

February 8, 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 07.18: Notification of Amendments to NYMEX Division Rule 6.18 and COMEX Division Rule 104.81 Regarding CTI Type 3 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 Division Rule 6.18 and COMEX Division Rule 104.81.

Effective February 12, 2007, the amendments to NYMEX Division Rule 6.18 and COMEX Division Rule 104.81 clarify and make consistent across both Divisions the recordkeeping requirements of Members who execute CTI 3 orders for other Members. Specifically, on either Division, when receiving an order from another Member for that other Member's personal account, or an account over which that other Member has control, the executing Member must either receive and retain, or immediately prepare and retain an order ticket that satisfies all the order memorandum requirements that pertain to customer orders, UNLESS such order is for electronic execution and may immediately be entered into Globex®.

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.

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

Sincerely,

Thomas F. LaSala
Chief Regulatory Officer

cc: Nancy Minett
Brian Regan

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

NYMEX Division Rule 6.18, Numbering and Time Stamping Orders

(A)(i) When an FCM receives an order from a customer a memorandum of the order shall be made in non-erasable ink which shall identify the customer by symbol or account number and shall be time stamped when received and time stamped when a report of the execution is made, and, in addition, in the case of option customers' orders, the memorandum shall be time stamped to the nearest minute the order is transmitted for execution on the floor.

(ii) When a Floor Member, FCM, Member Firm, or Floor Brokerage Business receives an order, on the Exchange Floor, from a customer, a memorandum of the order shall be made in non-erasable ink which shall identify the customer by symbol or number and which shall be time stamped when received and time stamped when a report of the execution is first made. The Floor Member, FCM, Member Firm or Floor Brokerage Business shall indicate the customer account number, clearing member number and customer type indicator code on transfer information furnished to the Exchange.

(B)(i) When an order is received from a Member ~~who is on the floor~~ of the Exchange and trading for his own account or an account controlled by such Member (a Type 3 trade), a memorandum of the order shall be ~~made~~ **maintained** by the executing broker in non-erasable ink which shall be numbered, or identified by symbol and shall identify the Member initiating the order by symbol or account number and which shall be time stamped when received and time stamped when the report of execution is made, **unless such order is for electronic execution and may be immediately entered into Globex. A Member executing a Type 3 trade for another Floor Member by open outcry must also indicate in the account column of his or her trading card the alphanumeric trading acronym of the member for whom the trade is executed.**

(ii) The requirements of paragraph (B)(i) shall not apply to transactions that are executable as part of intermarket spread transactions or options offset transactions, provided that the Member initiating the order personally executes one or more legs of the transaction and the transaction is recorded on a pit card or an Approved Handheld that is submitted to the Exchange within one minute of execution in accordance with the requirements of Rule 6.10(A). However, with respect to all Type 3 trades, the executing floor broker shall indicate on the transfer information required by the Exchange to be submitted in conjunction therewith, the alpha code (badge symbol) of the Member on whose behalf the trade was executed.

(C) Floor Members who execute customer and Type 3 orders on the Exchange floor must retain one ply or copy of the customer order memorandum or Type 3 order memorandum, if applicable, in accordance with Exchange Rule 8.50(A). Floor Members may be exempt from this requirement if written notice, from an FCM or Member Firm, is given to the Compliance Department acknowledging that it is the custodian of a Floor Member's daily trading records.

COMEX Division Rule 104.81, Order Tickets

(a) General Requirements. A floor member who receives a verbal order from a customer ~~other than another member present on the floor of the Exchange~~ shall immediately upon receipt thereof prepare a written record of such order which shall include the account identification, order number, and such other information as may be required by CFTC Regulation 1.35(a-1)(2) on such form as may be prescribed by the Exchange.

For purposes of this Rule, "account identification" information for an order placed on behalf of (i) a pool, as that term is defined in CFTC Regulation 4.10(d), (ii) a qualifying entity under CFTC Regulation 4.5 for which a notice of eligibility has been filed with the Commission, or (iii) a series of accounts within a managed account program, as that term is defined in CFTC Regulation 15.00(i), may be recorded either in the form of account code for each account in which the order, when filled, will be allocated to clear, or as a single code specially identifying the pool, qualifying entity, or series of customers, as the case may be.

(b) Orders for the Account of a Member on the Floor. Any member placing a verbal order with another floor member for execution as a CT1 #3 trade, except an order for one or more legs of a spread transaction in which the initiating member has personally executed at least one leg of the spread, shall simultaneously ~~either (1)~~ record the terms of the order and its time of placement on his trading card **in sequence with the member's other trades**, as prescribed

in Rule 104.80(a); or (2) ~~prepare and time-stamp a memorandum specifying the terms of the order, provided that such memorandum must be retained by the member who has initiated the order in accordance with the retention requirements of Rule 104.97.~~ Any floor member receiving a verbal order from another floor member for execution as a CTI #3 trade is responsible to maintain an order ticket bearing a timestamp indicating the time of receipt of the order from the other floor member, unless such order is for electronic execution and may immediately be entered into Globex. A floor member executing a CTI #3 trade must also indicate in the account column of his or her trading card the alphanumeric trading acronym of the member for whom the trade is executed.