

January 26, 2007

Via E-Mail

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 07.13: Notification
of Amendments to NYMEX Rule 6.21C, Block Trades.**

Dear Ms. Eileen Donovan:

The New York Mercantile Exchange ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") of amendments to NYMEX Rule 6.21C, Block Trades.

Effective for January 29, 2007, NYMEX Rule 6.21C is being amended to allow for the submission of a block trade for NYMEX Soft Futures Contracts with a minimum quantity of 100 lots to the NYMEX Customer Service Desk ("NCS") via a fax submission. 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.

If you have any questions, please contact Adam Wernow, Compliance Counsel, at (212) 299-2851, Nancy Minett, Vice President, Compliance, at (212) 299-2940, or myself at (212) 299-2897.

Sincerely,

Thomas F. LaSala
Chief Regulatory Officer

cc: Brian Regan

Rule 6.21C, Block Trades

(A) Block trades (privately negotiated transactions) shall be permitted in such Exchange products, and for such minimum threshold quantities and under other such conditions as are listed in paragraph (B) of this Rule 6.21C. The following shall govern block trades:

- (1) A block trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders from different accounts may not be aggregated in order to meet the minimum threshold, except in connection with the activities of a registered commodity trading advisor or foreign person performing a similar role, as described in Paragraphs 8 and 9, below.
- (2) Each party to a block trade must be an Eligible Contract Participant as that term is defined in Section 1a(12) of the Commodity Exchange Act.
- (3) A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.
- (4) The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash and futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.
- (5) Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.
- (6) The buyer and seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution. The block trade must be submitted in accordance with procedures prescribed by the Exchange. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market.
- (7) Clearing members and members involved in the execution of block trades must maintain a complete record of the transaction in accordance with Exchange Rule 8.50.
- (8) A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such advisors have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such advisors.
- (9) A foreign Person performing a similar role or function to a CTA or investment advisor as described in Section I, and subject as such to foreign regulation, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such Persons have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such Persons.

(B) Block trades shall be permitted in accordance with this Rule 6.21C in the following Exchange products, under the conditions described:

(1) Spreads transactions between the Light Sweet Crude Oil (CL) and the Brent Crude Oil – Financial (BB) futures contracts, for a threshold minimum quantity of 50 contracts in each leg of the spread.

(2) Transactions in NYMEX Soft Futures Contracts: NYMEX Cocoa (CJ), NYMEX Coffee (KT), NYMEX Cotton (TT), NYMEX FCOJ (FJ), NYMEX Sugar 11 (YO) and NYMEX Sugar 14 (FT), for a threshold minimum quantity of 100 contracts.

Notice No. 07-53
January 26, 2007

TO: All NYMEX Members, Clearing Members and Member Firms

FROM: James E. Newsome, President

RE: Amendment NYMEX Block Trade Rule 6.21C for NYMEX Soft Futures

Effective January 29, 2007, NYMEX Rule 6.21C, "Block Trades," (attached below) will be amended to include NYMEX Soft futures contracts. The Rule will allow for the submission of a block trade with a minimum quantity of 100 lots to the NYMEX Customer Service Desk ("NCS") via a fax submission in a similar fashion to what was previously implemented for the CL-BB spread.

Procedures:

All Parties who are eligible for participating as a principal in Block Trades as per Rule 6.21C **MUST** also be NYMEX ClearPort® Clearing ("CPC") registered. Information on CPC registration can be obtained via the following link: http://www.nymex.com/cp_start.aspx. All CPC brokers may submit Block Trades via the attached form and fax it to the NCS. The form for use in the submission includes all relevant phone and fax numbers at the NCS and can additionally be obtained via the following link: http://www.nymex.com/media/softs_blocksub.pdf

All eligible registered principals who wish to conduct a Block Trade without the use of a registered broker may contact the NYMEX Facilitation Desk ("NFD") at (866) 246-9639 in order to submit Block Trades. All Block Trade submissions will be permitted commencing at 8:00 P.M. on an Exchange calendar date for the subsequent trade date, through 5:00 P.M. the next day for the same trade date. No RAV or automated credit/risk limiting facility is in place when the Block Trades are entered by the NCS or the NFD. As such, Clearing Members should review these trades which are coded as type B-BLK through any of the intra-day clearing transmissions made available by NYMEX and may call the NCS within 90 minutes of trade execution time to void a trade. If such a call is made, the NCS will advise the parties that entered the trade and the opposite clearing member that the trade has been voided. All parties will subsequently have the ability to resolve issues around the trade and then resubmit it.

