

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-214

Organization: Commodity Exchange, Inc. ("COMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/08/15 Filing Description: Amendments to COMEX Gold, Silver and Copper Daily and Final Settlement Price Procedures in Connection with the Closing of COMEX Open Outcry Futures Trading

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: Various COMEX Futures Final and Daily Settlement Procedures Documents

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|--------------------------|---|----------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | "Non-Material Agricultural Rule Change" | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected:

Rule Numbers:

June 8, 2015

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

RE: CFTC Regulation 40.6(a) Certification. Amendments to COMEX Gold, Silver and Copper Daily and Final Settlement Price Procedures in Connection with the Closing of COMEX Open Outcry Futures Trading. COMEX Submission No. 15-214

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. ("COMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying revisions to the following Daily and Final Settlement Price Procedure documents in connection with the closing of COMEX open outcry futures trading by July 2015:

- COMEX Gold Futures Daily Settlement
- COMEX Silver Futures Daily Settlement
- COMEX Copper Futures Daily Settlement
- COMEX Gold Futures Final Settlement
- COMEX Silver Futures Final Settlement
- COMEX Copper Futures Final Settlement

Pursuant to CFTC Regulation 40.6(a), this Submission shall become self-certified on June 23, 2015. However, please note that the Exchange shall adopt the revised daily and final settlement price procedures effective on Monday, July 6, 2015.

After July 6, 2015, the determination of the daily settlement prices in all contract months of COMEX Gold, Silver and Copper Futures and the determination of the final settlement price in each expiring contract month in Gold, Silver and Copper futures will be determined based exclusively on activity on CME Globex given that beginning July 6, 2015, these futures contracts will no longer trade via open outcry.

The substantive amendments to each daily settlement price procedure document eliminate reference to open outcry futures prices used in the determination of the daily settlement prices. The changes to the final settlement prices codify that the final prices will be determined based on the methodology used to determine daily settlement prices in non-active contract months (based on spread activity). The remaining revisions to each document are stylistic in nature.

The amended documents appear in Exhibit A with additions underscored and deletions overstruck.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that the revised daily and final settlement price procedures and the amendments to the daily and final settlement price procedure documents may have some bearing on the following Core Principles:

Contracts Not Readily Subject to Manipulation: The Exchange employs a variety of settlement methodologies across its product portfolio and has not observed that the execution venue from which the final settlement price is derived impacts whether a contract is readily susceptible to manipulation. The change to the daily and final settlement price methodology for the above-referenced COMEX futures will be to exclusively use activity from the electronic trading venue.

Prevention of Market Disruption: The Exchange Global Command Center, certain CME Group staff, and the Market Regulation Department each have the capacity to identify abnormal price movements during the settlement period and to take remedial actions as appropriate relative to their respective functions. The change in methodology will not diminish the Exchange's ability in this regard.

Daily Publication of Trading Information: COMEX will continue to publish daily and final settlement prices in the aforementioned futures products without interruption.

COMEX certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact the undersigned at 212-299-2200.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – COMEX Gold Futures Daily Settlement Price Procedure, COMEX Silver Futures Daily Settlement Price Procedure, COMEX Copper Futures Daily Settlement Price Procedure, COMEX Gold Futures Final Settlement Price Procedure, COMEX Silver Futures Final Settlement Price Procedure and COMEX Copper Futures Final Settlement Price Procedure (blackline format)

Exhibit A

(additions are underscored, deletions are ~~overstruck~~)

COMEX Gold Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

CME Group staff determines the daily settlement in the COMEX ~~by incorporating both Floor-based and Globex-Gold~~ *Active Month* based on trading activity on CME Globex between 13:29:00 and 13:30:00 Eastern Time (ET), the *Active Month settlement period.

*Active Month

The designated Active Month is the nearest of the contract months listed below:

Gold futures Active Month roll schedule

<u>Last notice day for:</u>	<u>New spot month:</u>	<u>New active month:</u>
<u>January (F)</u>	<u>February (G)</u>	<u>April (J)</u>
<u>March (H)</u>	<u>April (J)</u>	<u>June (M)</u>
<u>May (K)</u>	<u>June (M)</u>	<u>August (Q)</u>
<u>July (N)</u>	<u>August (Q)</u>	<u>December (Z)</u>
<u>November (X)</u>	<u>December (Z)</u>	<u>February (G)</u>

The Active Month becomes a non-active month once it becomes the spot month. For instance, in November, the December contract will be considered the active month. However, once the November contract expires, the December contract becomes the spot month (and is considered non-active), and the February contract becomes the active month.

