BZ
BBT	Brent Crude Oil Penultimate Financial Spot, 2 nd and 3 rd months	BB
HOT	New York Harbor ULSD Heating Oil spot (except on the last trading day), 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	HO
NGT	Henry Hub Natural Gas spot (except on the last trading day), 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	NG
NNT	Henry Hub Natural Gas Last Day Financial spot (except on the last trading day), 2 nd and 3 rd months	NN
HHT	Henry Hub Natural Gas Look-Alike Last Day Financial spot (except on the last trading day), 2 nd and 3 rd months	HH
RBT	RBOB Gasoline spot (except on the last trading day), 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	RB
7FT	European Gasoil (100mt) Bullet spot (except on the last trading day), 2 nd and 3 rd months	7F
KTT	NYMEX Coffee spot (except on the last trading day)	KT
CJT	NYMEX Cocoa spot (except on the last trading day)	CJ
TTT	NYMEX Cotton Spot (except on the last trading day)	TT
YOT	NYMEX No. 11 Sugar spot (except on the last trading day)	YO
RET	REBCO spot (except on the last trading day), 2 nd and 3 rd months	RE
GCT	COMEX Gold February, April, June, August and December contract months (first active month only)	GC
SIT	COMEX Silver March, May, July, September and December contract months (first active month only)	SI

Commodity Code on CME Globex	Product Name and Contract Months	Cleared Product
HGT	COMEX Copper March, May, July, September and December contract months (first active month only)	HG

7. TAM-Eligible Products and Contract Months on CME Globex

For compliance and enforcement purposes, the start of a TAM pre-open period is defined by receipt of the security status message indicating that the group has transitioned to the pre-open state and the end of a TAM trading session is defined by receipt of the security status message indicating that group is closed.

TAM orders may not be entered into CME Globex from the end of a TAM trading session until receipt of the security status message indicating that the group has transitioned to the pre-open state.

Commodity Code on CME Globex	Product Name and Contract Months	Cleared Product
London Markers		
CLL	Light Sweet Crude Oil spot, 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	CL
BZL	Brent Crude Oil Last Day Financial spot, 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	BZ
HOL	New York Harbor ULSD Heating Oil spot, 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	HO
RBL	RBOB Gasoline spot, 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	RB
Singapore Markers		
CLS	Light Sweet Crude Oil spot, 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	CL
BZS	Brent Crude Oil Last Day Financial spot, 2 nd and 3 rd months and nearby/second month, second/third month and nearby/third month calendar spreads	BZ

Questions regarding this Advisory Notice may be directed to the following individuals in Market Regulation:

Nancy Minett, Director, Investigations, 212.299.2940
Neil Mazer, Lead Investigator, Investigations, 212.299.2874
Robert Sniegowski, Rules & Regulatory Outreach, 312.341.5991

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.

8. Text of Rule 524

Trading at Settlement (“TAS”), Trading at Marker (“TAM”) and Matched Order (“MO”) Transactions

The Exchange shall determine the commodities, contract months and time periods during which TAS, TAM and MO transactions shall be permitted.

524.A. Trading at Settlement (“TAS”) Transactions

The following shall govern TAS transactions:

1. TAS transactions executed in the pit must be made open and competitively pursuant to the requirements of Rule 521 during the hours designated for pit trading in the particular contract and must be identified as such on the member's trading records.
2. TAS orders may be entered on Globex at any time the applicable contracts are available for TAS trading on Globex and during each TAS contract's prescribed pre-open time period. The initiation of any TAS order on Globex outside these time periods is prohibited.
3. TAS-eligible commodities and contract months may be executed as block trades pursuant to the requirements of Rule 526 except that TAS block trades may not be executed on the last day of trading in an expiring contract.
4. TAS transactions may be executed at the current day's settlement price or at any valid price increment ten ticks higher or lower than the settlement price.

524.B. Trading at Marker (“TAM”) Transactions

The following shall govern TAM transactions:

1. TAM orders may be entered on Globex at any time the applicable contracts are available for TAM trading on Globex and during each TAM contract's prescribed pre-open time period. The initiation of any TAM order on Globex outside these time periods is prohibited.
2. TAM-eligible commodities and contract months may be executed as block trades pursuant to the requirements of Rule 526.
3. TAM transactions may be executed at the current day's applicable marker price or at any valid price increment ten ticks higher or lower than the applicable marker price.

524.C. Matched Order (“MO”) Transactions

MO transactions are open outcry trades competitively executed pursuant to Rule 521 where the price of the trade is that day's settlement price for the contract.

