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March 18, 2005

OFC. OF THE SECRETARIAT

Via E-Mail

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

**Re: Rule Certification. NYMEX Submission 05.49 – Notification of
Amendments to COMEX Division Rule 104.17.**

Dear Ms. Jean Webb:

The New York Mercantile Exchange, Inc. (“NYMEX” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC”) of amendments to COMEX Division Rule 104.17, Acceptance of Orders.

Effective Tuesday, March 22, 2005, the amendment to COMEX Rule 104.17 prevents an Options Member from receiving brokerage for outright futures trades. Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies that the new amendments comply with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2940.

Very truly yours,

Nancy M. Minett
Vice President
Compliance Department

Attachments

cc: Thomas LaSala
Brian Regan

(Additions to the rule are noted in bold italics.)

COMEX Rule 104.17, Acceptance of Orders

(a) **Entry of Orders.** A floor broker or trader or clerk thereof shall not accept or execute or cause to be executed any order to buy or sell a contract for the future delivery of a commodity or option on such a contract originating on the floor of the Exchange from a person who is not a member of the Exchange. Floor members may receive orders in the ring for execution only from members, member firms, and duly authorized clerks properly functioning in such capacity.

(b) **Order Identification.** No floor broker or trader or clerk thereof shall accept or execute or cause to be executed any order, including an order from another member, to buy or sell a contract for future delivery of a commodity or option on such a contract unless the name of the clearing member which will clear the transaction and the customer's account number at such clearing firm, are identified in the order.

(c) **Clearing Member Authorization.** No floor broker, trader or clerk thereof shall accept orders or execute or cause to be executed trades for another person unless the floor member has previously received written authorization (or verbal authorization, if followed by written authorization within three business days) to execute orders for such person or for such account from the clearing member through which the trade is to be cleared.

(d) **Acceptance of Futures Option Orders.** A member or member firm shall not accept any order to buy or sell a futures option from any futures commission merchant unless the futures commission merchant is (i) a member of the Exchange; (ii) a member of a national futures association registered under the Act and providing for the regulation of the futures option activities of its members; or (iii) trading for its proprietary account.

(e) **Exception for Option Permits and Memberships.** Notwithstanding the provisions of subparagraphs (a) and (b) of this Rule 104.17, persons who hold Option Memberships ("Option Members"), shall be permitted to directly communicate to floor brokers, traders and clerks thereof but not execute (and such floor brokers, traders and clerks thereof are permitted to accept and execute) orders to purchase and sell futures contracts for the account of such Option Member but only to the extent that such orders represent bona fide hedging of the positions of such Option Members in such futures options as the Option Member is authorized to trade on the Exchange; provided, further, that under no circumstances may positions obtained by an Option Member by direct communication to Floor Brokers, traders or clerks thereof exceed: (i) a number of short futures contracts equal to the sum of the number of long future call options plus the number of short future put options held by the Option Member; and (ii) a number of long futures contracts equal to the sum of the number of short future call options plus the number of long future put options held by the Option Member.

RESOLUTION

.10 Notwithstanding the provisions of Rule 104.17(e), for the period beginning on October 19, 1992 through September 7, 1993, Option Members shall be permitted to

directly communicate to floor brokers, traders and clerks thereof (and such floor brokers, traders, and clerks thereof are permitted to accept and execute) orders to purchase and sell platinum and palladium futures without any limitation as to the nature of the transactions and at the equivalent fee rate applicable to full members through September 7, 1993.

(f) No Option Member may receive brokerage for any trade which an Option Member is not authorized to execute on the Exchange.