<u>Product</u>	<u>Maximum Spread Bid/Ask</u>
<u>Gold (GC)</u>	<u>10 Ticks</u>

The designated *Active Month is settled according to the following procedure:

Tier 1: The *Active Month settles to the volume-weighted average price (VWAP) of the outright trades between 13:29:00 and 13:30:00 ET, the settlement period, rounded to the nearest tradable tick (following normal rounding conventions). ~~If the VWAP is equidistant between two ticks, then it's rounded to the tick that is closer to the prior day's settlement price.~~

Tier 2: If there is no VWAP, then the last trade price is checked against the current bid/ask.

- If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price.

Tier 3: If there is no last trade price available, then the prior settle is checked against the current bid/ask.

- a. If the prior settle is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- b. If the prior settle is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

All Other Months ~~(or-Deferred Months)~~

Deferred ~~contract-M~~months consist of all months other than the *Active Month and settle according to the following procedure:

- Tier 1:** All months other than the designated *Active Month will settle based upon the VWAP of calendar spread transactions executed on CME Globex executed in the pit and on Globex from between 13:00:00 - 13:30:00 ET, the Deferred Month settlement period.
- Tier 2:** In the absence of relevant calendar spread trades, bids and asks in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and the best possible ask. The contract will settle at the midpoint of the implied bid/ask spread. — provided that the bid/ask spread is within the reasonability threshold listed below.
- Tier 3:** In the absence of an implied best bid/best ask that meets reasonability thresholds, the net change of the previous contract month will be applied to determine the contract’s settlement price. However, if a contract is initially settled to the net change of the previous month and there are posted markets at 13:30:00 ET in one or more calendar spreads with that contract as the nearby leg, then the settlement price will be adjusted on a subsequent iteration based upon the implied best bid/best ask of those calendar spreads, provided that the bid/ask spread is within the bid/ask reasonability threshold listed below.
- Tier 4:** If the settlement price in a deferred month created by using the “net change” method described above violates a bid or an ask in a calendar spread or in the deferred month itself that could otherwise be honored, the settlement price for that deferred month will be adjusted to honor that bid or ask. If not all spread bids or asks can be honored in this way, precedence will be given to the tightest bid/ask markets.

<u>Product</u>	<u>Maximum Spread Bid/Ask</u>
<u>Gold (GC)</u>	<u>10 Ticks</u>

~~The designated *Active Month is the nearest of the contract months listed below:~~

Gold futures *Active Month roll schedule

<u>Last notice day for:</u>	<u>New spot month:</u>	<u>New active month:</u>
<u>January (F)</u>	<u>February (G)</u>	<u>April (J)</u>
<u>March (H)</u>	<u>April (J)</u>	<u>June (M)</u>
<u>May (K)</u>	<u>June (M)</u>	<u>August (Q)</u>
<u>July (N)</u>	<u>August (Q)</u>	<u>December (Z)</u>
<u>November (X)</u>	<u>December (Z)</u>	<u>February (G)</u>

The *Active Month becomes a non-active month once it becomes the spot month. For instance, in November, the December contract will be considered the active month. However, once the November contract expires, the December contract becomes the spot month (and is considered non-active), and the February contract becomes the active month.

Product	Maximum Spread Bid/Ask
Gold (GC)	10 Ticks <u>10 Ticks</u>

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.

COMEX Silver Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

CME Group staff determines the daily settlement in the COMEX by incorporating both Floor-based and Globex-Silver *Active Month* based on trading activity on CME Globex between 13:24:00 and 13:25:00 Eastern Time (ET), the *Active Month settlement period.

*Active Month

The designated *Active Month is the nearest of the contract months listed below:

Silver futures *Active Month roll schedule

<u>Last notice day for:</u>	<u>New spot month:</u>	<u>New active month:</u>
<u>February (G)</u>	<u>March (H)</u>	<u>May (K)</u>
<u>April (J)</u>	<u>May (K)</u>	<u>July (N)</u>
<u>June (M)</u>	<u>July (N)</u>	<u>September (U)</u>
<u>August (Q)</u>	<u>September (U)</u>	<u>December (Z)</u>
<u>November (X)</u>	<u>December (Z)</u>	<u>March (H)</u>

The *Active Month becomes a non-active month once it becomes the spot month. For instance, in November, the December contract will be considered the active month. However, once the November contract expires, the December contract becomes the spot month (and is considered non-active), and the March contract becomes the active month.

