

RECEIVED
C.F.T.C.

January 19, 2007 1:17 JAN 19 PM 2:08

Via E-Mail

OFC. OF THE SECRETARIAT

Office of the Acting Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Rule Certification. NYMEX Submission 07.09: Notification of Amendments to COMEX Division Rule 104.36, Exchanges for Physicals.

Dear Ms. Eileen A. Donovan:

The New York Mercantile Exchange ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") of amendments to COMEX Rule 104.36, Exchanges for Physicals ("EFPs").

Effective on Monday, January 22, 2007, the amendments provide a process for direct submission of EFP transactions by Clearing Members. Also attached to this Submission is a summary of the specific procedures, as well as the form that Clearing Members must use to effect such submission. Generally, the procedures provide for facsimile submission of the EFP information to the COMEX Trade Processing area by 4:30 p.m. on business days that the trading floor is open.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendments comply with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Michael Campanelli, Vice President, COMEX Floor Operations, at (212) 299-2072, or myself at (212) 299-2897.

Very truly yours,

Thomas F. LaSala
Chief Regulatory Officer

cc: Brian Regan
Nancy Minett
Michael Campanelli

Trade Processing Procedures/CM EFPs

- Initiating Clearing Members must complete the attached Clearing Member EFP form; which includes the opposite Clearing Member's account information.
- The form must be faxed to COMEX Trade Processing by 4:30 PM. to be processed as current day. Any form received after 4:30 PM will be processed the following morning with the current trade date.
- Exchange personnel will enter the trade(s) as EFPs through the Trade Management System (TMS).
- Clearing Members will see these trades reflected with the Clearing Member broker codes that are used for electronic trading purposes and the time entered will be the trade data entry time.
- The cut-off for processing EFPs in the expired month will continue to be noon on the day after last trading day for the expired month.
- Unlike broker EFPs, CM EFPs will not appear in the Exchange's Price Reporting System (PRS).
- If corrections are required, Clearing Members should contact COMEX Trade Processing at (212) 299-2044.

(Additions are in bold/underline; deletions in bold/strikethrough.)

COMEX Rule 104.36, Exchanges for Physicals

(a) General Rule. An exchange of physical commodities for futures contracts ("EFP") shall be permitted by arrangement between members in accordance with the requirements of this Rule.

(b) Parties to an EFP. An EFP may be consummated between two parties if one of the parties is the buyer of the physical commodity and the seller of the futures contract, and the other party is the seller of the physical commodity and the buyer of the futures contract.

(c) Simultaneity of Transfer. The purchase and sale of the futures contract shall be simultaneous with the sale and purchase of an equal quantity of the physical commodity.

(d) Ownership of Commodity. The seller of the physical commodity must have either possession or a contractual right to future possession of the physical commodity at the time of entry into the EFP.

(e) Equivalent Physical Commodities. For purposes of this Rule, the physical commodity (1) need not comply with the specifications therefore contained in the futures contract which is being exchanged, but need only be substantially the economic equivalent thereof, and (2) may not be a futures contract or a contract for future delivery traded on a "designated contract market" as that term is used and defined under the Act.

(f) Price of EFP. An EFP may be transacted at such prices as is mutually agreed upon by the two parties to the EFP.

(g) Reports and Recordkeeping.

(1) Each EFP entered into during regular **floor** trading hours shall be reported **by floor members** to an Exchange employee designated for that purpose by no later than the close of regular **floor** trading hours on the day the transaction is effected. **Additionally, Clearing Members may directly submit EFP transactions to the COMEX Trade Processing Area as per procedures specified by the Exchange.** Each EFP entered into after the close of regular **floor** trading hours **or after the deadline for Clearing Member submission and prior to the opening on the next business day** shall be **reported submitted no later than the to an Exchange employee designated for that purpose by no later than 10:00 a.m. on such** next business day. Such report shall **specify the seller of the futures contract and the number of contracts involved in the EFP. include all information specified by the Exchange.**

(2) Each order ticket prepared by a member or member firm in connection with an EFP transaction and all trade data submitted to the Exchange to match and clear an EFP shall specially identify the transaction as an EFP.

(3) (A) Each member or member firm which has entered into an EFP for its own account shall maintain full and complete documentation (including, but not limited to, the time of entry) of the EFP and any cash commodity transaction related thereto.

(B) Each member or member firm which has reported or cleared an EFP on behalf of a customer shall provide to the Exchange such documentation of an EFP and any cash commodity transaction related thereto as the Exchange may request.

CLEARING MEMBER EFP FORM

TRADE DATE _____

C.M. # _____

ACCOUNT # _____

CTI # _____ H/C _____

COMMODITY	BUY/ SELL	VOLUME	MONTH / YEAR	PRICE	OPPOSITE C.M. #	OPPOSITE ACCOUNT #	OPPO- SITE CTI #	OPPO- SITE H / C

CM REPRESENTATIVE _____

**PLEASE FAX TO COMEX TRADE PROCESSING AT 212-301-4576.
TO CONFIRM RECEIPT, PLEASE CALL 212-299-2044 OR 212-299-2465.**