



Sean M. Downey  
Director and Assistant General Counsel  
Legal Department

December 27, 2012

**VIA E-MAIL**

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

**Re: Rule 40.6(a) Certification. Notification Regarding Amendments to Minimum Price Increments for Three Crude Oil Contracts  
NYMEX Submission #12-468**

Dear Ms. Warfield,

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying amendments to the minimum price increments of three crude oil futures contracts, as set out below:

<b><u>Contract</u></b>	<b><u>Code</u></b>	<b><u>Rule Chapter</u></b>
Dated Brent (Platts) Calendar Swap Futures	UB	647
Dated to Frontline Brent Swap Futures	FY	695
Brent (ICE) Calendar Swap Futures	CY	696

For each of these contracts the minimum price increment is being amended from \$0.001 per barrel to \$0.01 per barrel. This change is being made to ensure that the pricing convention for these products conforms with market standards. These changes shall be effective Sunday, January 13, 2013 for trade date Monday, January 14, 2013.

The Exchange believes there would be no material impact on the value of existing open positions as a result of the implementation of this change. The Exchange would only implement the change from 3 decimal points to 2 decimal points for contracts that are not currently undergoing the process of final settlement—i.e. an expiring monthly contract during its expiration period. Accordingly, any possible impact from implementing the change could and would only be prospective at the time the change was announced. Also, any prospective impact could not be accurately anticipated in advance because changing the decimal point locator (DPL) from 3 to 2 does not in and of itself impart any impact on price or future prices. The only possible impact from changing the DPL from 3 to 2 is limited to the rounding of the final settlement calculation—which is an average of daily final settlements determined for the expiring contract during the expiring trading month. Under 2 DPL, the minimum fluctuation for a contract is \$10; under 3 DPL, it is \$1. Consequently, the implication of the change is that, due to rounding, the final settlement could change anywhere from zero per contract to \$5 per contract from what it *might* have been under 3 DPL; but there is no way to know if it would have been different and, if so, by how much and in which direction. The Exchange believes that, overall, any *possible* negative impact from the change is significantly outweighed by the benefits of not upending established and accepted pricing practices in these and related markets.

NYMEX business staff responsible for the delisting of the contract and the NYMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act"). During the review, NYMEX staff identified that the delisting of the contracts may have some bearing on the following Core Principles:

- Availability of General Information: The Exchange will publish the change to the rules and to the minimum price increments on its website, and shall distribute this information to customers.

Pursuant to Section 5c(c) of the Act and CFTC Rule 40.6(a), the Exchange hereby certifies that the delisting of these contracts complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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>.

Should you have any questions concerning the above, please contact the undersigned at (312) 930-8167 or [Sean.Downey@cmegroup.com](mailto:Sean.Downey@cmegroup.com).

Sincerely,

/s/Sean M. Downey  
Director and Assistant General Counsel

Attachment: Appendix A – Rule Amendments

# Appendix A

## Rule Amendments

Text in red underline indicates an addition. Text in ~~red strikethrough~~ indicates a deletion.

### Chapter 647

#### Dated Brent (Platts) Calendar Swap Futures

**647.05. PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01~~\$0.004~~ per barrel. There shall be no maximum price fluctuation.

### Chapter 695

#### Dated to Frontline Brent Swap Futures

**695.05. PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01~~\$0.004~~ per barrel. There shall be no maximum price fluctuation.

### Chapter 696

#### Brent (ICE) Calendar Swap Futures

**696.05. PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01~~\$0.004~~ per barrel. There shall be no maximum price fluctuation.