

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-221

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): 05/15/23 **Filing Description:** Delisting of Three (3) European Union Allowance (EUA) Futures and Option Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input 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:

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 checked="" 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: See filing.

Rule Numbers: See filing.

May 15, 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. Delisting of Three (3) European Union Allowance (EUA) Futures and Option Contracts.
NYMEX Submission No. 23-221**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the delisting of three (3) European Union Allowance (EUA) futures and option contracts (the “Contracts”) as set forth in Table 1. below effective immediately. There is no open interest in the Contracts.

Table 1.

Contract Title	Rulebook Chapter	CME Globex/ CME ClearPort Code
In Delivery Month European Union Allowance (EUA) Futures	1250	EAJ/6T
In Delivery Month European Union Allowance (EUA) Option	1251	EAX/6U
In Delivery Month European Union Allowance (EUA) Serial Option	1252	9G/9G

The Contracts were previously suspended from trading and clearing (see NYMEX Submission No. [20-045](#) dated January 13, 2020).

Exhibit A provides amendments to the applicable NYMEX Rulebook Chapters in blackline format.

As a result of the delisting, information regarding the Contracts has been deleted from the respective product rulebook chapters, related position limits in the Position Limit, Position Accountability and Reportable Level Table located in the Interpretations and Special Notices Section of Chapter 5 (“Trading Qualifications and Practices”) of the NYMEX Rulebook (the “Table”), the CME Globex non-reviewable ranges located in Rule 588.H. of the NYMEX Rulebook, and the list of block-eligible products located on the CME Group website. The Table is attached under separate cover, in blackline format, as Exhibit B.

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

- **Emergency Authority**: There is no open interest in the Contracts, and therefore there will be no market disruption related to their delisting.

- **Availability of General Information:** The Exchange will make publicly available the details of the delisting by publishing a Special Executive Report (“SER”) to the marketplace. The SER will be available on CME Group’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), the Exchange hereby certifies that the delisting of the Contracts complies with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: Amendments to NYMEX Rulebook Chapters (blackline format)
Exhibit B: Position Limits, Position Accountability and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover) (blackline format)

Exhibit A
NYMEX Rulebook
(deletions struckthrough)

Chapter 1250
In Delivery Month European Union Allowance (EUA) Futures

1250100. SCOPE OF CHAPTER

This chapter is limited in application to In-Delivery Month European Union Allowance (EUA) futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7B shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all European Union Allowances bought or sold for future delivery on the Exchange with delivery at the Registry (UK).

The terms "seller" and "buyer" shall mean the seller of the physical product and the buyer of the physical product, respectively. The seller's clearing member and buyer's clearing member may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the Registry (UK).

~~In January 2005, the European Union Emissions Trading Scheme ("EU ETS") commenced operation as the largest multi-country, multi-sector Greenhouse Gas emission trading scheme world-wide. It covers over 11,500 energy-intensive installations across the EU which represent approximately half of Europe's emissions of CO₂. These installations include combustion plants, oil refineries, coke ovens, iron and steel plants, and factories making cement, glass, lime, brick, ceramics, pulp and paper. The scheme is based on Directive 2003/87/EC, which entered into force on 25 October 2003. The term "EUTL" shall mean the independent transaction log provided for in Article 20(1) of the Directive, the operation of which is further detailed in the Registries Regulation.~~

~~The term "ITL" shall mean the International Transaction Log. All transactions between registries are maintained by transaction logs which verify the validity of transactions.~~

~~The term "Community Independent Transaction Log" or "CITL" shall mean the predecessor log to the EUTL provided for in Article 20(1) of Directive 2003/87/EC, for the purpose of recording the issue, transfer and cancellation of EUAs under the EU ETS and established, operated and maintained pursuant to Article 5 of the Registry Regulations. The EU Commission established and is the Administrator of the CITL for transfers involving EU Member States. Transfers involving EU Entities entail an additional step from the ITL to the CITL under the Kyoto Protocol for transfers of EUAs between national registries.~~

~~The term "Communication Link" shall mean the electronic exchange of messages/notifications (1) by which a buyer and seller communicate with a Registry, and/or (2) by which a Registry communicates with CITL or EUTL, and/or (3) by which CITL or EUTL communicates with the ITL (where applicable), and/or (4) by which a Registry communicates with the ITL (where Applicable).~~

~~The term "Registry (UK)" shall mean the Registry under the jurisdiction of the United Kingdom (collectively being the holding accounts within the Union Registry that are under the jurisdiction of the United Kingdom).~~

~~The term "Registry" shall mean any registry in an EU Member State meeting the eligibility criteria and which has implemented the Linking Directive in a manner that authorizes private persons to hold EUAs and has Person Holding Accounts established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation, and replacement of EUAs under the EU ETS, and which has been identified as a Registry by the Clearing House from time to time for the purpose of this futures contract. For the avoidance of doubt, references to a Registry shall include (i) the Union Registry and (ii) collectively the holding accounts within the Union Registry that are under the jurisdiction of a single Member State. In the case of (ii), such holding accounts will together be deemed to be a Registry for that Member State.~~

~~The term "Registry Regulations" shall mean the EU Commission Regulation (EC) No 2216/2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time including by EU Commission Regulation (EC) No.916/2007.~~

The term "Union Registry" shall mean the Registry referred to as the "Community registry" in Article 19(1) of the Directive.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in the United Kingdom.

