

November 16, 2012

**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 # 12-386: Reduction in Block Trade Minimum Thresholds in 105 NYMEX Energy Products, Establishment of Block Trade Minimum Thresholds in 125 NYMEX Energy Contracts and Issuance of NYMEX & COMEX Market Regulation Advisory Notice RA1206-4**

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 following:

- A reduction of block trade minimum thresholds in 105 NYMEX energy products – 10 NGL/petrochemical, 84 refined, 9 naphtha and 2 power products;
- The establishment of new block trade minimum thresholds in 125 NYMEX energy products – 5 crude, 97 natural gas and 23 power products; and
- The issuance of NYMEX & COMEX Market Regulation Advisory Notice RA1206-4 (“RA1206-4”).

These changes will be effective on December 4, 2012.

**I. Reduction of Block Trade Minimum Thresholds in 105 NYMEX Energy Products:**

The reduction of existing block trade minimum thresholds in 94 NYMEX Energy products (10 NGL/petrochemical and 84 refined products) is the result of input from market participants that the levels initially established by NYMEX were too high relative to market dynamics. In this regard, market participants indicated that the establishment of block thresholds in comparable products listed by ICE Futures Europe that were announced after NYMEX’s implementation was substantively lower. NYMEX has experienced a significant reduction in activity in many of these products and is lowering block thresholds to match those of ICE Futures Europe in order to ensure that the difference in block thresholds between the two exchanges is not the determining factor in a market participant’s decision to utilize these products.

The reductions in the 9 naphtha products are the result of re-anchoring the products to a different product. Originally, they were mistakenly anchored to the wrong product (a crack spread) and we have re-anchored them to the most liquid outright contract. With respect to the 2 power products, they were incorrectly included in the wrong category for anchoring purposes. These two contracts are an “around the clock” product and were inappropriately anchored to an on-peak product. They have been re-anchored to the most liquid comparable product. The re-anchoring in both cases has resulted in reductions in the block thresholds for these 11 contracts.

The list of 105 products in which block trade minimum thresholds will be reduced effective December 4, 2012, appear in Exhibit A.

## **II. Establishment of Block Trade Minimum Thresholds in 125 NYMEX Energy Products**

Block trade minimum thresholds are being established in an additional 125 NYMEX energy products for which block levels have not previously been established; 5 crude, 97 natural gas and 23 power products. Today, these products transact almost exclusively outside of the centralized market as transitory Exchange for Risk (“EFR”) or Exchange of Options for Options (“EOO”) transactions pursuant to NYMEX Rule 538 (“Exchange for Related Positions”). These transactions are initially bilaterally negotiated as an OTC swap contract outside the jurisdiction of NYMEX and subsequently cleared as futures or options after submission to the Clearing House through CME ClearPort as a transitory Exchange for Related Positions (“EFRP”). Unlike block trades, EFRP transactions do not have any minimum threshold requirements attendant to their execution.

On October 12, 2012, the CFTC’s swap definition became effective. While the CFTC has issued time-limited no-action relief to market participants such that the swap component of transitory EFRs and EOOs will not be considered in calculating the aggregate gross notional amount for purposes of the swap dealer de minimis exception, commercial market users continue to advise us that they would prefer to enter into futures or options contracts from inception, rather than continuing to rely on executing their transactions in the OTC swap market and submitting them to NYMEX as transitory EFRPs.

As with the initial establishment of block trade minimum thresholds in 494 energy products, the establishment of block trade minimum thresholds in the additional 125 energy products will allow market participants to negotiate transactions in these products as futures or options subject to NYMEX Rule 526 (“Block Trades”). These contracts are eligible to trade via open outcry on the trading floor and/or on CME Globex. We are thus ensuring that our customers have several choices attendant to the execution of transactions in these products.

NYMEX is establishing block thresholds that vary from 5 to 32 contracts. Given that these products have broadly speaking not generated transactions in the centralized market due to their specialized nature and limited liquidity, NYMEX was not able to perform the typical types of analyses that would otherwise be employed in setting an appropriate block trade level. Instead, we determined that the block levels in these products would be the same across product sub-categories and be based on the most liquid product(s) in a particular sub-category. In these cases, liquidity is based on a review of transaction information clearing as an EFR or EOO. The block level for the sub-category was set at a level below which 25% of the executed transactions in the most liquid product(s) in the sub-category occurred during the 18-month time period reviewed, which was January 2011 through June 2012.

NYMEX will review the appropriateness of all block levels on an annual basis and as market circumstances warrant. The establishment of block trading minimum thresholds in the 125 additional energy products will improve the existing trading model by ensuring price dissemination to the marketplace where today no such price dissemination exists as a result of the products trading as transitory EFRs and EOOs.

The list of 125 energy products in which block trade minimum thresholds will be established effective December 4, 2012, appear in Exhibit B.

## **III. Issuance of RA1206-4**

In order to provide the marketplace information on these changes, the Market Regulation Department will issue RA1206-4 on November 19, 2012.

A copy of RA1206-4 appears in Exhibit C.

The Market Regulation Department and the Legal Department collectively reviewed the designated contract market (“DCM”) 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 reductions in the block trade minimum thresholds in 105 energy products and the new block trade minimum thresholds in 125 additional energy products for which block levels have not yet been established via the issuance of RA1206-4. The Advisory Notice will be disseminated to the marketplace on November 19, 2012, in advance of the December 4, 2012, effective date of the changes.