<u>Product</u>	<u>Maximum Spread Bid/Ask</u>
<u>Silver (SI)</u>	<u>10 Ticks</u>

The designated *Active Month is settled according to the following procedure:

Tier 1: The *Active Month settles to the volume-weighted average price (VWAP) of the outright between 13:24:00 and 13:25:00 ET, the settlement period, the settlement period, rounded to the nearest tradable tick following normal rounding conventions. ~~If the VWAP is equidistant between two ticks, then it's rounded to the tick that is closer to the prior-day's settlement price.~~

Tier 2: If there is no VWAP, then the last trade price is checked against the current bid/ask.

- a. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- b. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price.

Tier 3: If there is no last trade price available, then the prior settle is checked against the current bid/ask.

- a. If the prior settle is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.

- b. If the prior settle is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

All Other Months (Deferred Months)

Deferred ~~contract~~ months consist of all months other than the *Active Month and settle according to the following procedure:

- Tier 1:** All months other than the designated *Active Month will settle based upon the VWAP of calendar spread transactions executed on CME Globex executed in the pit and on Globex from between 12:55:00 - 13:25:00 ET, the Deferred Month settlement period.
- Tier 2:** In the absence of relevant calendar spread trades, bids and asks in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and the best possible ask. The contract will settle at the midpoint of the implied bid/ask spread – provided that the bid/ask spread is within the reasonability threshold listed below.
- Tier 3:** In the absence of an implied best bid/best ask that meets reasonability thresholds, the net change of the previous contract month will be applied to determine the contract’s settlement price. However, if a contract is initially settled to the net change of the previous month and there are posted markets at 13:25:00 ET in one or more calendar spreads with that contract as the nearby leg, then the settlement price will be adjusted on a subsequent iteration based upon the implied best bid/best ask of those calendar spreads, provided ~~it that the bid/ask spread~~ is consistent with in the bid/ask reasonability thresholds listed below.-
- Tier 4:** If the settlement price in a deferred month created by using the “net change” method described above violates a bid or an ask in a calendar spread or in the deferred month itself that could otherwise be honored, the settlement price for that deferred month will be adjusted to honor that bid or ask. If not all spread bids or asks can be honored in this way, precedence will be given to the tightest bid/ask markets.

<u>Product</u>	<u>Maximum Spread Bid/Ask</u>
<u>Silver (SI)</u>	<u>10 Ticks</u>

~~The designated *Active Month is the nearest of the contract months listed below:~~

~~Silver futures *Active Month roll schedule~~

Last notice day for:	Now spot month:	Now active month:
February (G)	March (H)	May (K)
April (J)	May (K)	July (N)
June (M)	July (N)	September (U)
August (Q)	September (U)	December (Z)
November (X)	December (Z)	March (H)

~~The *Active Month becomes a non-active month once it becomes the spot month. For instance, in~~

~~November, the December contract will be considered the active month. However, once the November contract expires, the December contract becomes the spot month (and is considered non-active), and the March contract becomes the active month.~~

Product	Maximum Spread Bid/Ask
Silver (SI)	40 Ticks

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.

COMEX Copper Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

CME Group staff determines the daily settlement in the COMEX by incorporating both Floor-based and Globex-Copper ~~*Active Month*~~ based ~~-on~~ trading activity on CME Globex between 12:59:00 and 13:00:00 Eastern Time (ET), the *Active Month settlement period.

*Active Month

The designated ~~*Active month~~ Month is the nearest of the contract months listed below:

Copper (HG) Active Months
March (H)
May (K)
July (N)
September (U)
December (Z)

The ~~active month~~ *Active Month becomes a non-active month once it becomes the spot month. For instance, in November, the December contract will be considered the active month. However, once the November contract expires, the December contract becomes the spot month (and is considered non-active), and the March contract becomes the active month.

The designated ~~*Active month~~ Month is settled according to the following procedure:

Tier 1: The ~~*Active Month~~ active month settles to the volume-weighted average price (VWAP) of the outright between 12:59:00 and 13:00:00 ET, the settlement period, rounded to the nearest tradable tick following normal rounding conventions. ~~If the VWAP is equidistant between two ticks, then it's rounded to the tick that is closer to the prior day's settlement price.~~

Tier 2: If there is no VWAP, then the last trade price is checked against the current bid/ask.

