



August 13, 2009

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Rule Certification. New York Mercantile Exchange, Inc. Submission # 161: Notification of Amendments to NYMEX Chapter 7A Metals Rules for Electronic Warrants

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying several technical or clarifying amendments to certain metals rules in NYMEX Chapter 7A in connection with the integration of electronic delivery procedures and systems within the CME Group.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendments comply with the Act, including regulations under the Act. These rule changes will be made effective on August 17, 2009.

If you have any questions regarding these changes, please contact me at (212) 299-2207. Please reference NYMEX Submission No. 09-161 in any related correspondence.

Sincerely,

/s/ Brian Regan
Managing Director, Regulatory Counsel

Att.

2009 AUG 13 5 24 PM
OFFICE OF THE SECRETARIAT
C.F.T.C.

Amendments to Chapter 7A Metals Rules for Electronic Warrants

(Underlining in bold indicates additions; strike-outs in bold indicate deletions.)

7A.01 DEFINITIONS

For the purpose of this chapter, the following terms shall have the meanings stated below:

- (a) "Aluminum" shall mean aluminum that meets the specifications for delivery in fulfillment of an Aluminum Futures Contract, as set forth in the Aluminum Futures Contract contained in Chapter 123 of the Exchange Rule Book.
- (b) "Applicant" shall mean any Person seeking to be approved by the Exchange as a Service Provider with respect to one or more Commodities.
- (c) "Approved Assayer" shall mean, with respect to a particular Commodity, an assayer approved by the Exchange for the verification of the metallurgical assay of such Commodity, as set forth in the rules for the applicable Commodity Futures Contract contained in the Exchange Rule Book.
- (d) "Approved Brand" shall mean the specific Eligible Commodity product of an Approved Producer, or the unique brand mark of the Approved Producer's specified facility that created such product for each specific contract.
- (e) "Approved Carrier" shall mean an armored car company approved by the Exchange for the secure transportation of Gold, Platinum and Palladium.
- (f) "Approved Producer" shall mean, with respect to:
 - (i) Aluminum, a Person approved by the Exchange, whose function is to produce Aluminum as an Approved Brand;
 - (ii) Copper, a Person approved by the Exchange, whose function is to refine Copper into an Approved Brand;
 - (iii) Platinum and Palladium, a Person approved by the Exchange, whose function is to refine, and verify the metallurgical assay of, the applicable Commodity as an Approved Brand and who is approved by the Exchange for the secure transportation of such refiner's own Platinum and Palladium; and
 - (iv) Gold and Silver, a Person approved by the Exchange, whose function is to refine the applicable Commodity as an Approved Brand.
- (g) "Assay Certificate" shall have the meaning set forth in the rules for the applicable Commodity Futures Contract contained in the Exchange Rule Book.
- (h) "Buyer" shall mean the long Exchange Clearing Member under a Commodity Futures Contract.
- (i) "Certificate" shall mean a document meeting the requirements established by the Exchange and issued by a licensed facility denoting the product stored at such facility.
- (j) "COMEX" shall mean the Commodity Exchange, Inc., a wholly owned subsidiary of the Exchange.

(j) "Commodity" or "Commodities" shall mean Aluminum, Copper, Gold, Platinum, Palladium and Silver.

(k) "Commission" shall mean the Commodity Futures Trading Commission.

(l) "Contract" shall mean, with respect to a Commodity, such Commodity's Exchange Futures Contract, as set forth in the applicable Chapter of the Exchange Rule Book.

(m) "Contract Unit" shall mean the unit of weight for a Commodity as specified in such Commodity's Contract.

~~(n) "Conversion Date" shall mean the date that the Exchange delivery process is converted from a paper based system to an electronic delivery system. Product specific notice to members will be sent out as to the conversion dates for each respective contract.~~

(o) "Copper" shall mean copper that meets the specifications for delivery in fulfillment of a Copper Futures Contract, as set forth in the Copper Futures Contract contained in Chapter 111 of the Exchange Rule Book.

(p) "Electronic Documents" shall mean an electronic document that is a transferable record under Article 3 of the Uniform Commercial Code ("UCC"), and a document of title under Article 7 of the UCC.

(q) "Eligible" shall mean, with respect to any Commodity, that such Commodity is acceptable for delivery against the applicable Commodity Contract.