The following shall govern MO transactions:

1. Members may execute an MO at any time during pit trading hours except during the post close session. Members may execute an order as an MO provided the order is placed as an MO and such instructions are denoted on the order. An order entered as an MO will be executed during the closing period as a Market on Close order if not previously executed as an MO or specifically designated to be executed only as an MO. An order specifically designated for execution only as an MO must be designated as such at the time the order is placed.
2. Members must identify an order executed as an MO on their trading record.

Exhibit B

MARKET REGULATION ADVISORY NOTICE

Exchange	NYMEX & COMEX
Subject	Block Trades
Rule References	Rule 526
Advisory Date	January 11, 2013
Advisory Number	NYMEX & COMEX RA1302-4
Effective Date	January 28, 2013

This Advisory Notice supersedes NYMEX & COMEX Market Regulation Advisory Notice RA1208-4 (“RA1207-4”) from December 26, 2012. It is being issued to notify the marketplace that pending all relevant regulatory review periods, **effective on Sunday, January 27, 2013, for trade date Monday, January 28, 2013**, NYMEX will begin to permit Trading at Settlement (“TAS”) block trading in the spot month (except on the last trading day), 2nd and 3rd months in two additional products: Henry Hub Natural Gas Last Day Financial futures (“NN”) and Henry Hub Natural Gas Look-Alike Last Day Financial futures (“HH”). The current block trade minimum thresholds of 25 contracts in NN and 50 contracts in HH will also apply to TAS block trading. Additional information about TAS block trades is included in Section 5 of this Advisory Notice.

A complete list of NYMEX and COMEX products in which block trading is or will be permitted, and the relevant quantity thresholds, is available on the CME Group website via the following link:

[NYMEX & COMEX Block Trade-Eligible Products and Minimum Quantity Thresholds](#)

The text of Rule 526 appears in Section 13 of this Advisory Notice.

1. Definition of Block Trades

Block trades are privately negotiated futures, options or combination transactions that meet certain quantity thresholds which are permitted to be executed apart from the public auction market.

It shall not be permissible to facilitate the execution of block trades in Exchange-traded products on a system or facility accessible to multiple parties that allows for the electronic matching of or the electronic acceptance of bids and offers; block trades transacted in such manner do not satisfy the privately negotiated standard. Parties may use communication technologies to bilaterally request block quotes from one or more participants and to conduct privately negotiated block trades. Parties may also utilize technologies supported by third parties which allow for the electronic posting of indicative block markets displayed to multiple market participants. However, block trades executed between parties on the basis of such electronically displayed indicative markets may be transacted only through direct bilateral communications involving the broker, where applicable, and the parties to the trade.

All block trades are subject to the conditions set forth in NYMEX and COMEX Rule 526 and in this Advisory Notice.

2. Participation in Block Trades

Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a(18) of the Commodity Exchange Act. Eligible Contract Participants generally include exchange members and member firms, broker/dealers, government entities, pension funds, commodity pools, corporations, investment companies, insurance companies, depository institutions and high net-worth individuals. Commodity trading advisors and investment advisors who are registered or exempt from

registration, and foreign persons performing a similar role and subject as such to foreign regulation, may participate in block transactions provided they have total assets under management exceeding \$25 million and the block trade is suitable for their customers.

A customer order may be executed by means of a block trade only if the customer has specified that the order be executed as a block trade.

Orders may not be bunched to meet the minimum block quantity thresholds.

3. Time and Prices of Block Trades

Block trades may be executed at any time, including times during which the public auction market is closed.

Block trades must be transacted at prices that are “**fair and reasonable**” in light of (i) the size of the transaction, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including, without limitation, the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.

The trade price must be consistent with the minimum tick increment for the market in question. Additionally, each outright transaction and each leg of any block eligible spread or combination trade must be executed at a single price.

Block trade prices are reported independently of transaction prices in the regular market and are not included as part of the daily trading range. Block trade prices do not elect conditional orders (e.g. stop orders) or otherwise affect orders in the regular market.

4. Block Trade Minimum Quantities for Outrights, Spreads and Combinations

The block trade minimum quantity requirements for outright futures and options are set forth in the list of block trade eligible products which is available on the CME Group website via the following link:

[NYMEX & COMEX Block Trade-Eligible Products and Minimum Quantity Thresholds](#)

- a) Intra-Commodity Futures Spreads and Futures Combinations and Intra-Commodity Options Spreads and Options Combinations

These spreads and combination transactions may be executed as block trades provided that the sum of the quantities of the legs of the transaction meets the minimum block quantity threshold.

- b) Inter-Commodity Futures Spreads and Futures Combinations and Inter-Commodity Options Spreads and Options Combinations

These spreads and combination transactions may be executed as block trades provided that the sum of the quantities of the legs of the transaction meets the larger of the threshold requirements for the underlying products.

- c) Options/Futures Spreads

Options/futures spreads may be executed as block trades provided that the options component of the spread meets the minimum quantity threshold for the outright option or option combination and the quantity of futures executed is consistent with the delta of the options component of the spread.