Daily Publication of Trading Information: Block 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 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 block minimum thresholds in the 125 energy futures and options products is intended to ensure that there remains a viable means for market participants to continue to transact in these products in light of upcoming changes related to transacting in the OTC market. Additionally, the marketplace will have pricing information on these transactions which they do not have under current circumstances wherein the futures and options resulting from execution as a transitory EFR or EOO. The reductions in the block trade minimum thresholds in the 94 energy futures and options products is the result of feedback from market participants indicating that the current block levels are set too high to permit market participants to continue to use these products. As a means of addressing this feedback, NYMEX has determined to reduce the block thresholds to the same level as applicable in comparable products listed by ICE Futures Europe.

Trade Information: As with all other trades in Exchange products, trade information attendant to block trades is recorded and safely stored by the Exchange. Additionally, block trades are currently integrated into the Market Regulation Department's suite of proprietary regulatory systems, and are uniquely identifiable by their trade type in those systems. As with all other block trades, block trades in the 125 new energy products will be incorporated into the Market Regulation Department's review of daily trading activity to detect any violations of the rules attendant to their execution.

The Exchange certifies that the reductions in block thresholds, the establishment of block thresholds and the issuance of RA1206-4 comply with the Act and regulations thereunder. There were no substantive opposing views to these changes.

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>.

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](mailto:Robert.Sniegowski@cmegroup.com). Alternatively, you may contact me at 312.930.8167 or via email at [Sean.Downey@cmegroup.com](mailto:Sean.Downey@cmegroup.com). Please reference NYMEX/COMEX Submission # 12-386 in any related correspondence.

Sincerely,

/s/ Sean Downey  
Director & Assistant General Counsel

Attachments: Exhibit A – Reductions in Block Trade Minimum Thresholds in 105 Energy Products  
Exhibit B – Establishment of Block Trade Minimum Thresholds in 125 Energy Products  
Exhibit C – RA1206-4

**Exhibit A - Reductions in Block Trade Minimum Thresholds in 105 Energy Products**

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Current Threshold</b>	<b>Revised Threshold</b>
1	<b>32</b>	<b>NGL &amp; Petrochemicals</b>	European Propane CIF ARA (Argus) BALMO Futures (32)	10	2
2	<b>81</b>	<b>NGL &amp; Petrochemicals</b>	Mont Belvieu Mini LDH Propane (OPIS) Futures (81)	10	2
3	<b>91</b>	<b>NGL &amp; Petrochemicals</b>	Argus Propane Far East Index vs. European Propane CIF ARA (Argus) Futures (91)	10	2
4	<b>7E</b>	<b>NGL &amp; Petrochemicals</b>	Argus Propane Far East Index Futures (7E)	10	2
5	<b>9N</b>	<b>NGL &amp; Petrochemicals</b>	Argus Propane (Saudi Aramco) Futures (9N)	10	2
6	<b>EPN</b>	<b>NGL &amp; Petrochemicals</b>	European Propane CIF ARA (Argus) vs. Naphtha Cargoes CIF NWE (Platts) Futures (EPN)	25	2
7	<b>HPE</b>	<b>NGL &amp; Petrochemicals</b>	HDPE High Density Polyethylene (PCW) Financial Futures (HPE)	10	4
8	<b>P6</b>	<b>NGL &amp; Petrochemicals</b>	High Density Polyethylene (HDPE) Futures (P6)	10	4
9	<b>PGP</b>	<b>NGL &amp; Petrochemicals</b>	PGP Polymer Grade Propylene (PCW) Financial Futures (PGP)	10	4
10	<b>PS</b>	<b>NGL &amp; Petrochemicals</b>	European Propane CIF ARA (Argus) Futures (PS)	10	2
11	<b>8N</b>	<b>Refined Products</b>	NY 0.3% Fuel Oil HiPr (Platts) Futures (8N)	25	10
12	<b>BOB</b>	<b>Refined Products</b>	3.5% Fuel Oil Barges FOB Rdam (Platts) Crack Spread (1000mt) Futures (BOB)	25	5
13	<b>FG</b>	<b>Refined Products</b>	Gulf Coast No. 6 Fuel Oil 3.0% (Platts) Average Price Option (FG)	25	10
14	<b>FOC</b>	<b>Refined Products</b>	NY 3.0% Fuel Oil (Platts) vs. Gulf Coast No. 6 Fuel Oil 3.0% (Platts) Futures (FOC)	25	10
15	<b>GCB</b>	<b>Refined Products</b>	Gulf Coast No. 6 Fuel Oil 3.0% (Platts) vs. European 3.5% Fuel Oil Barges FOB Rdam (Platts) BALMO Futures (GCB)	25	10

