

August 13, 2003

Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

BY E-MAIL, FAX AND FEDERAL EXPRESS

SUBJECT: Request for Commission Rule Approval: Proposed Amendments to Gold Futures Contract Rule 13.12, "Delivery of Gold"; Silver Futures Contract Rule 12.16, "Delivery of Silver"; Grade 1 Copper Futures Contract Rule 11.45, "Delivery Against Grade 1 Copper Contract"; Aluminum Futures Contract Rule 23.10, "Delivery Procedures"; Platinum Futures Contract Rule 90.08, "Delivery Procedure"; and Palladium Futures Contract Rule 100.08, "Delivery Procedure". Submission Number: 03-114.

Dear Ms. Webb:

Pursuant to Section 5c(c)(2) of the Commodity Exchange Act (the "Act") and CFTC Rule 40.5 ("Voluntary Submission of Rules for Commission Review and Approval"), the New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") hereby requests on a voluntary basis CFTC approval for proposed amendments to the delivery procedures of the COMEX Gold, Silver and Grade 1 Copper Futures Contracts and the NYMEX Platinum and Palladium Futures Contracts. The proposed amendments permit deliveries against the metals futures contracts to take place at the Exchange or such location as may be mutually agreed upon by the Clearing Member taking delivery and the Clearing Member making delivery. In addition, they specify that payment shall be made by the electronic transfer of federal funds.

The proposed amendments and a complete explanation of their operation, purpose and effect are attached hereto. If you have any questions concerning this submission, please contact the undersigned at (212) 299-2390 or Albert J. Getz at (212) 299-2608.

Very Truly Yours,

Robert A. Levin
Senior Vice President

cc: Richard Shilts, Division of Market Oversight

Allen Cooper, Eastern Region

I. EXPLANATION AND PURPOSE

The Exchange proposes to amend Gold Futures Contract Rule 13.12, "Delivery of Gold"; Silver Futures Contract Rule 12.16, "Delivery of Silver" and Resolution -.10 Interpretation of Term "Bar List"; Grade 1 Copper Futures Contract Rule 11.45, "Delivery Against Grade 1 Copper Contract"; Aluminum Futures Contract Rule 23.10, "Delivery Procedures"; Platinum Futures Contract Rule 90.08, "Delivery Procedure"; and Palladium Futures Contract Rule 100.08, "Delivery Procedure."

With the exception of the Aluminum Futures Contract Rule 23.10, the above rules currently specify that delivery shall be made at such location as may be mutually agreed upon by the member making delivery and the member taking delivery. The proposed rule amendments would expand the delivery location by permitting deliveries against the COMEX Division's Gold, Silver, and Grade 1 Copper Futures Contracts and the NYMEX Division's Platinum and Palladium Futures Contracts to take place at the Exchange or such location as may be mutually agreed upon by the Clearing member taking delivery and the Clearing Member making delivery.

In addition the proposed amendments for the Gold, Silver, Aluminum, Grade 1 Copper, Platinum and Palladium Futures Contracts specify that payment shall be made by the electronic transfer of federal funds instead of by certified check.

These delivery rules were last amended by Exchange submission 01-145 dated December 21, 2001.

II. PROPOSED AMENDMENTS

The proposed amendments are attached.

Proposed Rule Amendments to Metals Deliver Rules.

(Underlining indicates additions. Strike out indicates deletions.)

GOLD FUTURES CONTRACT

COMEX Rule 13.12 – Delivery of Gold

(e) The member to whom delivery is made shall at once make payment to the member making delivery by the electronic transfer of federal funds (“payment”).~~a certified check drawn upon a bank in the City of New York or, if mutually agreed upon, effect payment by federal funds money wire.~~ Payment shall be made upon the basis of the weight as certified in the weight certificate for the lot and the fineness of such gold up to 9999 fine as stamped on the bars.

(h) Each delivery of gold in fulfillment of an Exchange contract and the delivery of any invoices required in connection herewith shall be made at the Exchange or such location as may be mutually agreed upon by the Short and Long Clearing Members. ~~member making delivery and the member taking delivery.~~ Any delivery pursuant to the previous sentence shall be made and accepted between the hours of 12:00 noon and 2:00 p.m. on the day of delivery. The Exchange shall not be liable or responsible for any failure to make or take delivery at such other location or for any other act or omission which can or may occur in connection therewith.

The remainder of rule is unchanged.

SILVER FUTURES CONTRACT

COMEX Rule 12.16 – Delivery of Silver

(h) Each delivery of silver in fulfillment of an Exchange contract and the delivery of any invoices required in connection herewith shall be made at the Exchange or such location as may be mutually agreed upon by the Short and Long Clearing Members. ~~member making delivery and the member taking delivery.~~ Any delivery pursuant to the previous sentence shall be made and accepted between the hours of 12:00 noon and 2:00 p.m. on the day of delivery. The Exchange shall not be liable or responsible for any failure to make or take delivery at such other location or for any other act or omission which can or may occur in connection therewith.

The remainder of the rule is unchanged.

Resolution - .10 Interpretation of Term “Bar List”

(f) The member to whom delivery is made ~~receiving the warehouse or vault receipt~~ shall at once make payment to the member making delivery by the electronic transfer of federal funds (“payment”). ~~presenting the same, by a certified check drawn upon a bank in the City~~

~~of New York or, if mutually agreed upon, effect payment by federal funds money wire.~~ Payment shall be made upon the basis of the weight stamped upon the bars delivered. If the material is stamped in kilos and the total weight as shown by the depository on the receipt is in kilos, then the total kilo weight should be converted to ounces for the purposes of determining the billable weight.