5. TAS & TAM Block Trades

Certain block-eligible futures contract months may be executed as block trades and assigned the current day's settlement price or any valid price increment ten ticks higher or lower than the settlement price (“TAS block trades”). Additionally, certain block-eligible futures contract months may also be executed as

block trades and assigned the current day's marker price or any valid price increment ten ticks higher or lower than the marker price ("TAM block trades").

Additionally, intra-commodity calendar spreads in the nearby month/second month spread and the second month/third month spread may be executed as TAS or TAM block trades provided that the underlying product is eligible for TAS or TAM trading.

The pricing of the legs of a TAS or TAM calendar spread block trade will be calculated as follows:

- The nearby leg of the spread will always be priced at the settlement or marker price, as applicable, for that contract month.
- The far leg of the spread will be priced at the settlement or marker price, as applicable, for that contract **minus** the allowable TAS or TAM price increment traded (-10 through +10), except in circumstances where the traded TAS or TAM price is the actual settlement or marker price of the contract.

TAS block trades, including eligible TAS calendar spread block trades, may not be executed on the last day of trading in an expiring contract.

The products and contract months in which TAS and TAM block trades are permitted are set forth in the list of block trade eligible products which is available on the CME Group website via the following link:

[NYMEX & COMEX Block Trade-Eligible Products and Minimum Quantity Thresholds](#)

6. Block Trade Price Reporting Requirements

a) Time Requirements

Block trades in the following list of products must be price reported to the exchange within **five minutes** of the transaction.

- Brent Crude Oil Penultimate Financial futures (BB)
- Brent Crude Oil Last Day Financial futures (BZ)
- Light Sweet Crude Oil futures (CL)
- Gulf Coast Sour Crude Oil futures (MB)
- New York Harbor ULSD Heating Oil futures (HO)
- Henry Hub Natural Gas futures (NG)
- RBOB Gasoline futures (RB)
- NYMEX Cocoa, Coffee, Cotton and No. 11 Sugar futures (CJ, KT, TT and YO)
- Gold futures (GC)
- Silver futures (SI)
- Copper futures (HG)

Block trades in all other block-eligible NYMEX and COMEX products must be price reported to the exchange within **15 minutes** of the transaction. If the block transaction involves a spread or combination that includes certain legs subject to a five minute reporting requirement and other legs subject to a 15 minute reporting requirement, the reporting requirement for the transaction will be 15 minutes.

b) Reporting Obligation

Price reporting obligations are the responsibility of the seller, unless otherwise agreed to by the principal counterparties to the block trade; however, in the case of a brokered transaction, the price reporting obligation is the responsibility of the broker handling the block trade, unless otherwise agreed to by the principal counterparties to the block trade. For purposes of the foregoing, the term "seller" refers to the principal counterparty acting as the seller of the block trade.

The failure to submit timely, accurate and complete block trade reports may subject the party responsible for the reporting obligation to disciplinary action. Parties shall not be sanctioned for block reporting infractions deemed to arise from factors beyond the reporting party's control (e.g. the block trade fails the CME ClearPort automated credit check.)

c) Reporting Methods

Block trades must be price reported to the exchange via one of the methods described below:

i) CME ClearPort

Block trades may be electronically submitted directly to CME Clearing via CME ClearPort.

Block trades may also be price reported to the CME ClearPort Facilitation Desk by calling **1.866.246.9639** or via email at FacDesk@cmegroup.com. In either case, all of the data and information elements required in d) below must be submitted.

For information on reporting block trades through CME ClearPort, please contact customer service at 1.800.438.8616 or via email at ClearPort@cmegroup.com.

ii) CME Direct

Block Trades may be electronically submitted to CME Clearing via entry on the CME Direct platform, which will satisfy the price reporting requirement. The CME Direct platform is directly connected to CME ClearPort. For information on submitting Block Trades through CME Direct, please contact CME Direct Support at CMEDirectSupport@cmegroup.com.

iii) Trading Floor

Block trades negotiated on the trading floor must be price reported to exchange staff at the Master Pulpit.

d) Information Required when Reporting Block Trades

When reporting a block trade, the following information will be required:

- Contract, contract month and contract year for futures, and, additionally for options, strike price and put or call designation;
- Quantity of the trade or, for spreads and combinations, the quantity of each leg of the trade;
- Price of the trade or, for spreads and combinations, the price of each leg of the trade;
- Buyer's clearing firm and seller's clearing firm;
- Name and phone number of the party reporting the trade (for block trades reported on the trading floor or reported via telephone or email to the CME ClearPort Facilitation Desk);
- For block trades reported via phone or email to the CME ClearPort Facilitation Desk, counterparty name and contact information must also be provided for trade verification purposes; and
- Execution time (in Eastern Time) of the trade (i.e. the time at which the trade was consummated)