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Current Threshold</b>	<b>Revised Threshold</b>
16	<b>GCI</b>	<b>Refined Products</b>	Gulf Coast No.6 Fuel Oil 3.0% (Platts) Brent Crack Spread Futures (GCI)	25	10
17	<b>GCU</b>	<b>Refined Products</b>	Gulf Coast No. 6 Fuel Oil 3.0% (Platts) vs. European 3.5% Fuel Oil Barges FOB Rdam (Platts) Futures (GCU)	25	10
18	<b>GFC</b>	<b>Refined Products</b>	Gulf Coast No. 6 Fuel Oil (Platts) Crack Spread BALMO Futures (GFC)	25	10
19	<b>H1</b>	<b>Refined Products</b>	NY 3.0% Fuel Oil (Platts) Futures (H1)	25	10
20	<b>MF</b>	<b>Refined Products</b>	Gulf Coast No. 6 Fuel Oil 3.0% (Platts) Futures (MF)	25	10
21	<b>MG</b>	<b>Refined Products</b>	Gulf Coast No. 6 Fuel Oil (Platts) Crack Spread Futures (MG)	25	10
22	<b>ML</b>	<b>Refined Products</b>	New York Harbor Residual Fuel (Platts) Crack Spread Futures (ML)	25	10
23	<b>MM</b>	<b>Refined Products</b>	New York Harbor Residual Fuel 1.0% (Platts) Futures (MM)	25	10
24	<b>NYF</b>	<b>Refined Products</b>	NY Fuel Oil 1.0% (Platts) vs. European 1% Fuel Oil Cargoes FOB NWE (Platts) Futures (NYF)	25	10
25	<b>VK</b>	<b>Refined Products</b>	New York Harbor 1.0% Fuel Oil (Platts) BALMO Futures (VK)	25	10
26	<b>VR</b>	<b>Refined Products</b>	NY 1% Fuel Oil (Platts) vs. Gulf Coast 3% Fuel Oil (Platts) Futures (VR)	25	10
27	<b>VZ</b>	<b>Refined Products</b>	Gulf Coast 3.0% Fuel Oil (Platts) BALMO Futures (VZ)	25	10
28	<b>Y3</b>	<b>Refined Products</b>	NY 2.2% Fuel Oil (Platts) Futures (Y3)	25	10
29	<b>Y4</b>	<b>Refined Products</b>	NY 0.7% Fuel Oil (Platts) Futures (Y4)	25	10
30	<b>BG</b>	<b>Refined Products</b>	European Gasoil Bullet Futures (BG)	10	5
31	<b>F7</b>	<b>Refined Products</b>	Gasoil Average Price Option (F7)	10	5

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Current Threshold</b>	<b>Revised Threshold</b>
32	<b>GOC</b>	<b>Refined Products</b>	Gasoil Crack Spread (1000mt) Financial Futures (GOC)	10	5
33	<b>GT</b>	<b>Refined Products</b>	European Diesel 10 ppm Barges FOB Rdam (Platts) Futures (GT)	10	5
34	<b>GX</b>	<b>Refined Products</b>	European Gasoil Financial Futures (GX)	10	5
35	<b>QA</b>	<b>Refined Products</b>	Gasoil Mini Financial Futures (QA)	10	5
36	<b>TP</b>	<b>Refined Products</b>	ULSD 10ppm Cargoes CIF NWE (Platts) vs. Gasoil Futures (TP)	10	5
37	<b>TU</b>	<b>Refined Products</b>	Gasoil 0.1 Cargoes CIF NWE (Platts) vs. Gasoil Futures (TU)	10	5
38	<b>TY</b>	<b>Refined Products</b>	ULSD 10ppm Cargoes CIF NWE (Platts) Futures (TY)	10	5
39	<b>VL</b>	<b>Refined Products</b>	Gasoil 0.1 Barges FOB Rdam (Platts) Futures (VL)	10	5
40	<b>WQ</b>	<b>Refined Products</b>	Gasoil 0.1 Barges FOB Rdam (Platts) vs. Gasoil Futures (WQ)	10	5
41	<b>Z5</b>	<b>Refined Products</b>	Gasoil 0.1 Cargoes CIF MED (Platts) vs. Gasoil Futures (Z5)	10	5
42	<b>GA</b>	<b>Refined Products</b>	Singapore Gasoil (Platts) vs. Gasoil Futures (GA)	50	10
43	<b>M2</b>	<b>Refined Products</b>	Singapore Gasoil (Platts) Average Price Option (M2)	50	10
44	<b>SG</b>	<b>Refined Products</b>	Singapore Gasoil (Platts) Futures (SG)	50	10
45	<b>STZ</b>	<b>Refined Products</b>	Singapore Gasoil 10 ppm (Platts) vs. Singapore Gasoil (Platts) Futures (STZ)	50	10
46	<b>VU</b>	<b>Refined Products</b>	Singapore Gasoil (Platts) BALMO Futures (VU)	50	10
47	<b>1N</b>	<b>Refined Products</b>	Singapore Mogas 92 Unleaded (Platts) Futures (1N)	25	10