GRADE 1 COPPER FUTURES CONTRACT

COMEX Rule 11.45 – Delivery Against Grade 1 Copper Contract

(d) When delivery of copper is made outside the City of New York, the documents required by the By-Laws, Rules and Regulations of the Exchange for such delivery shall be delivered by the seller to the buyer at the Exchange or such location as may be mutually agreed upon by the Short or Long Clearing Members. ~~member making delivery and the member taking delivery.~~

(i) ~~When documents are presented, the buyer shall at once make payment by bankers certified check to the delivery member or, if mutually agreed upon, effect payment by federal funds money wire to the delivery member.~~ The member to whom delivery is made shall at once make payment to the member making delivery by the electronic transfer of federal funds (“payment”).

(m) Each delivery of copper in fulfillment of an Exchange contract and the delivery of any invoices required in connection herewith shall be made at the Exchange or such location as may be mutually agreed upon by the Short and Long Clearing Members. ~~member making delivery and the member taking delivery.~~ Any delivery pursuant to the previous sentence shall be made and accepted between the hours of 12:00 noon and 2:00 p.m. on the day of delivery. The Exchange shall not be liable or responsible for any failure to make or take delivery at such other location or for any other act or omission which can or may occur in connection therewith.

The remainder of the rule is unchanged.

ALUMINUM FUTURES CONTRACT

COMEX Rule 23.10 DELIVERY PROCEDURES

(E)(2) The buyer shall present payment to the Seller, at the Exchange, or another location mutually agreed upon by the parties, by the electronic transfer of federal funds ~~in the form of a certified check, or other form of payment mutually agreed upon by the parties in writing (“payment”).~~ Payment shall be presented before 2:00 PM of Delivery Day.

Underlining indicates additions; strikethrough indicates deletions.

PLATINUM FUTURES CONTRACT

Rule 90.08. DELIVERY PROCEDURE

(G) Delivery Day

The buyer who receives a Notice of Intention to Deliver shall present it to the seller **before** ~~12:00 noon~~ **2:00 PM** on the following business day, at **the Exchange, or at** a location mutually agreed upon by the buyer and seller, **with payment a certified check, by the electronic transfer of federal funds (“payment”)** for the amount payable as shown on the Notice of Intention to Deliver. Upon receipt of **payment** ~~the certified check~~, the seller shall give the buyer a depository receipt and, unless such receipt was issued pursuant to Rule 90.10(a)(5), (6) or (7), an assay certificate which corresponds to the Notice of Intention to Deliver. The seller must endorse the depository receipt and set forth the date of endorsement. ~~Alternatively, buyer and seller may mutually agree to effect payment on Delivery Day by federal funds money wire as a substitution for a certified check.~~ The day the buyer receives the stated documents shall be referred to as the Delivery Day. **The Exchange shall not be liable or responsible for any failure to make or take delivery at such other location or for any other act or omission, which can or may occur in connection herewith.**

Paragraphs (A), (B), (C), (D), (E) and (F) remain unchanged.

PALLADIUM FUTURES CONTRACT

Rule 100.08. DELIVERY PROCEDURE

(G) Delivery Day

The buyer who receives a Notice of Intention to Deliver shall present it to the seller **before** ~~12:00 noon~~ **2:00 PM** on the following business day, at **the Exchange, or at** a location mutually agreed upon by the buyer and seller, with **payment a certified check, by the electronic transfer of federal funds (“payment”)** for the amount payable as shown on the Notice of Intention to Deliver. Upon receipt of **payment** ~~the certified check~~, the seller shall give the buyer a depository receipt and, unless such receipt was issued pursuant to Rule 100.10(a)(5), (6) or (7), an assay certificate which corresponds to the Notice of Intention to Deliver. The seller must endorse the depository receipt and set forth the date of endorsement. ~~Alternatively, buyer and seller may mutually agree to effect payment on Delivery Day by federal funds money wire as a substitution for a certified check.~~ The day the buyer receives the stated documents shall be referred to as the Delivery Day. **The Exchange shall not be liable or responsible for any failure to make or take delivery at such other location or for any other act or omission, which can or may occur in connection herewith.**

Paragraphs (A), (B), (C), (D), (E) and (F) remain unchanged.

III. EXCHANGE ACTION

The proposed amendments to the delivery procedures of the COMEX Gold, Silver, Aluminum and Grade 1 Copper Futures Contracts and the NYMEX Platinum and Palladium Futures Contracts were approved by the NYMEX Board of Directors at a regularly scheduled meeting. No substantive opposing views were expressed and no anti-competitive effects are anticipated or are apparent.

As the proposed amendments to Gold Futures Contract Rule 13.12, "Delivery of Gold"; Silver Futures Contract Rule 12.16, "Delivery of Silver"; and Grade 1 Copper Futures Contract Rule 11.45, "Delivery Against Grade 1 Copper Contract" affect a "Special Matter" under the COMEX By-Laws, notice was provided to the owners of COMEX Division Memberships who were provided with 10 days to submit a petition signed by owners of 155 COMEX Division Memberships requesting a vote of the COMEX Division to disapprove the amendments, pursuant to the procedures set forth under COMEX By-Law 205(D). No petitions were received.

While there are open positions in the Silver, Gold, Grade 1 Copper, Aluminum, Platinum and Palladium Futures Contracts, the proposed amendments will not have an economic impact on positions or prices in the market.

The Exchange intends to implement the proposed amendments the day after it receives notification of Commission approval or notification that such approval is not necessary.

The Membership was notified of the Exchange's proposed action to amend the delivery procedures for the metals futures contracts as discussed above in a Notice to Members dated August 13, 2003, pending approval from the Commission.

