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March 31, 2006

**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 06.43 – Notification of  
Amendment to COMEX Division Rule 104.42, Matched Orders.**

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 10, 2006, the amendment requires the seller in a Matched Order (“MO”) transaction to promptly report the transaction to the Exchange so that it will become a matter of permanent record. Please note that this new reporting requirement would be in addition to those already in place for MO trades that are executed as crosstrades. Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies that the new amendment complies with the Act, including regulations under the Act.

Should you have any questions concerning the above, please feel free to contact me at (212) 299-2940.

Very truly yours,

Nancy Minett  
Vice President, Compliance

**Attachments**

cc: Thomas LaSala  
Brian Regan

### **Amendment to Rule 104.42, Matched Orders**

(Bold and underlined indicates additions, strikethroughs indicate 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 (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 (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 (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.

(d) Matched Order Price.

(1) The price at which an MO shall be deemed to have been affected shall be the settlement price of that contract.

(e) 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").

(f) 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.

(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"). **It shall be the obligation of the seller of the MO to ensure that every MO executed in the ring be promptly be reported to an official market reporter of the Exchange**

**and made a matter of permanent record of the Exchange. Such record shall include the exact time of execution, the date, the volume executed, the futures contract, and the delivery month. In addition, 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").**

(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.

(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