

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 18-212

**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):** 06/07/18 **Filing Description:** Amendments to Brent Calendar Spread Option Contracts

**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:**

**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

**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:** See filing.

**Rule Numbers:** See filing.

June 7, 2018

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to the  
Brent Calendar Spread Option Contracts.  
NYMEX Submission No. 18-212**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the Brent Calendar Spread Option contracts (the “Contracts”) as noted in the table below effective on Thursday, June 21, 2018 for trade date Friday, June 22, 2018 and commencing with the October 2018 contract month and beyond.

<b>Contract Title/Rulebook Chapter/Commodity Code</b>	<b>Current Underlying Futures Contract/Rulebook Chapter/ Commodity Code</b>	<b>Current Termination of Trading</b>	<b>Underlying Futures Contract Beginning with the October 2018 Contract Month/Rulebook Chapter/Commodity Code</b>	<b>Termination of Trading Beginning with the October 2018 Contract Month</b>
Brent Calendar Spread Option (One Month)/394/AA	Brent Crude Oil Penultimate Financial Futures/692/BB	Trading shall cease on the last business day immediately preceding the expiration of the first expiring futures contract in the spread.	Brent Crude Oil Last Day Financial Futures/698/BZ	Trading terminates on the last UK business day of the second month prior to the contract month, except for the UK business day prior to New Year’s Day, where trading terminates on the second UK business day prior to New Year’s Day.
Brent Calendar Spread Option (Two Month)/ 394/AB				
Brent Calendar Spread Option (Three Month) / 394/AC				
Brent Calendar Spread Option (Six Month)/ / 394/AM				
Brent Calendar Spread Option (Twelve Month)/394/AZ				

Based on feedback and validation by market participants, the Contracts are being amended to further align the expiration of the physical and financial calendar spread option contracts. There is no open interest in the affected contract months.

NYMEX will amend Rule 394101.B. ("Trading Unit") of the Contracts to reflect the aforementioned amendments. In addition, the Exchange will make administrative amendments to harmonize the rulebook chapter (collectively the "Rule Amendments"). The Rule Amendments are provided in Exhibits A and B below in blackline format.

The Contracts are available for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort.

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 Rule Amendments may have some bearing on the following Core Principles:

- **Trade Information:** The Exchange shall maintain rules and procedures to provide for the recording and safe storage of all identifying trade information in a manner that enables the contract market to use the information.
- **Execution of Transactions:** The Contracts will continue to be listed for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort. CME Globex provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.
- **Availability of General Information:** The Exchange will make publicly available the details of the contract's amendments by publishing a Special Executive Report ("SER") to the market. The SER will also be posted on the CME Group website. In addition, will update the NYMEX rulebook to reflect the Rule Amendments of the Contract.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's 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](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A - Amendments to NYMEX Rulebook Chapter 394 (Effective June 22, 2018) (blackline format)  
Exhibit B - Amendments to NYMEX Rulebook Chapter 394 (Effective July 27, 2018) (blackline format)  
Exhibit C - Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (Effective June 22, 2018) (attached under separate cover)  
Exhibit D - Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (Effective July 27, 2018) (attached under separate cover)

## **EXHIBIT A**

### **NYMEX Rulebook**

(~~strike through~~ indicates deletion)  
(Effective June 22, 2018)

#### **Chapter 394**

#### **~~Brent Calendar Spread Option~~**

##### **~~394.01 BRENT CALENDAR SPREAD OPTION~~**

~~A Brent Calendar Spread Option contract on the Exchange shall expire at the close of trading on the business day immediately preceding the expiration of the first expiring futures contract in the spread.~~

##### **~~394.02 TRADING UNIT FOR BRENT CALENDAR SPREAD OPTION~~**

~~A Brent Calendar Spread Put Option contract traded on the Exchange represents an option to assume a short position in the first expiring Brent Financial contract in the spread and a long position in the second expiring Brent Financial contract in the spread traded on the Exchange. A call option represents an option to assume a long position in the first expiring Brent Financial contract in the spread and a short position in the second expiring Brent contract in the spread traded on the Exchange.~~

##### **~~394.03 TRADING MONTHS FOR BRENT CALENDAR SPREAD OPTION~~**

~~Trading in Brent Calendar Spread Option contracts shall be conducted in the months determined by the Exchange's Board of Directors ("the Board"). Trading shall commence on the day fixed by resolution of the Board~~

##### **~~394.04 HOURS OF TRADING IN BRENT CALENDAR SPREAD OPTION~~**

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

##### **~~394.05 EXERCISE PRICES AND CHARACTERISTICS~~**

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

##### **~~394.06 PRICES IN BRENT CALENDAR SPREAD OPTION~~**

~~Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of \$0.01 (1 cent) per barrel. A cabinet trade may occur at a price of \$0.001 per barrel, or \$1.00 a contract.~~

##### **~~394.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS FOR BRENT CALENDAR SPREAD OPTION~~**

~~Trading in Brent Calendar Spread Option contracts shall not be the subject to price fluctuation limitations~~

# NYMEX Rulebook

(**bold/underline** indicates addition; ~~strikethrough~~ indicates deletion)  
(Effective June 22, 2018)

## Chapter 394 Brent Calendar Spread Option

### 394100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on the Brent Crude Oil Last Day Financial Futures contract. In addition to the rules of this chapter, transactions in options on Brent Crude Oil Last Day Financial Futures shall be subject to the general rules of the Exchange insofar as applicable.

