

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-375 (1 of 2)

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/26/2015 Filing Description: Amendments to NYMEX/COMEX Chapter 7 ("Delivery Facilities and Procedures")

**SPECIFY FILING TYPE**

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: Chapter 7

**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:



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

August 26, 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. Notification Regarding Amendments to NYMEX/COMEX Chapter 7 (“Delivery Facilities and Procedures”). NYMEX Submission No. 15-375 (1 of 2)**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) are notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that they are self-certifying amendments to NYMEX/COMEX Rulebook Chapter 7 (“Delivery Facilities and Procedures”), effective on Thursday, October 1, 2015.

Specifically, the Exchanges are amending the copper load out rule in NYMEX Chapter 7, Rule 703.B. (“Load-Out”) to give preference to the load out of copper represented by cancelled COMEX warrants as opposed to the current rule which allows for the comingling of such load out with the load out of other metal at the warehouse including the warehouse’s cash business dealings. This amendment will align the load out rules for copper with those of the rest of the base metal complex as well as our grains complex.

In addition, the Exchanges are self-certifying additional amendments, such as correcting the time zone and rendering certain language referencing the load out of metal represented by an Exchange cancelled warrant consistent across the rule.

NYMEX/COMEX Chapter 7, Rule 703.B is set forth in Appendix A, with additions underscoring and deletions ~~overstruck~~.

The Exchanges reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act”) and identified that the amendments to NYMEX/COMEX Rulebook Chapter 7 may have some bearing on the following Core Principle:

Availability of General Information: In order to ensure that market participants are apprised of the amendments to NYMEX/COMEX Chapter 7, the Exchanges will issue a CME Group Market Surveillance Notice and a Registrar’s Office Notice to the marketplace notifying them of the implementation of these amendments in advance of the amendments becoming effective. The issuance of the Market Surveillance Notice and the Registrar’s Office Notice constitutes compliance with this Core Principle.

The Exchanges certify that the amendments to Chapter 7 of the NYMEX/COMEX Rulebook comply with the Act and regulations thereunder. There were no substantive opposing views to the amendments to Chapter 7.

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

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A – Amendments to NYMEX/COMEX Rulebook Chapter 7 (blackline format)

## Appendix A

### **NYMEX/COMEX Chapter 7 Delivery Facilities and Procedures**

(additions underlined; deletions ~~overstruck~~)

#### **703.B. Load-Out**

The facility represents and warrants that it shall schedule all shipments into or out of the facility on a first-come, first served, non-discriminatory basis and that it shall not constrain or promote the movement of registered metal and eligible metal into or out of the facility by:

1. Giving exceptional inducements or imposing unreasonable charges for depositing, storage or removal of metal into or out of the facility; or
  2. Taking or failing to take any action that affects a customer's ability to schedule the delivery or removal of metal from the facility.
  3. Failure to comply with the load out requirements as prescribed herein may subject a facility to Exchange disciplinary action.
- A. Load-Out Procedures for Precious Metals

In the event that a depository has not permitted the load out of metal represented by a NYMEX or COMEX cancelled warrant within five (5) business days after such warrant has been cancelled for load out (all applicable charges paid) then the depository shall immediately notify the Exchange, in writing, of the reason(s) for the delay. Upon receipt of such notification, the Exchange, at its discretion, may direct the depository not to accept additional metal for deposit until the Exchange directs it to do otherwise.

With the exception of gold deliverable against the Gold Kilo futures (GCK) contract, in the event that loading orders for precious metal represented by a NYMEX or COMEX cancelled warrant are received by the depository by the 20<sup>th</sup> day of the month, all precious metal represented by a NYMEX or COMEX cancelled warrant must be released for shipment no later than the close of business on the last day of that month, provided, however, that all storage charges are paid and warrant holder has presented the depository with all documents necessary to establish good title. If the depository fails to comply with the preceding sentence, the depository shall not charge the warrant holder for additional storage charges, provided, however, that the delay was not caused by the holder of a NYMEX or COMEX warrant holder cancelled for load out or their ~~warrant holder's~~ agent.

