

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 23-118 (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): 02/23/23 Filing Description: Amendments to NYMEX/COMEX Rule 703.A (“Conditions for Approval”) of Chapter 7 (“Delivery Facilities and Procedures”) to Provide Alternatives for Approved Warehouse Space for COMEX Aluminum Futures.

**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: See filing.

**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     |

**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:

February 23, 2023

**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 NYMEX/COMEX Rule 703.A. (“Conditions for Approval”) of Chapter 7 (“Delivery Facilities and Procedures”) to Provide Alternatives for Approved Warehouse Space for COMEX Aluminum Futures. NYMEX Submission No. 23-118 (1 of 2)**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) certify to the Commodity Futures Trading Commission (“CFTC” or the “Commission”) amendments to NYMEX/COMEX Rule 703.A. (“Conditions for Approval”) of Chapter 7 (“Delivery Facilities and Procedures”) to provide alternatives for approved warehouse space in connection with the COMEX Aluminum Futures contract (Rulebook Chapter [107](#); Commodity Code: ALI) (the “Contract”) (collectively, the “Rule Amendments”) effective on trade date March 13, 2023.

Specifically, the Exchanges are amending NYMEX/COMEX Rule 703.A. to enable Exchange-approved warehouses to dedicate space in certain areas where both indoor and outdoor space is not available per the current requirements. The Rule Amendments are intended to give the warehouses additional options to become regular for aluminum storage for the Aluminum Futures contract and, thereby, give market participants more opportunities to deliver metal to COMEX.

NYMEX/COMEX Rule 703.A. requires that Exchange-approved warehouses regular for the storage and delivery of aluminum against the Contract have both indoor and outdoor secured storage space. The Exchanges previously implemented amendments to globalize the Contract to allow for warehouses to be located in Europe and Asia in addition to the U.S. locations (see Submission No. [18-239](#) dated June 20, 2018). The Contract continues to show significant growth in volume and open interest and, to build on these developments, there are also opportunities to increase deliverable supply. By providing alternatives for approved warehouse space, COMEX’s warehouse network can expand and allow for increasing inventory of stocks which is the basis for deliverable supply for the Contract. The Rule Amendments are intended to offer the warehouse companies more opportunities and latitude to dedicate space for the storage and delivery of aluminum providing another layer of support to the growth of the Contract.

The Rule Amendments are provided below in Exhibit A with additions underlined 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 following Core Principles may be impacted by the Rule Amendments as follows:

- **Availability of General Information:** The Exchange will make publicly available the details of the Rule Amendments by publishing a Market Surveillance Notice (“MSN”) and Special Executive Report (“SER”) to the market. The MSN and SER will be available on CME Group’s website.

• **Contracts not Readily Subject to Manipulation:** The NYMEX/COMEX Contracts will continue to comply with this Core Principle as the Rule Amendments are intended to enhance deliver opportunity of the Contract.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), the Exchanges certify that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this action.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – NYMEX/COMEX Rule 703.A. (“Conditions for Approval”) (blackline format)

## Exhibit A

### NYMEX/COMEX Rulebook Chapter 7 ("Delivery Facilities and Procedures") (additions underscored; deletions ~~struck through~~)

#### 703. DESIGNATION AND OBLIGATIONS OF METAL SERVICE PROVIDERS

##### 703.A. Conditions for Approval

[703.A (1) – (11) unchanged.]

(12) The warehouse regular for delivery of copper, lead and zinc shall provide a fully secured indoor facility for the storage of copper, lead and zinc, as acceptable to the Exchange. The warehouse regular for delivery of copper must have direct unobstructed access to both a truck bay and rail. The warehouse regular for delivery of aluminum must consist of designated indoor ~~and~~, **outdoor, or both indoor and** outdoor fully secured storage facilities. The warehouse regular for delivery of aluminum, lead and zinc must have direct unobstructed access ~~to a truck bay and/or rail~~ **for loading to truck and/or rail**. The warehouse regular for delivery of aluminum, lead and zinc must also qualify and be designated a weighmaster.

[Remainder of Rule unchanged.]