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Current Threshold</b>	<b>Revised Threshold</b>
48	<b>1NB</b>	<b>Refined Products</b>	Singapore Mogas 92 Unleaded (Platts) Brent Crack Spread Futures (1NB)	25	10
49	<b>1P</b>	<b>Refined Products</b>	Singapore Mogas 92 Unleaded (Platts) BALMO Futures (1P)	25	10
50	<b>3Y</b>	<b>Refined Products</b>	RBOB Gasoline Crack Spread Average Price Option (3Y)	25	10
51	<b>7I</b>	<b>Refined Products</b>	Gasoline Euro-bob Oxy NWE Barges (Argus) Crack Spread BALMO Futures (7I)	25	10
52	<b>7K</b>	<b>Refined Products</b>	Gasoline Euro-bob Oxy NWE Barges (Argus) Crack Spread Futures (7K)	25	10
53	<b>RBB</b>	<b>Refined Products</b>	RBOB Gasoline Brent Crack Spread Futures (RBB)	25	10
54	<b>RM</b>	<b>Refined Products</b>	RBOB Gasoline Crack Spread Futures (RM)	25	10
55	<b>RU</b>	<b>Refined Products</b>	Gulf Coast Unl 87 Gasoline M1 (Platts) Crack Spread Futures (RU)	25	10
56	<b>RX</b>	<b>Refined Products</b>	RBOB Gasoline Crack Spread Option (RX)	25	10
57	<b>V0</b>	<b>Refined Products</b>	Singapore Mogas 95 Unleaded (Platts) Futures (V0)	25	10
58	<b>1L</b>	<b>Refined Products</b>	Gulf Coast ULSD (Platts) Up-Down BALMO Futures (1L)	25	10
59	<b>5C</b>	<b>Refined Products</b>	Chicago ULSD (Platts) vs. NY Harbor ULSD Heating Oil Futures (5C)	25	10
60	<b>7Y</b>	<b>Refined Products</b>	NY ULSD (Argus) vs. NY Harbor ULSD Heating Oil Futures (7Y)	25	10
61	<b>A5</b>	<b>Refined Products</b>	EIA Flat Tax On-Highway Diesel Futures (A5)	25	10
62	<b>A6</b>	<b>Refined Products</b>	Group Three ULSD (Platts) vs. NY Harbor ULSD Heating Oil Futures (A6)	25	10
63	<b>AT</b>	<b>Refined Products</b>	Heating Oil Average Price Option (AT)	25	10

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Current Threshold</b>	<b>Revised Threshold</b>
64	<b>BH</b>	<b>Refined Products</b>	Heating Oil Bullet Futures (BH)	25	10
65	<b>FA</b>	<b>Refined Products</b>	Heating Oil Calendar Spread Option - 1 Month (FA)	25	10
66	<b>GP</b>	<b>Refined Products</b>	Gulf Coast Heating Oil (Platts) Futures (GP)	25	10
67	<b>GY</b>	<b>Refined Products</b>	Gulf Coast ULSD (Platts) Crack Spread Futures (GY)	25	10
68	<b>HA</b>	<b>Refined Products</b>	NY Harbor ULSD Heating Oil vs. Gasoil Futures (HA)	25	10
69	<b>KL</b>	<b>Refined Products</b>	Los Angeles CARB Diesel (OPIS) vs. NY Harbor ULSD Heating Oil Futures (KL)	25	10
70	<b>LB</b>	<b>Refined Products</b>	Heating Oil European Financial Option (LB)	25	10
71	<b>LT</b>	<b>Refined Products</b>	Gulf Coast ULSD (Platts) Up-Down Futures (LT)	25	10
72	<b>LX</b>	<b>Refined Products</b>	Los Angeles CARB Diesel (OPIS) Futures (LX)	25	10
73	<b>LY</b>	<b>Refined Products</b>	Gulf Coast ULSD (Platts) Futures (LY)	25	10
74	<b>MP</b>	<b>Refined Products</b>	Heating Oil Financial Futures (MP)	25	10
75	<b>ULB</b>	<b>Refined Products</b>	NY ULSD (Argus) vs. NY Harbor ULSD Heating Oil BALMO Futures (ULB)	25	10
76	<b>US</b>	<b>Refined Products</b>	Gulf Coast ULSD (Argus) Up-Down Futures (US)	25	10
77	<b>UT</b>	<b>Refined Products</b>	Gulf Coast No. 2 (Platts) Up-Down Financial Futures (UT)	25	10
78	<b>UY</b>	<b>Refined Products</b>	NY ULSD (Platts) vs. NY Harbor ULSD Heating Oil Futures (UY)	25	10
79	<b>YH</b>	<b>Refined Products</b>	NY Heating Oil (Platts) vs. NY Harbor ULSD Heating Oil Futures (YH)	25	10



	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Current Threshold</b>	<b>Revised Threshold</b>
80	<b>Z7</b>	<b>Refined Products</b>	ULSD 10ppm CIF MED (Platts) vs. Gasoil Futures (Z7)	25	5
81	<b>1M</b>	<b>Refined Products</b>	Gulf Coast Jet (Platts) Up-Down BALMO Futures (1M)	25	10
82	<b>1U</b>	<b>Refined Products</b>	NY Jet Fuel (Platts) vs. NY Harbor ULSD Heating Oil Futures (1U)	25	10
83	<b>5U</b>	<b>Refined Products</b>	NY Jet Fuel (Argus) vs. NY Harbor ULSD Heating Oil Futures (5U)	25	10
84	<b>GE</b>	<b>Refined Products</b>	Gulf Coast Jet Fuel (Platts) Futures (GE)	25	10
85	<b>JS</b>	<b>Refined Products</b>	Los Angeles Jet (OPIS) vs. NY Harbor ULSD Heating Oil Futures (JS)	25	10
86	<b>JU</b>	<b>Refined Products</b>	Gulf Coast Jet (Argus) Up-Down Futures (JU)	25	10
87	<b>ME</b>	<b>Refined Products</b>	Gulf Coast Jet (Platts) Up-Down Futures (ME)	25	10
88	<b>MJC</b>	<b>Refined Products</b>	Mini European Jet Kero Cargoes CIF NWE (Platts) vs. Gasoil Futures (MJC)	25	5
89	<b>MQ</b>	<b>Refined Products</b>	Los Angeles Jet Fuel (Platts) vs. NY Harbor ULSD Heating Oil Futures (MQ)	25	10
90	<b>BX</b>	<b>Refined Products</b>	Singapore Jet Kerosene (Platts) BALMO Futures (BX)	25	10
91	<b>KS</b>	<b>Refined Products</b>	Singapore Jet Kerosene (Platts) Futures (KS)	25	10
92	<b>N2</b>	<b>Refined Products</b>	Singapore Jet Kerosene (Platts) Average Price Option (N2)	25	10
93	<b>RK</b>	<b>Refined Products</b>	Singapore Jet Kerosene (Platts) vs. Gasoil (Platts) Futures (RK)	25	10
94	<b>Z0</b>	<b>Refined Products</b>	Singapore Jet Kerosene (Platts) vs. Gasoil (Platts) BALMO Futures (Z0)	25	10
95	<b>43</b>	<b>Refined Products</b>	European Naphtha (Platts) Crack Spread BALMO Futures (43)	25	5

