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April 20, 2005

OFFICE OF THE SECRETARIAT

**Via E-Mail**

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

**Re: Rule Certification. NYMEX Submission 05.71 – Notification of  
Amendments to COMEX Division Rule 104.42.**

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 104.42, Matched Orders.

Effective April 25, 2005, the amendments to COMEX Rule 104.42 clearly define the rights and responsibilities of Floor Broker and customer when holding an MOC. The rule requires a customer, entering an order for execution on the *close only* to designate the order as **MOC only**. Likewise, if a customer with an MO order does not want the unfilled portion of his MO order to be executed MOC, the order must be designated **MO only**. An additional amendment to Rule 104.42 conforms MO pricing to existing COMEX settlement procedures. 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

**Amendments to COMEX Division Rule 104.42—Matched Orders**  
(Underlining and bold indicates additions, strikethrough and bold indicates deletions).

**COMEX Rule 104.42, Matched Orders**

(a) Eligible Transactions. The procedures set forth in this Rule shall apply only to bids and offers in such contracts as the Board has specifically approved pursuant to section ~~(h)~~ (i) of this Rule.

**(b) Definitions. A Market on Close order is any order entered for execution on the close and designated as MOC. A Matched Order (MO) is an order entered in accordance with this Rule 104.42 for execution in accordance with these procedures and cleared at the established settlement price. Any MOC can be executed as an MO during the MO period unless otherwise specified as per 104.42 (f) below.**

(c) Matching of Orders. Subject to sections (a) and ~~(e f)~~ of this Rule, a floor member intending to purchase or sell a contract at the market price during the closing period may enter into a transaction, either by trading with another floor member or, subject to Rule 104.24, by means of a cross trade, for which the execution price will be determined as provided in section ~~(e d)~~ of this Rule. Any such trading or cross trade (collectively referred to as a "matched order" or "MO") shall be made by open outcry during the five (5) minute period prior to the commencement of the closing period in aluminum futures and during the twenty-nine (29) minute period prior to the commencement of the closing period in copper futures.

~~(e)~~ (d) Matched Order Price.

(1) The price at which an MO ~~in any contract other than the spot delivery month in copper~~ shall be deemed to have been effected shall be the settlement price of that contract.

~~(2) The MO price of a spot copper futures contract shall be the weighted average (rounded to the nearest price tick) of the prices of contracts reported as traded during the one-minute closing period.~~

~~(e)~~ (d) Cancellation of Matched Orders. An MO may be cancelled only upon consent of both floor members involved in the transaction and subject to the limitations set forth in Rule 104.07(g) and (h) ("Forms of Orders - Orders for Execution on Opening; Orders for Execution on the Close").

~~(e)~~ (f) Discretion. A floor member shall have the discretion to execute any market order or any order capable of execution at the prevailing market price as an MO unless the order ticket he has received bears contrary instructions. MOC orders present during the MO period may be executed as MO's unless specific instructions to the contrary are given. Such orders must indicate "MOC ONLY" clearly on the face of the order ticket. Failure to enter "MOC ONLY" instructions will forfeit the customers' right to cancel the MOC, in whole or in part, if the order or any portion of the order has been previously executed. MOC's executed as MO's should be reported to the customer upon execution.

**All orders entered as MO's will be executed during the "close", as MOC's, if not previously executed as MO's or specifically designated as MO only. Orders to be executed as MO only must be designated "MO only" at the time of entry.**

**(f) (g)** Reporting and Recordation. All MOs shall be identified as such on the executing member's trading records prepared in accordance with Rules 104.80 ("Trading Card") and 104.81 ("Order Tickets"). Any trades matched by means of cross trades also shall be subject to the reporting and recordkeeping requirements set forth in Rule 104.24 ("Crossing of Orders").

**(g) (h)** Due Diligence. A member who has executed or intends to execute an MO shall use due diligence to avoid trading in any contract for which MOs are permissible in a manner which would unduly affect the MO price so as to benefit the member, any other member or any customer.