### 394101. OPTION CHARACTERISTICS

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

#### 394101.A. Trading Schedule

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

#### 394101.B. Trading Unit

##### **(ALL CONTRACT MONTHS UP TO AND INCLUDING SEPTEMBER 2018)**

A Brent Calendar Spread Put Option contract traded on the Exchange represents an option to assume a short position in the first expiring Brent Crude Oil Penultimate Financial Futures in the spread and a long position in the second expiring Brent Crude Oil Penultimate Financial Futures in the spread traded on the Exchange. A call option represents an option to assume a long position in the first expiring Brent Crude Oil Penultimate Financial Futures in the spread and a short position in the second expiring Brent Crude Oil Penultimate Financial Futures in the spread traded on the Exchange.

#### 394101.B. Trading Unit

##### **(ALL CONTRACT MONTHS COMMENCING WITH OCTOBER 2018 AND BEYOND)**

**A Brent Calendar Spread Put Option contract traded on the Exchange represents an option to assume a short position in the first expiring Brent Crude Oil Last Day Financial Futures in the spread and a long position in the second expiring Brent Crude Oil Last Day Financial Futures in the spread traded on the Exchange. A call option represents an option to assume a long position in the first expiring Brent Crude Oil Last Day Financial Futures in the spread and a short position in the second expiring Brent Crude Oil Last Day Financial Futures in the spread traded on the Exchange.**

#### 394101.C. Price Increments

Prices shall be quoted in dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel. However, a cabinet trade may occur at a price of \$0.001 per barrel, or \$1.00 a contract.

#### 394101.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.

#### 394101.E. Termination of Trading

Trading terminates one business day prior to the first expiring futures leg in the spread.

#### 394101.F. Type Option

The option is a European-style option which can be exercised on the expiration day.

### 394102. EXERCISE PRICES AND CHARACTERISTICS

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

## EXHIBIT B

### **NYMEX Rulebook**

(~~strikethrough~~ indicates deletion)  
(Effective July 27, 2018)

## **Chapter 394 Brent Calendar Spread Option**

### **394100. SCOPE OF CHAPTER**

This chapter is limited in application to put and call options on the Brent Crude Oil Last Day Financial Futures contract. In addition to the rules of this chapter, transactions in options on Brent Crude Oil Last Day Financial Futures shall be subject to the general rules of the Exchange insofar as applicable.

### **394101. OPTION CHARACTERISTICS**

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

#### **394101.A. Trading Schedule**

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

#### **394101.B. Trading Unit**

~~(ALL CONTRACT MONTHS UP TO AND INCLUDING SEPTEMBER 2018)~~

~~A Brent Calendar Spread Put Option contract traded on the Exchange represents an option to assume a short position in the first expiring Brent Crude Oil Penultimate Financial Futures in the spread and a long position in the second expiring Brent Crude Oil Penultimate Financial Futures in the spread traded on the Exchange. A call option represents an option to assume a long position in the first expiring Brent Crude Oil Penultimate Financial Futures in the spread and a short position in the second expiring Brent Crude Oil Penultimate Financial Futures in the spread traded on the Exchange.~~

#### **394101.B. Trading Unit**

~~(ALL CONTRACT MONTHS COMMENCING WITH OCTOBER 2018 AND BEYOND)~~

A Brent Calendar Spread Put Option contract traded on the Exchange represents an option to assume a short position in the first expiring Brent Crude Oil Last Day Financial Futures in the spread and a long position in the second expiring Brent Crude Oil Last Day Financial Futures in the spread traded on the Exchange. A call option represents an option to assume a long position in the first expiring Brent Crude Oil Last Day Financial Futures in the spread and a short position in the second expiring Brent Crude Oil Last Day Financial Futures in the spread traded on the Exchange.

#### **394101.C. Price Increments**

Prices shall be quoted in dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel. However, a cabinet trade may occur at a price of \$0.001 per barrel, or \$1.00 a contract.

#### **394101.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.

#### **394101.E. Termination of Trading**

Trading terminates one business day prior to the first expiring futures leg in the spread.

#### **394101.F. Type Option**

The option is a European-style option which can be exercised on the expiration day.

### **394102. EXERCISE PRICES AND CHARACTERISTICS**

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

**EXHIBIT C**

**NYMEX Rulebook**

**Chapter 5**

**Position Limit, Position Accountability, and Reportable Level Table in Chapter 5  
of the NYMEX Rulebook**

(attached under separate cover)

(Effective June 22, 2018)

**EXHIBIT D**

**NYMEX Rulebook**

**Chapter 5**

**Position Limit, Position Accountability, and Reportable Level Table in Chapter 5  
of the NYMEX Rulebook**

(attached under separate cover)

(Effective July 27, 2018)