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Current Threshold</b>	<b>Revised Threshold</b>
96	<b>EN</b>	<b>Refined Products</b>	European Naphtha (Platts) Crack Spread Futures (EN)	25	5
97	<b>JA</b>	<b>Refined Products</b>	Japan C&F Naphtha (Platts) Futures (JA)	25	5
98	<b>JB</b>	<b>Refined Products</b>	Japan C&F Naphtha (Platts) Brent Crack Spread Futures (JB)	25	5
99	<b>KZ</b>	<b>Refined Products</b>	European Naphtha (Platts) BALMO Futures (KZ)	25	5
100	<b>MNC</b>	<b>Refined Products</b>	Mini European Naphtha CIF NWE (Platts) Futures (MNC)	25	5
101	<b>NOB</b>	<b>Refined Products</b>	Naphtha Cargoes CIF NWE (Platts) Crack Spread (1000mt) Futures (NOB)	25	5
102	<b>SP</b>	<b>Refined Products</b>	Singapore Naphtha (Platts) Futures (SP)	25	5
103	<b>UN</b>	<b>Refined Products</b>	European Naphtha Cargoes CIF NWE (Platts) Futures (UN)	25	5
104	<b>NNC</b>	<b>Power</b>	NYISO NYC In-City Capacity Calendar-Month Futures (NNC)	100	3
105	<b>NRS</b>	<b>Power</b>	NYISO Rest of the State Capacity Calendar-Month Futures (NRS)	100	3

**Exhibit B - Establishment of Block Trade Minimum Thresholds in 125 Energy Products**

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
1	<b>CVF</b>	<b>Crude Oil</b>	Crude Oil Volatility Index (VIX) Futures (CVF)	5
2	<b>R2</b>	<b>Crude Oil</b>	Rebco Financial Futures (R2)	5
3	<b>RE</b>	<b>Crude Oil</b>	Rebco Futures (RE)	5
4	<b>WCE</b>	<b>Crude Oil</b>	Canadian Heavy (Western Canadian Select) Physical Crude Oil Futures (WCE)	5
5	<b>CVP</b>	<b>Crude Oil</b>	Crude Oil VIX Options (CVP)	25
6	<b>8A</b>	<b>Natural Gas</b>	Florida Gas, Zone 2 Natural Gas (Platts IFERC) Basis Futures (8A)	25
7	<b>8F</b>	<b>Natural Gas</b>	Transco Zone 2 Natural Gas (Platts IFERC) Basis Futures (8F)	25
8	<b>9A</b>	<b>Natural Gas</b>	SoCal City-Gate Natural Gas (Platts IFERC) Basis Futures (9A)	25
9	<b>A1</b>	<b>Natural Gas</b>	Columbia Gas TCO (Platts Gas Daily) Swing Futures (A1)	25
10	<b>C3</b>	<b>Natural Gas</b>	Florida Gas, Zone 2 Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (C3)	25
11	<b>C4</b>	<b>Natural Gas</b>	Transco Zone 1 Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (C4)	25
12	<b>C6</b>	<b>Natural Gas</b>	Questar Natural Gas (Platts Gas Daily) Swing Futures (C6)	25

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
13	<b>C7</b>	<b>Natural Gas</b>	OneOk, Oklahoma Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (C7)	25
14	<b>C8</b>	<b>Natural Gas</b>	Algonquin City-Gates Natural Gas (Platts Gas Daily) Swing Futures (C8)	25
15	<b>C9</b>	<b>Natural Gas</b>	Southern Star, Tx.-Okla.-Kan. Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (C9)	25
16	<b>CFS</b>	<b>Natural Gas</b>	Columbia Gas TCO (Platts IFERC) Fixed Price Futures (CFS)	25
17	<b>DI</b>	<b>Natural Gas</b>	Demarc Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (DI)	25
18	<b>DSF</b>	<b>Natural Gas</b>	Dominion, South Point Natural Gas (Platts IFERC) Fixed Price Futures (DSF)	25
19	<b>DT</b>	<b>Natural Gas</b>	Demarc Natural Gas (Platts Gas Daily) Swing Futures (DT)	25
20	<b>HHS</b>	<b>Natural Gas</b>	Henry Hub Natural Gas (Platts IFERC) Fixed Price Futures (HHS)	25
21	<b>IF</b>	<b>Natural Gas</b>	SoCal Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (IF)	25
22	<b>IK</b>	<b>Natural Gas</b>	PG&E Citygate Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (IK)	25
23	<b>IQ</b>	<b>Natural Gas</b>	ANR, Oklahoma Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (IQ)	25
24	<b>IR</b>	<b>Natural Gas</b>	Rockies Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (IR)	25
25	<b>IS</b>	<b>Natural Gas</b>	Chicago Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (IS)	25