Fees- per contract:

- All Fees waived through June 30, 2007

Regulatory Highlights:

All Block transactions must conform to the minimum size as prescribed by NYMEX (100 in the case of NYMEX Softs). Further, aggregation of orders to meet the minimum Block size requirement is prohibited, except in connection with the activity of registered CTAs.

While all parties to a block transaction must be an Eligible Contract Participant (“ECP”) as that term is defined in Section 1a(12) of the Commodity Exchange Act, all Members of the contract market who maintain trading rights are considered ECPs for purposes of conducting Block Transactions in contracts that are available for trading.

All Block Trades must be submitted to NYMEX within 5 minutes of execution.

NYMEX will price report all block transactions.

All questions concerning operational procedures for submitting permissible Block Transactions should be directed to the NYMEX Customer Service Desk at (800) 438-8616 domestically and (212) 299-2670 for international callers. Questions regarding the actual rule or regulatory matters should be directed to Thomas LaSala, Chief Regulatory Officer, at (212) 299-2897, Nancy Minett, Vice President Compliance, at (212) 299-2940, or Adam Wernow Compliance Counsel, at (212) 299-2851. Questions regarding Fees should be directed to Sean Keating, Senior Vice President, Clearing, at (212) 299-2135. For all other contract information please call the NYMEX Marketing Hotline at 212-299-2301 or email marketing@nymex.com.

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New Rule 6.21C, Block Trades

(A) Block trades (privately negotiated transactions) shall be permitted in such Exchange products, and for such minimum threshold quantities and under other such conditions as are listed in paragraph (B) of this Rule 6.21C. The following shall govern block trades:

- (1) A block trade must be for a quantity that is at or in excess of the applicable minimum threshold. Orders from different accounts may not be aggregated in order to meet the minimum threshold, except in connection with the activities of a registered commodity trading advisor or foreign person performing a similar role, as described in Paragraphs 8 and 9, below.
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- (3) A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.
- (4) The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the

relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash and futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.

(5) Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.

(6) The buyer and seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution. The block trade must be submitted in accordance with procedures prescribed by the Exchange. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market.

(7) Clearing members and members involved in the execution of block trades must maintain a complete record of the transaction in accordance with Exchange Rule 8.50.

(8) A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such advisors have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such advisors.

(9) A foreign Person performing a similar role or function to a CTA or investment advisor as described in Section I, and subject as such to foreign regulation, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such Persons have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such Persons.

(B) Block trades shall be permitted in accordance with this Rule 6.21C in the following Exchange products, under the conditions described:

- (1) Spreads transactions between the Light Sweet Crude Oil (CL) and the Brent Crude Oil – Financial (BB) futures contracts, for a threshold minimum quantity of 50 contracts in each leg of the spread.
- (2) **Transactions in NYMEX Soft futures contracts: NYMEX Cocoa (CJ), NYMEX Coffee (KT), NYMEX Cotton (TT), NYMEX FCOJ (FJ), NYMEX Sugar 11 (YO) and NYMEX Sugar 14 (FT), for a threshold minimum quantity of 100 contracts.**

NYMEX SOFTS™ BLOCK TRADE ENTRY FORM

(This form should be faxed to NYMEX Customer Service at: 212-301-4751)

This form should only be used by registered NYMEX ClearPort® Clearing Brokers.

Date: _____

Executing Broker: _____ **Email Address:** _____

Broker Contact Info: _____ **Phone #** _____

Commodity Description/Code: **CJ (Cocoa)** **KT (Coffee)** **TT (Cotton)** **FJ (FCOJ)**
 YO (Sugar 11) **FT (Sugar 14)**

Month/Year: _____ **Quantity (100 Lot min.):** _____ **contracts**

Price _____

Buyer Information:

Company: _____

Clearing Member & A/C Number¹: _____ **CTI:** **C/H:**

Trader: _____ **Phone #** _____

Seller Information:

Company: _____

Clearing Member & A/C Number¹: _____ **CTI:** **C/H:**

Trader: _____ **Phone #** _____

¹Only one account per side may be specified. Multiple allocations at trade entry time are prohibited. Reallocations related to appropriate CTA type activity must occur after trade submission and processing.

PLEASE CALL 1-800-438-8616 for domestic calls and 212-299-2670 for international calls once you have sent the fax or if you have any questions.

Date and time Received by Fac Desk: _____ **Deal#** _____ **Trade Id** _____

Entered into system by _____ **FAC DESK APPROVAL** _____