1250101. CONTRACT SPECIFICATIONS

The contract specifications for delivery on futures contracts shall apply to all European Union Allowances with delivery at the Registry (UK).

The term "EUA" or European Union Allowance shall be granted under a National Allocation Plan of an EU member state.

1250102. TRADING SPECIFICATIONS

Trading in In-Delivery Month European Union Allowance (EUA) futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.

1250102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

1250102.B. Trading Unit

The contract unit shall be one thousand (1,000) EUAs for a delivery made by transfer through the Registry (UK).

1250102.C. Price Increments

The minimum price fluctuation shall be €0.0025 per EUA (€ 2.50 per contract). Prices shall be quoted in Euros and Euro cents per EUA.

1250102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1250102.E. Termination of Trading

No trades in In-Delivery Month European Union Allowance (EUA) futures in the expiring contract month shall be made after the last Monday of the delivery month for such expiring contract. If the last Monday of the delivery month occurs on a UK Bank Holiday or, if a UK Bank Holiday occurs on any of the four (4) days following the last Monday of the delivery month, trading shall cease on the penultimate Monday of the delivery month. If the penultimate Monday of the delivery month occurs on a UK Bank Holiday or, if a UK Bank Holiday occurs on any of the four (4) days following the penultimate Monday of the delivery month, trading shall cease on the antepenultimate Monday of the delivery month. Any contracts remaining open after the last day of trading must be either:

Settled by delivery which shall take place in accordance with Rule 1250105; or

Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Exchange Rule 538. An EFRP is permitted in the expiring futures contract at any time before 6:00 p.m. on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract

1250103. DELIVERY

EUA delivery shall comply with all requirements for the electronic transfer of EUAs on the Registry (UK). Notwithstanding the use of a designee, all clearing members will remain ultimately responsible for performance of all applicable contract terms specific to the sellers' clearing members and buyers' clearing members.

1250104. DELIVERY PROCEDURES

The Exchange is a party to all deliveries under this contract and will receive EUAs from the seller's clearing member into the Clearing House Holding Account of the Registry (UK). Following receipt from the seller's clearing member, the Exchange will deliver EUAs to the buyer's clearing member from the Clearing House Holding Account to the Registry (UK) Holding Account nominated by the buyer's clearing member.

The seller's clearing member shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to the submission of the forms noted in this rule. The buyer's clearing member shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the rules of this Chapter or the Exchange rules is inconsistent with a provision of the Registry Regulations, the provision of the rules of this Chapter and the Exchange rules shall prevail as between the buyer's clearing member, seller's clearing member, and the Exchange to the extent of such inconsistency and to the extent permitted by law.

By transferring EUAs to the Exchange, the seller's clearing member represents and warrants that, at the time of delivery, it has good and marketable title to such EUAs, and that such EUAs are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

1250104.A. Responsibilities of Clearing Members

1. Notice of Intention to Accept

Exchange clearing members having open long positions shall provide the Clearing House with a Notice of Intention to Accept delivery by 10:00 p.m. on the final day of trading of the delivery month. The Notice of Intention to Accept must be in the form prescribed by the Exchange and must be properly completed and indicate the name of the buyer, the number of contracts to be accepted, the Registry (UK) Account Number, the name, telephone number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

2. Notice of Intention to Deliver

Exchange clearing members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver by 10:00 p.m. on the final day of trading of the delivery month. The Notice of Intention to Deliver must be in the form prescribed by the Exchange, and must be properly completed, indicate the name of the seller, the number of contracts to be delivered, the Registry (UK) Account Number, the name, telephone number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

1250104.B. Final Settlement Price

The final settlement price shall be the basis for delivery.

1250104.C. Assignment Day

The Clearing House shall allocate Notices of Intention to Accept and Notices of Intention to Deliver by matching positions, to the extent possible.

The Clearing House shall provide Assignment Notice Reports to the respective clearing members on the final day of trading of the delivery month.

1250105. TIMING OF DELIVERY

- 1.** The seller's clearing member shall transfer EUAs subject to delivery to the Clearing House Holding Account of the Registry (UK) by 6:30 p.m. on the first business day after the final day of trading of the delivery month.
- 2.** For each buyer's clearing member that has satisfied its obligations under subsection (4) of this rule, the Clearing House shall initiate the process of transferring the EUAs to the buyer's clearing member's account at the Registry (UK) by 7:00 p.m. on the first business day after the final day of trading of the delivery month.
- 3.** The buyer's clearing member shall receive EUAs from the Clearing House Holding Account of the Registry (UK) by 3:00 p.m. on the second business day after the final day of trading of the delivery month.
- 4.** The buyer's clearing member shall deposit/transfer Euro currency equal to the full value of the product to the designated Clearing House bank account by 2:00 p.m. on the business day following the last day of trading of the delivery month.