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
26	<b>IT</b>	<b>Natural Gas</b>	Transco Zone 6 Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (IT)	25
27	<b>IU</b>	<b>Natural Gas</b>	Sumas Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (IU)	25
28	<b>J3</b>	<b>Natural Gas</b>	Transco Zone 4 Natural Gas (Platts Gas Daily) Swing Futures (J3)	25
29	<b>J6</b>	<b>Natural Gas</b>	Columbia Gulf, Louisiana Natural Gas (Platts Gas Daily) Swing Futures (J6)	25
30	<b>J7</b>	<b>Natural Gas</b>	Texas Gas, Zone SL Natural Gas (Platts Gas Daily) Swing Futures (J7)	25
31	<b>J8</b>	<b>Natural Gas</b>	Florida Gas, Zone 3 Natural Gas (Platts Gas Daily) Swing Futures (J8)	25
32	<b>K6</b>	<b>Natural Gas</b>	ANR, Louisiana Natural Gas (Platts Gas Daily) Swing Futures (K6)	25
33	<b>K7</b>	<b>Natural Gas</b>	Trunkline ELA Natural Gas (Platts Gas Daily) Swing Futures (K7)	25
34	<b>K8</b>	<b>Natural Gas</b>	Southern Natural, Louisiana Natural Gas (Platts Gas Daily) Swing Futures (K8)	25
35	<b>K9</b>	<b>Natural Gas</b>	Texas Eastern, ELA Natural Gas (Platts Gas Daily) Swing Futures (K9)	25
36	<b>L7</b>	<b>Natural Gas</b>	Transco Zone 2 Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (L7)	25
37	<b>M3</b>	<b>Natural Gas</b>	OneOk, Oklahoma Natural Gas (Platts Gas Daily) Swing Futures (M3)	25
38	<b>M4</b>	<b>Natural Gas</b>	Southern Star, Tx.-Okla.-Kan. Natural Gas (Platts Gas Daily) Swing Futures (M4)	25

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
39	<b>M7</b>	<b>Natural Gas</b>	Trunkline ELA Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (M7)	25
40	<b>M9</b>	<b>Natural Gas</b>	Texas Eastern, ELA Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (M9)	25
41	<b>MFS</b>	<b>Natural Gas</b>	MichCon Natural Gas (Platts IFERC) Fixed Price Futures (MFS)	25
42	<b>MNG</b>	<b>Natural Gas</b>	Henry Hub Natural Gas Last Day Physically-Delivered Futures	25
43	<b>N4</b>	<b>Natural Gas</b>	Texas Gas, Zone 1 Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (N4)	25
44	<b>N5</b>	<b>Natural Gas</b>	SoCal City-Gate Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (N5)	25
45	<b>N8</b>	<b>Natural Gas</b>	Questar Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (N8)	25
46	<b>NFS</b>	<b>Natural Gas</b>	NGPL Mid-Con Natural Gas (Platts IFERC) Fixed Price Futures (NFS)	25
47	<b>NV</b>	<b>Natural Gas</b>	Kern River Natural Gas (Platts IFERC) Basis Futures (NV)	25
48	<b>OI</b>	<b>Natural Gas</b>	NGPL TexOk Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (OI)	25
49	<b>OX</b>	<b>Natural Gas</b>	NGPL TexOk Natural Gas (Platts Gas Daily) Swing Futures (OX)	25
50	<b>PB</b>	<b>Natural Gas</b>	Malin Natural Gas (Platts IFERC) Basis Futures (PB)	25
51	<b>PFS</b>	<b>Natural Gas</b>	Permian Natural Gas (Platts IFERC) Fixed Price Futures (PFS)	25

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
52	<b>PX</b>	<b>Natural Gas</b>	NGPL Mid-Con Natural Gas (Platts Gas Daily) Swing Futures (PX)	25
53	<b>Q1</b>	<b>Natural Gas</b>	Columbia Gas TCO (Platts Gas Daily/Platts IFERC) Index Futures (Q1)	25
54	<b>Q4</b>	<b>Natural Gas</b>	Tennessee Zone 0 Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (Q4)	25
55	<b>Q7</b>	<b>Natural Gas</b>	NGPL STX Natural Gas (Platts Gas Daily) Swing Futures (Q7)	25
56	<b>Q9</b>	<b>Natural Gas</b>	Florida Gas, Zone 3 Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (Q9)	25
57	<b>S7</b>	<b>Natural Gas</b>	Texas Gas, Zone SL Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (S7)	25
58	<b>S9</b>	<b>Natural Gas</b>	Columbia Gulf, Louisiana Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (S9)	25
59	<b>SF</b>	<b>Natural Gas</b>	SoCal Natural Gas (Platts Gas Daily) Swing Futures (SF)	25
60	<b>SGW</b>	<b>Natural Gas</b>	SoCal Gas City-Gate Natural Gas (Platts IFERC) Fixed Price Futures (SGW)	25
61	<b>SH</b>	<b>Natural Gas</b>	Dominion, South Point Natural Gas (Platts Gas Daily) Swing Futures (SH)	25
62	<b>SJ</b>	<b>Natural Gas</b>	San Juan Natural Gas (Platts Gas Daily) Swing Futures (SJ)	25
63	<b>SK</b>	<b>Natural Gas</b>	PG&E Citygate Natural Gas (Platts Gas Daily) Swing Futures (SK)	25
64	<b>SL</b>	<b>Natural Gas</b>	Permian Natural Gas (Platts Gas Daily) Swing Futures (SL)	25