For load-out of gold deliverable against the Gold Kilo futures (GCK) contract, the depository is required to ship out of the depository gold at a minimum guaranteed daily load out rate of 2,000 gold bars each weighing 1 kilogram (equivalent to 2,000 contract units) per day for each business day, unless such day is a Hong Kong general holiday. If the depository fails to comply with the gold delivery and load-out Rules as prescribed above, the depository shall not charge the warrant holder for additional storage charges, provided, however, that the delay was not caused by the holder of a COMEX warrant cancelled for load out~~holder~~ or their ~~warrant holder's~~ agent.

B. Load-Out Procedures for Base Metals

In the event that a warehouse has not permitted the load out of aluminum or zinc represented by a COMEX cancelled warrant within twenty (20) business days (five (5) business days for copper) after such warrant has been cancelled for load out (all applicable charges paid) or in the event the warehouse has not met the minimum daily load out requirement, then the warehouse shall immediately notify the Exchange, in writing, of the reason(s) for the delay. Upon receipt of such notification, the Exchange, at its discretion, may direct, in writing, the warehouse not to accept additional base metal for deposit until the Exchange directs it to do otherwise.

If the warehouse fails to comply with the delivery and load-out Rules as prescribed herein, the warehouse shall not charge the warrant holder for additional storage charges, provided, however, that the delay was not caused by the holder of a COMEX warrant cancelled for load out or the ir-warrant holder's agent.

~~(1) Copper: In the event that loading orders for copper represented by a COMEX cancelled warrant are received by the warehouse by the 20<sup>th</sup> day of the month, all copper represented by a COMEX cancelled warrant must be released for shipment no later than the close of business on the last day of that month, provided, however, that all storage charges are paid and warrant holder has presented the warehouse with all documents necessary to establish good title.~~

~~(2) Aluminum and Zinc:~~

The warehouse shall be required to load out metal beginning on the third business day following receipt of loading orders or after a conveyance of the type identified in the loading orders is constructively placed, whichever occurs later. For load out by rail, the warehouse shall be required to load out metal beginning on the third business day following receipt of loading orders or one business day after a rail car is constructively placed, whichever occurs later. Loading orders must be received no later than five business days after warrants are cancelled for load out. If loading orders are not received within five business days after warrants are cancelled for load out, the load out of such metal shall not be subject to the load-out Rules herein.

The regular warehouse is required to ship out of the warehouse metal at a minimum guaranteed daily load out rate of 2% of total inventory, with a minimum daily load out rate of 1,000 metric tons, for each business day (via primary conveyance for aluminum). In addition, the warehouse shall not be required to exceed the minimum daily load out rate of 500 metric tons for zinc or 500 short tons for copper, unless otherwise prescribed in the Interpretations & Special Notices Related to Chapter 7. Preference is given to load out of metal represented by COMEX cancelled warrants (via primary conveyance for aluminum). In the event the warehouse has load out orders for COMEX cancelled warrants representing multiple metal types, the warehouse shall load out each metal concurrently on a pro rata by commodity basis at their prescribed minimum load out rate. If the pro rata exceeds the minimum load out rate, the warehouse shall only be required to load out at the prescribed minimum load out rate. Total inventory shall be defined as the sum of all COMEX registered and eligible aluminum, and zinc and copper -stored at the regular warehouse as reported to the Exchange on the first business day of the month.

The warehouse shall transmit to the Registrar by 11:00 a.m. Central Prevailing Time, the name, location of regular facility, the number of warrants cancelled for load out (via primary conveyance for aluminum) and associated loading orders on a daily basis. The Registrar shall maintain a current record of the number of warrants cancelled for load out (via primary conveyance for aluminum) and shall be responsible for posting this record on the Exchange website.

Alternate Load-Out Instructions via Alternate Conveyance for Aluminum: A party may elect to load out via an alternate conveyance, if available. Load-out via alternate conveyance shall be subject to the minimum guaranteed daily load out rate as published under the Interpretations & Special Notices Related to Chapter 7 contingent on any pending load-out orders submitted prior to the load-out order via alternate conveyance and shall be conducted on a first-come, first served, non-discriminatory basis.