**(h) (i)** Transactions Eligible for Board Approval For Matched Order Procedures. The Board may, by resolution, authorize the execution of transactions in any or all of the futures contracts and delivery months specified below pursuant to the matched order procedures set forth in this Rule 104.42.

Futures Contract - Delivery Month

Gold - Two Most Actively Traded

Silver - Two Most Actively Traded

Copper - Spot and Next Four Consecutive Contract Months

Aluminum - Spot and Next Four Consecutive Contract Months

## RESOLUTION

.10 Board-Designated Transactions. The following transactions have been approved by the Board for execution as matched orders under Rule 104.42:

Futures

Contract - Delivery Month

Copper - Spot and Next Four Consecutive Contract Months

Aluminum - Spot and Next Four Consecutive Contract Months

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Spooled by: ecolbert  
Job Number: 51  
Date Printed: 4/20/2005  
Time Printed: 2:20:19 PM

**Colbert, Edward W.**

**From:** Hampton, Betty J.  
**Sent:** Wednesday, April 20, 2005 1:53 PM  
**To:** Allen, Veda L.; Black, Vincent; Britt, Tracey; Britton, Beth; Brown, Beverly G.; Bryant, Lawrence; Burton, James; Cannon, Sharon A.; Cobb, Wendy McQueen; Davis, Rosa L.; Franklin, Deborah; Glaze, Taloria Y.; Gorham, Damien; Head, Melissa; Lightner, Linda; Matzo, Savora L.; McMullen, Rita H.; Moreno, Jose; Nordby, Kristina M.; Page, Kevin; Proctor, William N.; Smith, Gretchen A.; Stowe, Natise L.; Vinson, Dolores C.; Warfield, Sauntia; Washington, H. Jean; Wells, Nighous, III; Wiley, Tawana; Williams, Brenda M.; Williams, Patricia P.; Williams, Stacey; Zimmerman, Linda; Woodland, Michelle D.  
**Cc:** Braverman, Steve B.; Scialdo, Marsha E.; Patent, Lawrence B.; Turner, Candace A.; Merrill, David R.; Green, Monica; McCarty, Pat; Schultz, Hilary E.; Rosenfeld, Robert H.; Carley, James; Thomas, Tempest S.; Nathan, Daniel A.; Levine, Bruce C.; Mack, Larry K.; Walek, Kevin P.; Hill, Venita W.; Richards, Laura M.; Smith, Thomas J.; Colbert, Edward W.; Webb, Jean A.; Wang, George; Mack, Larry K.; Lincoln, Mary O.; Manhardt, Kirk; Gary, R. David  
**Importance:** High

Good afternoon! April 25<sup>th</sup> through the 29<sup>th</sup>, 2005, is Administrative Professionals Week, and the CFTC will honor its Administrative Professional staff on April 27<sup>th</sup>. This year we will begin the day with a Continental Breakfast for the Administrative Professional staff and their immediate supervisors in Room 5030, from 9:30 AM until 10:15 AM. After the breakfast we will offer the following two workshops (on a first-come, first-served basis), and you may choose one of the two.

**1. Networking & Self-Promotion** -- An interactive workshop based on the book, "Making Your Contacts Count" by Anne Baber and Lynne Waymon. You will learn (and also be provided the opportunity to practice) the "how to's" of networking, from initial name exchange to nurturing the relationship. (Room 8070, 10:30 AM – 12:00 Noon)

**2. Skills & Competencies: What Makes You Unique?** -- A hands-on workshop providing you with an opportunity to identify your skills. The results can be used for career development; to determine appropriate career paths; and to create accomplishment statements for resumes and applications. (Room 8070, 1:00 PM – 2:30 PM)

Each workshop can accommodate 20 people. If the workshop you select is filled, your name will be placed on a waiting list.

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**Please RSVP via email to me by C.O.B. April 20, 2005.**

Continental Breakfast: Will ( ) Will not ( ) attend.

Name: \_\_\_\_\_

Administrative Professional

Name: \_\_\_\_\_

Supervisor

Workshop Choice:

Networking & Self-Promotion \_\_\_\_\_

Skills & Competencies: What Makes You Unique? \_\_\_\_\_