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
65	<b>SM</b>	<b>Natural Gas</b>	Houston Ship Channel Natural Gas (Platts Gas Daily) Swing Futures (SM)	25
66	<b>SQ</b>	<b>Natural Gas</b>	ANR, Oklahoma Natural Gas (Platts Gas Daily) Swing Futures (SQ)	25
67	<b>SR</b>	<b>Natural Gas</b>	Kern Opal Natural Gas (Platts Gas Daily) Swing Futures (SR)	25
68	<b>SS</b>	<b>Natural Gas</b>	Chicago Natural Gas (Platts Gas Daily) Swing Futures (SS)	25
69	<b>ST</b>	<b>Natural Gas</b>	Transco Zone 6 Natural Gas (Platts Gas Daily) Swing Futures (ST)	25
70	<b>SU</b>	<b>Natural Gas</b>	Sumas Natural Gas (Platts Gas Daily) Swing Futures (SU)	25
71	<b>SV</b>	<b>Natural Gas</b>	Panhandle Natural Gas (Platts Gas Daily) Swing Futures (SV)	25
72	<b>SX</b>	<b>Natural Gas</b>	TETCO M-3 Natural Gas (Platts Gas Daily) Swing Futures (SX)	25
73	<b>SY</b>	<b>Natural Gas</b>	Waha Natural Gas (Platts Gas Daily) Swing Futures (SY)	25
74	<b>T2</b>	<b>Natural Gas</b>	TETCO STX Natural Gas (Platts Gas Daily) Swing Futures (T2)	25
75	<b>T4</b>	<b>Natural Gas</b>	Tennessee Zone 0 Natural Gas (Platts Gas Daily) Swing Futures (T4)	25
76	<b>T6</b>	<b>Natural Gas</b>	Transco Zone 3 Natural Gas (Platts Gas Daily) Swing Futures (T6)	25
77	<b>T7</b>	<b>Natural Gas</b>	Tennessee 500 Leg Natural Gas (Platts Gas Daily) Swing Futures (T7)	25



	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
78	<b>T8</b>	<b>Natural Gas</b>	MichCon Natural Gas (Platts Gas Daily) Swing Futures (T8)	25
79	<b>T9</b>	<b>Natural Gas</b>	SoCal City-Gate Natural Gas (Platts Gas Daily) Swing Futures (T9)	25
80	<b>TZ5</b>	<b>Natural Gas</b>	Transco Zone 5 Natural Gas (Platts Gas Daily) Swing Futures (TZ5)	25
81	<b>TZ6</b>	<b>Natural Gas</b>	Transco Zone 6 Non-N.Y. Natural Gas (Platts IFERC) Basis Futures (TZ6)	25
82	<b>TZI</b>	<b>Natural Gas</b>	Transco Zone 6 Non-N.Y. Natural Gas (Platts Gas Daily /Platts IFERC) Index Futures (TZI)	25
83	<b>TZS</b>	<b>Natural Gas</b>	Transco Zone 6 Non-N.Y Natural Gas (Platts Gas Daily) Swing Futures (TZS)	25
84	<b>U8</b>	<b>Natural Gas</b>	CIG Rockies Natural Gas (Platts Gas Daily) Swing Futures (U8)	25
85	<b>V8</b>	<b>Natural Gas</b>	Malin Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (V8)	25
86	<b>VI</b>	<b>Natural Gas</b>	Ventura Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (VI)	25
87	<b>VS</b>	<b>Natural Gas</b>	Ventura Natural Gas (Platts Gas Daily) Swing Futures (VS)	25
88	<b>VX</b>	<b>Natural Gas</b>	CenterPoint Natural Gas (Platts Gas Daily) Swing Futures (VX)	25
89	<b>W5</b>	<b>Natural Gas</b>	Tennessee 800 Leg Natural Gas (Platts Gas Daily) Swing Futures (W5)	25
90	<b>W9</b>	<b>Natural Gas</b>	Malin Natural Gas (Platts Gas Daily) Swing Futures (W9)	25

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
91	<b>WFS</b>	<b>Natural Gas</b>	Waha Natural Gas (Platts IFERC) Fixed Price Futures (WFS)	25
92	<b>X2</b>	<b>Natural Gas</b>	Columbia Gulf, Mainline Natural Gas (Platts Gas Daily) Swing Futures (X2)	25
93	<b>X3</b>	<b>Natural Gas</b>	Transco Zone 2 Natural Gas (Platts Gas Daily) Swing Futures (X3)	25
94	<b>X4</b>	<b>Natural Gas</b>	Transco Zone 1 Natural Gas (Platts Gas Daily) Swing Futures (X4)	25
95	<b>X5</b>	<b>Natural Gas</b>	Florida Gas, Zone 2 Natural Gas (Platts Gas Daily) Swing Futures (X5)	25
96	<b>X8</b>	<b>Natural Gas</b>	Texas Eastern, WLA Natural Gas (Platts Gas Daily) Swing Futures (X8)	25
97	<b>XH</b>	<b>Natural Gas</b>	Panhandle Natural Gas (Platts IFERC) Fixed Price Futures (XH)	25
98	<b>XJ</b>	<b>Natural Gas</b>	Houston Ship Channel Natural Gas (Platts IFERC) Fixed Price Futures (XJ)	25
99	<b>XR</b>	<b>Natural Gas</b>	Rockies Natural Gas (Platts IFERC) Fixed Price Futures (XR)	25
100	<b>XX</b>	<b>Natural Gas</b>	San Juan Natural Gas (Platts IFERC) Fixed Price Futures (XX)	25
101	<b>Y8</b>	<b>Natural Gas</b>	MichCon Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures (Y8)	25
102	<b>Y9</b>	<b>Natural Gas</b>	Texas Gas, Zone 1 Natural Gas (Platts Gas Daily) Swing Futures (Y9)	25
103	<b>AOR</b>	<b>Power</b>	PJM AEP Dayton Hub Real-Time Off-Peak Calendar-Day 2.5 MW Futures	32