(r) "Futures Contract" shall mean, with respect to any Commodity, the futures contract contained in the relevant Chapter of the Exchange Rule Book applicable to such Commodity.

(s) "Gold" shall mean gold that meets the specifications for delivery in fulfillment of a Gold Futures Contract, as stated in the Gold Futures Contract contained in Chapter 113 of the Exchange Rule Book.

(t) "Licensed Depository" shall mean a facility approved and licensed by the Exchange for the secure storage of Gold, Silver, Palladium and/or Platinum.

(u) "Licensed Facility" shall mean a Licensed Warehouse or a Licensed Depository.

(v) "Licensed Warehouse" shall mean a facility approved and licensed by the Exchange for the secure storage of Aluminum and/or Copper.

(w) "Licensed Weighmaster" shall mean a weighmaster licensed by the Exchange, whose function is to verify the weight of Aluminum, Copper, Gold and/or Silver covered by a Warrant.

(x) "Tangible Net Worth" shall have the meaning as prescribed by U.S. GAAP.

(y) "Palladium" shall mean palladium that meets the specifications for delivery in fulfillment of a Palladium Futures Contract, as set forth in the Palladium Futures Contract contained in Chapter 106 of the Exchange Rule Book.

(z) "Person" shall mean an individual, partnership, limited partnership, corporation, limited liability company, unincorporated organization or association, trust or joint venture, or any other similar entity as the context reasonably permits.

(aa) "Platinum" shall mean platinum that meets the specifications for delivery in fulfillment of a Platinum Futures Contract, as stated in the Platinum Futures Contract contained in Chapter 105 of the Exchange Rule Book.

(bb) "Seller" shall mean the short Exchange Clearing Member under a Commodity Futures Contract.

(cc) "Service Provider" shall mean an Approved Assayer, Approved Carrier, Approved Producer, Licensed Depository, Licensed Warehouse and Licensed Weighmaster.

(dd) "Silver" shall mean silver that meets the specifications for delivery in fulfillment of a Silver Futures Contract, as stated in the Silver Futures Contract contained in Chapter 112 of the Exchange Rule Book.

(ee) "System" shall mean the Deliveries Electronic Delivery System maintained and operated by the Exchange, as updated from time to time.

(ff) "Warrant" shall mean a document of title issued by a Licensed Facility, meeting the requirements of Article 7 of the UCC, and demonstrating that the referenced quantity of the covered Commodity, stored in the Licensed Facility referenced thereon, meets the specifications of the applicable Commodity Futures Contract.

(gg) "Weight Certificate" shall mean a document, in a format approved by the Exchange, which verifies the weight of the commodity. The weight specified in the Weight Certificate shall be binding on all parties.

7A.06 UNIFORM DELIVERY PROCEDURES

A Seller may only commence the Uniform Delivery Procedure as detailed below with respect to a Warrant that has been entered into the System and for which the Seller is designated thereon as the Exchange Clearing Member. The Uniform Delivery Procedure for each Commodity is as follows:

(A) Location of Delivery of the Commodity.

(1) Delivery of a Commodity shall be made at the Seller's choice of a Licensed Facility as specified in the Rules for such Commodity.

(2) Except as otherwise provided in the Rules for each Commodity, all duties, entitlements, taxes, fees and other charges imposed prior to delivery on or in respect to the product shall be paid by the Seller. Delivery shall be made in accordance with applicable Federal, State and local laws.

(B) Notice of Intent to Deliver Day Date of Presentation.

(1) A Seller with an open short position must file a Notice of Intention to Deliver with the Exchange. The Notice of Intention to Deliver Day Date of Presentation shall be the day on which Notice(s) of Intention to Deliver are presented to the Clearing House by the Seller. Unless a different time is prescribed by the rules pertaining to a particular commodity, delivery intentions must be delivered to the Clearing House by 4:00 p.m. (Central Standard Time) on position day except that, on the last intent day of the delivery month, delivery intentions for those commodities utilizing the electronic delivery system via the Clearing House's on-line system may be delivered to the Clearing House until 12 noon (Central Standard Time).

Upon determining the buyers obligated to accept deliveries tendered by issuers of delivery intentions, the Clearing House shall promptly furnish to each issuer the names of the buyers obligated to accept delivery for each commodity for which a notice was tendered and shall also inform the issuer of the number of contracts for which each buyer is obligated.