5. ~~For each seller's clearing member that has satisfied its obligations under subsection (1) of this rule, the Clearing House shall pay the seller's clearing member the full contract value by 3:00 p.m. on the second business day following the last day of trading of the delivery month.~~

~~1250106. DELIVERY MARGINS AND PAYMENT~~

~~1250106.A. Definitions~~

~~For purposes of this Rule 1250106,~~

~~"Payment Date" shall mean the date on which the Clearing House transfers Payment in connection with a delivery to a seller's clearing member.~~

~~"Payment" shall include the final settlement price times the number of contracts times 1,000.~~

~~1250106.B. Margin~~

~~The buyer's clearing member and seller's clearing member shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins shall be returned on the business day following notification to the Exchange that delivery and Payment have been completed.~~

~~1250106.C. Payment~~

~~Any Payment made on the Payment Date shall be based on EUAs that the seller's clearing member is obligated to deliver pursuant to the applicable delivery.~~

~~1250107. VALIDITY OF DOCUMENTS~~

~~The Exchange makes no representation with respect to the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~1250108. ALTERNATIVE DELIVERY PROCEDURE~~

~~A seller and buyer matched by the Exchange under Rule 1250104.C. may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, clearing members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed and executed copy of such notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the clearing members and the Exchange from their respective obligations under the rules of this Chapter and any other rules regarding physical delivery.~~

~~In executing such notice, clearing members shall indemnify the Exchange against any liability, cost or expense the Exchange may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the clearing members all margin monies held for the account of each with respect to the contracts involved.~~

Chapter 1251

In-Delivery Month European Union Allowance (EUA) Option

1251100. SCOPE OF CHAPTER

~~This chapter is limited in application to put and call options on In-Delivery Month European Union Allowance (EUA) futures contracts. In addition to the rules of this chapter, transactions in options on In-Delivery Month European Union Allowance (EUA) futures shall be subject to the general rules of the Exchange insofar as applicable.~~

1251101. OPTION CHARACTERISTICS

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

1251101.A. Trading Schedule

~~The hours of trading for this contract shall be determined by the Exchange.~~

1251101.B. Trading Unit

~~An In-Delivery Month European Union Allowance (EUA) option traded on the Exchange represents an option to assume a short or long position in the underlying In-Delivery Month European Union Allowance (EUA) futures contract at the strike price.~~

1251101.C. Price Increments

~~The minimum price fluctuation is €0.0025 per EUA. Prices shall be quoted in Euros (€) and Euro cents (¢) per EUA. A cabinet trade may occur at a price of €1.00 per contract, however, if it results in the liquidation of positions for both parties to the trade.~~

1251101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

~~The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.~~

~~A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

1251101.E. Termination of Trading

~~The option contract shall expire at the close of trading three business days prior to the expiration of the underlying In-Delivery Month European Union Allowance (EUA) futures contract.~~

1251101.F. Type Option

~~The option is a European-style option which can only be exercised into the underlying futures on expiration day.~~

1251102. EXERCISE PRICES

~~Transactions shall be conducted for option contracts as set forth in Rule 300.20.~~

Chapter 1252

In-Delivery Month European Union Allowance (EUA) Serial Option

1252100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on In-Delivery Month European Union Allowance (EUA) futures contracts. In addition to the rules of this chapter, transactions in options on In-Delivery Month European Union Allowance (EUA) futures shall be subject to the general rules of the Exchange insofar as applicable.

1252101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

1252101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

1252101.B. Trading Unit

An In-Delivery Month European Union Allowance (EUA) Serial put option traded on the Exchange represents an option to assume a short position in the December contract month of the underlying In-Delivery Month European Union Allowance (EUA) futures contract of the relevant year traded on the Exchange at the strike price. An In-Delivery Month European Union Allowance (EUA) Serial call option traded on the Exchange represents an option to assume a long position in the December contract month of the underlying In-Delivery Month European Union Allowance (EUA) futures contract of the relevant year traded on the Exchange at the strike price.

1252101.C. Price Increments

The minimum price fluctuation is €0.0025 per EUA. Prices shall be quoted in Euros (€) and Euro cents (¢) per EUA. A cabinet trade may occur at a price of €1.00 per contract, however, if it results in the liquidation of positions for both parties to the trade.

1252101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1252101.E. Termination of Trading

The option contract shall expire at the close of trading three business days prior to the expiration of the underlying In-Delivery Month European Union Allowance (EUA) futures contract.

1252101.F. Type Option

The option is a European style option which can only be exercised into the underlying futures on expiration day.

1252102. EXERCISE PRICES

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

Exhibit B
NYMEX Rulebook
Chapter 5
(“Trading Qualifications and Practices”)

Position Limits, Position Accountability and Reportable Level Table
(attached under separate cover)