- a. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- b. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price.

Tier 3: If there is no last trade price available, then the prior settle is checked against the current bid/ask.

- a. If the prior settle is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- b. If the prior settle is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

All Other Months ~~(or Deferred Months)~~

Deferred ~~M~~ contract m months consist of all months other than the ~~*Active~~ Month and settle according to the following procedure:

- Tier 1:** All months other than the designated ~~Active~~ **Month** will settle based upon the VWAP of calendar spread transactions executed on CME Globex executed in the pit and on Globex from between 12:30:00 - 13:00:00 ET, the Deferred Month settlement period.
- Tier 2:** In the absence of relevant calendar spread trades, bids and asks in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and the best possible ask. The contract will settle at the midpoint of the implied bid/ask spread.
- Tier 3:** In the absence of an implied best bid/best ask that meets reasonability thresholds, the net change of the previous contract month will be applied to determine the contract's settlement price. However, if a contract is initially settled to the net change of the previous month and there are posted markets at 13:00:00 ET in one or more calendar spreads with that contract as the nearby leg, then the settlement price will be adjusted on a subsequent iteration based upon the implied best bid/best ask of those calendar spreads, provided ~~that the bid/ask spread is consistent with~~ in the bid/ask reasonability thresholds listed below.
- Tier 4:** If the settlement price in a deferred month created by using the "net change" method described above violates a bid or an ask in a calendar spread or in the deferred month itself that could otherwise be honored, the settlement price for that deferred month will be adjusted to honor that bid or ask. If not all spread bids or asks can be honored in this way, precedence will be given to the tightest bid/ask markets.

Product	Maximum Spread Bid/Ask
Copper (HG)	2 10 Ticks

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.

COMEX Gold Futures Final Settlement Procedure

Final Settlement Calculation for Expiring Contract

CME Group staff determines the settlement of the expiring Gold (GC) contract by following the regular daily settlement procedures [for non-active months](#). [The expiring contract, considered to be a non-active month, is settled based on relevant spread relationships on CME Globex throughout the 30 minute settlement period \(for Deferred Months\) up to expiration.](#) Further information regarding these procedures can be found at the below link.

<http://www.cmegroup.com/trading/metals/files/daily-settlement-procedure-gold-futures.pdf>

Additional Details

Gold (GC) futures are physically delivered upon expiration. For additional details on delivery, please see the NYMEX Rulebook (**Chapter 113**):

<http://www.cmegroup.com/rulebook/NYMEX/1a/113.pdf>

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.

COMEX Silver Futures Final Settlement Procedure

Final Settlement Calculation for Expiring Contract

CME Group staff determines the settlement of the expiring Silver (SI) contract by following the regular daily settlement procedures [for non-active months](#). [The expiring contract, considered to be a non-active month, is settled based on relevant spread relationships on CME Globex throughout the 30 minute settlement period \(for Deferred Months\) up to expiration.](#) Further information regarding these procedures can be found at the below link.

<http://www.cmegroup.com/trading/metals/files/daily-settlement-procedure-silver-futures.pdf>

Additional Details

Silver (SI) futures are physically delivered upon expiration. For additional details on delivery, please see the NYMEX Rulebook (**Chapter 112**):

<http://www.cmegroup.com/rulebook/NYMEX/1a/112.pdf>

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.

COMEX Copper Futures Final Settlement Procedure

Final Settlement Calculation for Expiring Contract

CME Group staff determines the settlement of the expiring Copper (HG) contract by following the regular daily settlement procedures for *non-active months*. The expiring contract, considered to be a non-active month, is settled based on relevant spread relationships on CME Globex throughout the 30 minute settlement period (for Deferred Months) up to expiration. in the last 30 minutes of its life. Further information regarding these procedures can be found at the below link.

<http://www.cmegroup.com/trading/metals/files/daily-settlement-procedure-copper-futures.pdf>

Additional Details

Copper (HG) futures are physically delivered upon expiration. For additional details on delivery, please see the NYMEX Rulebook (**Chapter 111**):

<http://www.cmegroup.com/rulebook/NYMEX/1a/111.pdf>

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.