

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 22-241

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): 06/16/22 **Filing Description:** Amendments to the Special Price Fluctuation Limits and Daily Limits Table and Application of Dynamic Price Fluctuation Limits to CBL Global Emissions Offset Futures and CBL Nature-Based Global Emissions Offset Futures

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

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: See filing.

Rule Numbers: See filing.

June 16, 2022

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. Amendments to the Special Price Fluctuation Limits and Daily Limits Table and Application of Dynamic Price Fluctuation Limits to the CBL Global Emissions Offset Futures and CBL Nature-Based Global Emissions Offset Futures Contracts.
NYMEX Submission No. 22-241**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), New York Mercantile Exchange, Inc. (“NYMEX”) hereby certifies to the Commission amendments to the Special Price Fluctuation Limits and Daily Price Limits table (the “Table”), the adoption of Rules 1269102.D. and 1258102.D. (“Special Price Fluctuation Limits”) of the CBL Global Emissions Offset Futures and CBL Nature-Based Global Emissions Offset Futures contracts (the “Contracts”), respectively, to apply dynamic price fluctuation limits to the Contracts with a dynamic variant of 10% of the dynamically calculated reference price for the Contracts (collectively, the “Rule Amendments”) effective on Sunday, July 10, 2022 for trade date Monday, July 11, 2022.

Contract Title	CME Globex and CME Clearing Code	Rulebook Chapter
CBL Global Emissions Offset Futures	GEO	1269
CBL Nature-Based Global Emissions Offset Futures	NGO	1258

Dynamic price limit functionality under the special price fluctuation limits mechanism assigns a price limit variant as determined by the Exchange (“dynamic variant”). During the trading day, the dynamic variant will be utilized in rolling 60 minutes look-back periods to establish dynamic upper and lower price fluctuation limits. Posted trades, bids or offers through the dynamic price fluctuation limits will trigger a two (2) minute trading halt. This methodology allows for the trading engine to halt the market on a move at any point during the day, which is intended to promote continuous price discovery with less market disruption. Specifically, the Exchange will set the dynamic variant at 10% of the dynamically calculated reference price for the Contracts. The Rule Amendments are being implemented to ensure fair and orderly trading in the Contracts which are subject to Rule 589.

Exhibit A below provides amendments to the NYMEX Rulebook Chapters 1269 and 1258 in blackline format. Exhibit B below provides amendments to the Table in blackline format.

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 this initiative as follows:

- **Compliance with Rules:** Changes to special price fluctuation limits constitute a change to a term and condition pursuant to Part 40 of the Regulations under the CEA. The Exchange is amending the price limits and special price fluctuation limit functionality attendant to the Contracts. As such, the Rule Amendments remain in compliance with this Core Principle.
- **Prevention of Market Disruption:** NYMEX Rule 589. (“Special Price Fluctuation Limits”) is expressly intended to prevent unwarranted price movements in products subject to the Rule. The Rule Amendments applicable to the Contracts maintain compliance with the Core Principle.
- **Availability of General Information:** The Exchange will amend the Exchange’s rulebook accordingly which is publicly available on the CME Group website. In addition, the Exchange will publish a Special Executive Report (“SER”) to advise the marketplace of the Rule Amendments. The SER will also be posted on the CME Group website.
- **Protection of Market Participants:** NYMEX Rule 589. is expressly intended to promote fair and equitable trading by ensuring that there are limits on the permissible price movements on any given trading day in the products subject to the Rule. As such, the Rule Amendments are in compliance with this Core Principle.

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.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A - Amendments to NYMEX Rulebook Chapters 1269 and 1258 (blackline format)
Exhibit B - Special Price Fluctuation Limits and Daily Price Limits Table (blackline format)

Exhibit A
NYMEX Rulebook

(additions underscored; deletions ~~struck through~~)

Chapter 1269
CBL Global Emissions Offset Futures

1269102. TRADING SPECIFICATIONS

1269102.D. Special Price Fluctuations Limits

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

1269102.D.E. 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.

1269102.E.F. Termination of Trading

Trading shall cease three business days prior to the last business day of the contract month. Any contracts remaining open after the last day of trading must be.

(a) Settled by delivery, which shall take place no later than the third business day after the termination of trading for the contract month, or

(b) 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 no later than 9 a.m. Eastern Prevailing Time (EPT) one business day after trading terminates 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.

1269102.F.G. Final Settlement

The final settlement price for the delivery month shall be the CBL Markets Global Emissions Offsets (GEO) Spot Price on the last trade date. The final settlement price shall be the basis for delivery.

[End of rule.]

Chapter 1258
CBL Nature-Based Global Emissions Offset Futures

1258102. TRADING SPECIFICATIONS

1258102.D. Special Price Fluctuations Limits

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

1258102.D.E. 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.

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(b) 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 no later than 9 a.m. Eastern Prevailing Time (EPT) one business day after trading terminates 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.

1258102.F.G. Final Settlement

The final settlement price for the delivery month shall be the CBL Markets Nature-Based Global Emissions Offset Standard Spot Price on the last trade date. The final settlement price shall be the basis for delivery.

[End of rule.]

Exhibit B
NYMEX Rulebook
Chapter 5
(“Trading Qualifications and Practices”)
Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table

(additions underscored)

Product	Rulebook	Commodity Code	PRIMARY/ASSOCIATED	ASSOCIATED WITH	Dynamically Calculated Variant - All Hours
<u>CBL Global Emissions Offset Futures</u>	<u>1269</u>	<u>GEO</u>	<u>Primary</u>	<u>Primary</u>	<u>10% of Dynamically Calculated Reference Price</u>
<u>CBL Nature-Based Global Emissions Offset Futures</u>	<u>1258</u>	<u>NGO</u>	<u>Primary</u>	<u>Primary</u>	<u>10% of Dynamically Calculated Reference Price</u>