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Sean M. Downey  
Director and Assistant General Counsel  
Legal Department

December 20, 2012

Office of the  
Secretariat

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 # 12-471: Revisions to Rule 806 ("Offset Process")**

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, revisions to NYMEX/COMEX Rule 806 ("Offset Process") in order to correctly reflect that the offset of buys and sells in NYMEX and COMEX products is not automatic, rather it is dependent upon reporting the offset pursuant to NYMEX/COMEX Rule 811 ("Position Change Data").

The current text of NYMEX/COMEX Rule 806 inaccurately indicates that buys and sells are automatically offset unless contrary instructions are provided pursuant to NYMEX/COMEX Rule 811. At one time, the offsetting of daily buys and sells in NYMEX and COMEX products was automatic unless contrary instructions were provided to the Clearing House. That process was modified after the merger, and revisions being made to NYMEX/COMEX Rule 806 harmonize it completely with CME and CBOT Rule 806. Offsets of buys and sells are handled pursuant to the provisions of Rule 811.

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 Principle:

Availability of General Information: As required by this Core Principle, the Exchanges are correcting an inaccuracy and are providing market authorities, market participants and the public information concerning the change via the issuance of a Special Executive Report. The revisions do not change existing processes in CME Clearing and will have no impact on the manner in which offsets will continue to be handled, which is pursuant to the provisions of NYMEX/COMEX Rule 811.

The revisions to NYMEX and COMEX Rule 806 appear in Exhibit A, with additions underscored and deletions overstruck, and will become effective on January 8, 2013.

NYMEX and COMEX certify that the revisions to Rule 806 comply with the Act and regulations thereunder. There were no 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](mailto:Robert.Sniegowski@cmegroup). 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 # 12-471 in any related correspondence.

Sincerely,

/s/ Sean Downey  
Director & Assistant General Counsel

Attachments: Exhibit A – Revisions to Rule 806

## Exhibit A

### **Rule 806. Offset Process**

When a member buys and sells the same commodity for the same delivery month or a put or call option with the same strike price and expiration month and such contracts are cleared through the Clearing House, the purchases and sales are not automatically offset one against the other, ~~unless contrary instructions are provided pursuant to Rule 811.~~ Transactions can only be offset against one another by complying with Rule 811.