7. Block Trade Submission Requirements to CME Clearing

Block trades reported to the trading floor must be entered by the seller or his designated representative into the CME clearing system within 30 minutes of execution and must contain the material terms of the trade, including the allocation to the correct clearing firm unless the trade will clear at the seller's qualifying clearing member firm. Within 30 minutes after entry by the seller, the buyer or his designated representative must enter into the CME clearing system a time of execution for the trade, note any disagreement with any of the terms of the trade entered by the seller, and allocate the trade to the correct

clearing firm unless the trade will clear at the buyer's qualifying clearing member firm. When reporting spread or combination transactions, each leg must be entered individually. Separate submission to the CME clearing system is not required in the event that the block trade is directly entered into CME ClearPort, CME Direct or reported to the CME ClearPort Facilitation Desk.

8. Block Trade Recordkeeping

Complete order records for block trades must be created and maintained pursuant to Rule 536 and CFTC Regulations. Additionally, the time of execution of the block trade must be recorded.

9. Dissemination of Block Trade Information

The date, execution time, contract month, price and quantity of block trades are displayed on the CME Group website at the following link: [Block Trades](#).

Block trade prices are published separately from transactions in the regular market.

Block trade volume is also identified in the daily volume reports published by the exchange.

10. Disclosure of Nonpublic Information Regarding Block Trades Prohibited

Parties involved in the solicitation or negotiation of a block trade may not disclose the details of those communications or any non-public information regarding a consummated block trade to third parties. Further, no party solicited to participate in a block trade or otherwise involved in the negotiation of a block trade may trade on the basis of non-public information obtained through the solicitation or negotiation of the block trade prior to the public report of the block trade, except that the counterparties to a consummated block trade shall not be precluded from trading following the consummation of the block trade prior to the block trade being publicly reported.

A broker negotiating a block trade on behalf of a customer may disclose the identity of the customer to potential counterparties, including the counterparty with which the block trade is consummated, only with the permission of the customer.

11. Block Trades between Affiliated Parties

Block trades between the accounts of affiliated parties are permitted provided that 1) the block trade is executed at a fair and reasonable price; 2) each party has a legal and independent bona fide business purpose for engaging in the trade; and 3) each party's decision to enter into the block trade is made by an independent decision-maker. In the absence of satisfying the requirements above, the transaction may constitute an illegal wash trade prohibited by Rule 534 ("Wash Trades Prohibited").

12. Contact Information

Questions regarding this Advisory Notice may be directed to the following individuals:

Market Regulation:	Colin Garvey, Investigations	312.435.3656
	Robert Sniegowski, Rules & Regulatory Outreach	312.341.5991
	Erin Schwartz, Rules & Regulatory Outreach	312.341.3083
CME Clearing:	CME Clearing Support	312.207.2525

For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.

13. Text of NYMEX & COMEX Rule 526

Rule 526 BLOCK TRADES

The Exchange shall designate the products in which block trades shall be permitted and determine the minimum quantity thresholds for such transactions. The following shall govern block trades:

- A. A block trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders may not be aggregated in order to achieve the minimum transaction size, except by those entities described in Sections I. and J.
- B. Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a(18) of the Commodity Exchange Act.
- C. A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.
- D. The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash market or related futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.
- E. Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.
- F. Unless otherwise agreed to by the principal counterparties to the block trade, the seller, or, in the case of a brokered transaction, the broker handling the block trade, must ensure that each block trade is reported to the Exchange within five minutes of the time of execution in the following futures products: Brent Crude Financial, Brent Crude Oil Last Day Financial, Light Sweet Crude Oil, Gulf Coast Sour Crude Oil, New York Harbor ULSD Heating Oil, Henry Hub Natural Gas, RBOB Gasoline, Cocoa, Coffee, Cotton, No. 11 Sugar, Gold, Silver and Copper. In all other block-eligible futures products and all block-eligible options products, the seller must ensure that each block trade is reported to the Exchange within fifteen minutes of the time of execution. The report must include the contract, contract month, price, quantity of the transaction, the respective clearing members, the time of execution, and, for options, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market.
- G. Block trades must be reported to the Clearing House in accordance with an approved reporting method.
- H. Clearing members and members involved in the execution of block trades must maintain a record of the transaction in accordance with Rule 536.
- I. A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, shall be the applicable entity for purposes of Sections A., B., C., and D., provided such advisors have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such advisors.
- J. A foreign Person performing a similar role or function to a CTA or investment adviser as described in Section I, and subject as such to foreign regulation, shall be the applicable entity for purposes of Sections A., B., C., and D., provided such Persons have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such Persons.