

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-516 (2 of 4)

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/9/16 Filing Description: Amendments to Various Rules and the Issuance of Several Revised Market Regulation Advisory Notices in Connection with the Closing of NYMEX and COMEX Open Outcry Options Trading Pits

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Various

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:

December 9, 2016

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Notification Regarding Amendments to Various Rules and the Issuance of Several Revised Market Regulation Advisory Notices in Connection with the Closing of NYMEX and COMEX Open Outcry Options Trading Pits. CBOT Submission No. 16-516 (2 of 4)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME”), The Board of Trade of the City of Chicago, Inc. (“CBOT”), New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) hereby notify the Commission that they are self-certifying amendments to various rules and the issuance of several revised Market Regulation Advisory Notices (“MRANS”) which will be effective on Tuesday, January 3, 2017, in connection with the December 30, 2016, closing of NYMEX and COMEX open outcry options trading pits. Please see NYMEX and COMEX Submission 16-443 (“Submission 16-443”) dated November 21, 2016, describing the elimination of the open outcry trading floor venue for NYMEX and COMEX options products.

As a result of the elimination of open outcry trading in NYMEX and COMEX options products and the establishment of a Trading Annex in the NYMEX Building, the Exchanges are implementing various amendments set forth in Exhibit A, with additions underscored and deletions overstruck¹.

The revised MRANS are set forth in Exhibits B – H. All the Exhibits are attached under separate cover.

Additional information on certain of the amendments is set forth below.

Certain NYMEX and COMEX definitions and rules specifically concerning the trading floor are being eliminated. These include the following:

Definitions: Closing Range, Floor, Open Outcry Order Types, and Regular Trading Hours

Chapter 4 (“Enforcement of Rules”): Rule 405. (“Floor Conduct Committee”)

Chapter 5 (“Trading Qualifications and Practices”): Rule 502. (“Admission to Floor”), Rule 506. (“Headset Privileges on the Trading Floor”), Rule 508. (“Giving and Receiving of Gratuities”), Rule 513. (“Trading Infractions”) Rule 514. (“Trading Infractions”), Rule 515. (“Registration and

¹ The text of the rules in NYMEX and COMEX Chapter 4 (“Enforcement of Rules”) reflect the amended version of the rules contained in CME/CBOT/NYMEX/COMEX/CME SEF Submission 16-514 from November 30, 2016, which will become effective on Wednesday, December 14, 2016.

Identification of Broker Associations”), Rule 521. (“Requirements for Open Outcry Trades”), Rule 528. (“Price Reporting”), 546. (“Opening and Closing Ranges During Regular Trading Hours”), Rule 550. (“Post Close Session”), and the Quotation Changes interpretation in the Interpretations & Special Notices Relating to Chapter 5

Portions of other NYMEX and COMEX rules are being amended and/or eliminated. These include the following rules:

Chapter 1 (“Membership”): Rule 105. (“Application for Membership”), Rule 106. (“Transfers, Security Transactions, and Authorizations to Transfer or Sell”), Rule 120. (“Membership Categories”), Rule 121. (“Membership Privileges”), Rule 122. (“Membership Dues and Assessments Payable”), Rule 126. (“Membership Education Programs”), and Rule 127. (“Trading and Solicitation Privileges”)

Chapter 2 (“Government”): Rule 232. (“Exchange Facility”)

Chapter 3 (“Exchange Committees”): Rule 300. (“Committees”)

Chapter 4 (“Enforcement of Rules”): Rule 400. (“General Provisions”), Rule 409. (“Summary Proceedings Before the Floor Conduct Committee”), Rule 432. (“General Offenses”), Rule 435. (“Effect of Suspension or Expulsion”), and Rule 437. (“Notice of Discipline”)

Chapter 5 (“Trading Qualifications and Practices”): Rule 500. (“Scope of Chapter”), Rule 501. (“Employees of Members”), Rule 505. (“Booth and Floor Privileges”), Rule 507. (“Electronic Devices”), Rule 510. (“Requirements for Members and their Employees on the Trading Floor”), Rule 511. (“Qualified Traders and Brokers”), Rule 516. (“Error Accounts”), Rule 522. (“Acceptance of Bids and Offers”), Rule 527. (“Outtrades, Errors and Mishandling of Orders”), Rule 530. (“Priority of Customers’ Orders”), Rule 531. (“Trading Against Customers’ Orders Prohibited”), Rule 532. (“Disclosing Orders Prohibited”), Rule 533. (“Simultaneous Buy and Sell Orders for Different Beneficial Owners”), Rule 535. (“Responsibility of Floor Traders and Floor Brokers”), Rule 536. (“Recordkeeping Requirements for Pit, Globex and Negotiated Trades”), Rule 540. (“Responsibility for Customer Orders”), Rule 548. (“Priority of Execution”), Rule 574 (“Globex Access Restrictions”), Rule 589 (“Special Price Fluctuation Limits”), and Interpretations & Special Notices Related to Chapter 5