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
104	<b>FAD</b>	<b>Power</b>	MISO Indiana Hub Day-Ahead Off-Peak Calendar-Day 5 MW Futures (FAD)	16
105	<b>FTD</b>	<b>Power</b>	MISO Indiana Hub Real-Time Off-Peak Calendar-Day 5 MW Futures (FTD)	16
106	<b>IDO</b>	<b>Power</b>	ISO New England Mass Hub Day-Ahead Off-Peak Calendar-Day 2.5 MW Futures	32
107	<b>NOC</b>	<b>Power</b>	PJM Northern Illinois Hub Real-Time Off-Peak Calendar-Day 2.5 MW Futures	32
108	<b>PEO</b>	<b>Power</b>	PJM AEP Dayton Hub Day-Ahead Off-Peak Calendar-Day 2.5 MW Futures	32
109	<b>PNO</b>	<b>Power</b>	PJM Northern Illinois Hub Day-Ahead Off-Peak Calendar-Day 2.5 MW Futures	32
110	<b>PWO</b>	<b>Power</b>	PJM Western Hub Day-Ahead Off-Peak Calendar-Day 2.5 MW Futures	32
111	<b>WOR</b>	<b>Power</b>	PJM Western Hub Real-Time Off-Peak Calendar-Day 2.5 MW Futures	32
112	<b>ZAO</b>	<b>Power</b>	NYISO Zone A Day-Ahead Off-Peak Calendar-Day 2.5 MW Futures	32
113	<b>ZGO</b>	<b>Power</b>	NYISO Zone G Day-Ahead Off-Peak Calendar-Day 2.5 MW Futures	32
114	<b>ZJO</b>	<b>Power</b>	NYISO Zone J Day-Ahead Off-Peak Calendar-Day 2.5 MW Futures	32
115	<b>AN</b>	<b>Power</b>	NYISO Zone A Day-Ahead Peak Calendar-Day 2.5 MW Futures (AN)	10
116	<b>CE</b>	<b>Power</b>	ISO New England Mass Hub Day-Ahead Peak Calendar-Day 2.5 MW Futures (CE)	10

	<b>Clearing Code</b>	<b>Product Sector</b>	<b>Product Description</b>	<b>Block Threshold</b>
117	<b>GN</b>	<b>Power</b>	NYISO Zone G Day-Ahead Peak Calendar-Day 2.5 MW Futures (GN)	10
118	<b>JN</b>	<b>Power</b>	NYISO Zone J Day-Ahead Peak Calendar-Day 2.5 MW Futures (JN)	10
119	<b>PAP</b>	<b>Power</b>	PJM AEP Dayton Hub Day-Ahead Peak Calendar-Day 2.5 MW Futures	10
120	<b>PDD</b>	<b>Power</b>	MISO Indiana Hub Day-Ahead Peak Calendar-Day 5 MW Futures (PDD)	5
121	<b>PNP</b>	<b>Power</b>	PJM Northern Illinois Hub Day-Ahead Peak Calendar-Day 2.5 MW Futures	10
122	<b>PTD</b>	<b>Power</b>	MISO Indiana Hub Real-Time Peak Calendar-Day 5 MW Futures (PTD)	5
123	<b>PWP</b>	<b>Power</b>	PJM Western Hub Day-Ahead Peak Calendar-Day 2.5 MW Futures	10
124	<b>UD</b>	<b>Power</b>	PJM Northern Illinois Hub Real-Time Peak Calendar-Day 2.5 MW Futures (UD)	10
125	<b>VD</b>	<b>Power</b>	PJM AEP Dayton Hub Real-Time Peak Calendar-Day 2.5 MW Futures (VD)	10

## Exhibit C

# MARKET REGULATION ADVISORY NOTICE

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<b>Exchange</b>	<b>NYMEX &amp; COMEX</b>
<b>Subject</b>	<b>Block Trades</b>
<b>Rule References</b>	<b>Rule 526</b>
<b>Advisory Date</b>	<b>November 19, 2012</b>
<b>Advisory Number</b>	<b>NYMEX &amp; COMEX RA1206-4</b>
<b>Effective Date</b>	<b>December 4, 2012</b>

This Advisory Notice supersedes NYMEX & COMEX Market Regulation Advisory Notice RA1205-4 from October 24, 2012. It is being issued to notify the marketplace that pending all relevant regulatory review periods, **effective on trade date December 4, 2012**, NYMEX and COMEX will adopt the following:

- 1) reductions in block trade minimum thresholds in 105 NYMEX energy products – 84 refined, 10 NGL/petrochemical, 9 naphtha and 2 power products
- 2) establishment of block trade minimum thresholds in 125 additional NYMEX energy products – 5 crude, 97 natural gas and 23 power products

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. 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](mailto: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](mailto: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](mailto: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	312.535.3656
	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](mailto: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 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.