~~The Notice of Intention to Deliver shall be in a computer readable form approved by the Exchange. Said notice shall indicate the approved brand, the receipt number of the Warrant, the weight, the grade and the Licensed Warehouse and/or License Depository in which the Commodity is stored.~~

~~(2) Each Notice of Intention to Deliver shall be accompanied by a Notice Summary. The Notice Summary summarizes the total number of contracts which the Seller intends to deliver and shall be in a form approved by the Exchange.~~

~~(3) A Notice of Intention to Deliver may be presented on any business day beginning on the next to last business day of the calendar month preceding the delivery month and any subsequent business day not later than three business days prior to the end of the delivery month one hour after the Regular Trading Hours for the contract have ended. A notice of Intention to Deliver may also be presented on the next to the last business day of the delivery month by 12:30 PM (New York Time).~~

(4) The Notice of Intention to Deliver is not transferable.

(C) Notice Day.

(1) Notice Day shall be the day on which an Assignment Notification Allocation Notice and Invoice ~~is~~ are issued by the Clearing House to the Buyer and the Seller. This shall be the business day prior to the Delivery Day.

(2) The Assignment Notification Allocation Notice shall specify the parties matched for delivery and the number of contracts to be delivered. The ~~invoice~~ shall specify the brand, the Warrant number, the weight, the Licensed Facility in which the Commodity is stored, the name of the Seller, the name of the Buyer, and the price of the Commodity for each corresponding Warrant.

(3) The Assignment Notification Allocation Notice and Invoice shall be issued by the Clearing House to the Buyer and the Seller on the morning of the business day following the Date of Presentation, except for the next to last business day of the delivery month. On the next to last business day of the delivery month, the Clearing House shall issue the ~~Assignment Notification and invoice Allocation Notice and Invoice~~ to the Buyer and the Seller after last intent day processing ~~prior to the end of that day.~~

(4) The Assignment Notification Allocation Notice and Invoice ~~are~~ is not transferable.

(D) Settlement Price.

The settlement price at the close of business on the day the Notice of Intention to Deliver is given to the Clearing House shall be the basis for delivery. In the event the Notice of Intention to Deliver is given on the next to last business day of the delivery month, the settlement price shall be the settlement price at the close of business on the third to last business day (the previous day).

(E) Delivery Day.

(1) The day the Buyer receives the Warrant for the Commodity shall be referred to as "Delivery Day." Delivery may take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but not later than the last business day of the current delivery month. Delivery payment will be made during the 7:30 AM (CST) collection cycle, or such other time designated by the Clearing House. Thus, the cost of delivery will be debited or credited to a clearing firm's settlement account. Buyers obligated to accept delivery must take delivery and make Delivery Payment and sellers obligated to make delivery must make delivery during the 7:30 AM (CST) settlement process, or such other time designated by the Clearing House, on the day of delivery, except on banking holidays when delivery must be taken or made and Delivery Payment made during the 7:30 AM (CST) settlement process, or such other time designated by the Clearing House, on the next banking business day. Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with its rules, policies and procedures.

~~(2) The Buyer shall present payment to the Seller, at the Exchange, or another location mutually agreed upon by the parties. The member to whom delivery is made shall at once make payment to the member making delivery by the electronic transfer of federal funds "Payment". Payment shall be presented before 2:00 PM (New York Time) of Delivery Day.~~

~~(3) The Seller, immediately upon receipt of payment shall update the System by endorsing the applicable Warrant to the account of Buyer.~~

~~(4) Delivery made in fulfillment of contracts for future delivery shall be deemed a liquidation of the contract. The delivery of Commodity shall be considered complete when the documents required in subsection (3) of this Rule have been delivered to the Buyer and Payment has been received by the Seller.~~

(F) Settlement of Storage and Handling Charges.

All Commodities must be delivered to the Buyer with handling and storage charges paid up to and including the day of delivery, and the Buyer may require the Seller to furnish satisfactory proof of payment thereof. Any storage charges prepaid by the Seller for a period extending beyond the Delivery Day (but not in excess of 30 days) shall be refunded by the Buyer to the Seller on a pro rata basis for the unexpired term and an adjustment made upon the invoice. All storage and handling charges for all Commodities must be in US Dollars. Where "in and out labor" charges have been paid as evidenced by the Warrant Receipt, or otherwise, the seller shall be entitled to charge the buyer for one-half of such "in and out labor" charges; in other words, the buyer will have to assume the "out labor" charges.