Chapter 6 (“Arbitration”): Rule 600. (“Disputes Subject to NYMEX Arbitration”), Rule 601. (“Customer Claims Against Members”), and Rule 618. (“Satisfaction of Award”)

Chapter 9 (“Clearing Members”): Rule 903. (Responsibility for Qualified Members”), Rule 956. (“Discretionary, Controlled and Managed Accounts”), and Rule 982. (“Risk Management”)

A definition of Trading Annex has been added to the NYMEX and COMEX Definitions Section.

NYMEX/COMEX Rule 409. (“Summary Proceedings Before the Floor Conduct Committee”) is being amended and retitled (“Conduct Infractions”). The Market Regulation Department will regulate activity in the Trading Annex, and conduct infractions will be subject to summary fines issued by the Chief Regulatory Officer or his designee as set forth in the amended Rule.

CFTC Regulation 156.1 (Definition) defines a broker association to include two or more contract market members with floor trading privileges who engage in certain activities. With the closure of the trading floor, NYMEX and COMEX members no longer have floor trading privileges and NYMEX/COMEX Rule 515. (“Registration and Identification of Broker Associations”) is being eliminated.

CME, CBOT, and NYMEX/COMEX Rule 813. (“Daily Settlement Price”) are being amended to eliminate a reference to establishing a settlement price by reference to the midpoint of the closing range. No

products are currently settled by this method. Additionally, references to the “closing range” and “close” are being modified to the “settlement period.”

Four CME and CBOT defined terms are being amended to remain harmonized with the defined terms in the NYMEX/COMEX Rulebook: Floor Broker, Floor Trader, Introducing Broker or IB, and President.

In connection with the above-referenced rule amendments, revisions to the following MRANs are also required:

- CME & CBOT RA1602-3 concerning Rule 550.;
- CME Group RA1615-5 concerning Rule 532.;
- CME Group RA1616-5 concerning Rule 536.D. (“Customer Type Indicator (“CTI”) Codes”);
- CME Group RA1617-5 concerning Rules 531. and 533.;
- CME Group RA1618-5 concerning Rule 526. (“Block Trades”); and
- CME Group RA1619-5 concerning Rule 538. (“Exchange for Related Positions”)
- CME Group RA1620-5 concerning supervisory responsibility for employees;

The Exchanges have reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the amendments and the issuance of the revised MRANs may have some bearing on the following Core Principles:

Compliance with Rules: The amendments are being adopted to ensure that legacy references to the trading floor are eliminated from the NYMEX/COMEX Rulebook. Various other conforming amendments are also being adopted. The amendments are therefore in compliance with the Core Principle.

Availability of General Information: The Exchanges will disseminate a Special Executive Report (“SER”) concerning the amendments and the revised MRANs. The SER and the revised MRANs will also be posted on the CME Group website.

Execution of Transactions: Notwithstanding the closure of the open outcry options trading pits and the amendments to the NYMEX/COMEX rules to eliminate trading floor references, the CME Globex platform provides a transparent, competitive, open and efficient mechanism for executing transactions that protects the price discovery process of trading in the centralized market.

As set forth in Submission 16-443, which was certified by the Commission on December 6, 2016, general views opposing electronic trading without concurrent floor-based access to the same products have been expressed to the Exchange. Such views propose that certain contracts are best entered into via open outcry or that electronic trading without concurrent floor-based access may potentially decrease the size and types of orders that market participants are willing to provide. Notably, the percentage of overall trading activity that is generated electronically, current electronic trading functionalities which, in many instances, replicate similar market strategies, and the Exchange’s ability to make product-specific determinations in response to the demands of market participants counter and contradict such opposing views.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges certify that the amendments and the revised MRANs comply with the Act and regulations thereunder.

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

Should you have any questions concerning the above, please contact the undersigned at 212.299.2200 or CMEGroupSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A Amendments to CME, CBOT, NYMEX and COMEX Rules (blackline format)
Exhibit B CME & CBOT RA1602-3
Exhibit C CME Group RA1615-5
Exhibit D CME Group RA1616-5
Exhibit E CME Group RA1617-5
Exhibit F CME Group RA1618-5
Exhibit G CME Group RA1619-5
Exhibit H CME Group RA1620-5