

July 7, 2005

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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 05.117: Notification of Amendments to Exchange Rule 8.55(A)(23), Failure to Supervise.

Dear Ms. Jean Webb:

The New York Mercantile Exchange ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") of amendments to Exchange Rule 8.55(A)(23), Failure to Supervise.

Effective Monday, July 11, 2005, the Major Offenses category has been changed to reflect that when considering evidence that an employee's violation was a first offense, that the Member or Member Firm took immediate remedial action upon discovering the violation, and that the Member or Member Firm immediately informed the Exchange of the violation be considered a mitigating factor rather than an affirmative defense. Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendment complies with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Nancy Minett, Vice President, Compliance, at (212) 299-2940.

Very truly yours,

Nancy M. Minett
Vice President
Compliance Department

cc: Brian Regan
Thomas LaSala

(Underlining in bold indicates additions; strikethroughs in bold indicate deletions.)

Rule 8.55, Classification of Offenses

(A) Major Offenses

No Member, Member Firm, or any employee of the foregoing shall commit a violation of any of the following rules, which shall be deemed major offenses of the Exchange.

(23): Supervision.

(a) To fail to supervise any employee of a Member or Member Firm adequately to prevent the violation by such employee of any Exchange Rule that: (i) results in substantial detriment to the welfare and interests of the Exchange; (ii) results in harm to a customer or another Member or Member Firm; or (iii) otherwise constitutes a Major Offense.

(b) A showing that the violation of an Exchange Rule by an employee was a first offense of that kind and that the Member or Member Firm disclosed the violation to the Exchange and took immediate and appropriate remedial action on its own initiative upon discovering the violation shall be ~~an affirmative defense to~~ **considered as mitigation** to a charge of violating Rule 8.55(A)(23)(a).