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OFC. OF THE SECRETARIAT

Via E-Mail

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

**Re: Rule Certification. NYMEX Submission 05.48 – Notification of
Amendments to COMEX Division Rules 104.62 and 104.63.**

Dear Ms. Jean Webb:

The New York Mercantile Exchange, Inc. (“NYMEX” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC”) of amendments to COMEX Division Rule 104.62, Add-in Trades or Deletion Requests Which Are Promptly Discovered, and COMEX Rule 104.63, Add-in Trades Which Are Not Discovered Promptly.

Effective Monday, March 28, 2005, the amendment to COMEX Rule 104.62 expands to 60 minutes, from 30 minutes, the time frame for approval of an option transaction add-in or deletion, including one which would create a new daily high or low or new open or close high or low. The amendments to COMEX Rule 104.63 specifically outline the procedures for reviewing such requests and, as amended, would permit, under certain conditions, deletions later than 15 minutes for futures transactions and 60 minutes for option transactions. Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies that the new amendments comply with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2940.

Very truly yours,

Nancy M. Minett
Vice President
Compliance Department

Attachments

cc: Thomas LaSala
Brian Regan

Amendments to COMEX Division Rules 104.62 and 104.63
(Underlining indicates additions, strikethroughs indicate deletions.)

COMEX Division Rule 104.62, Add-In Trades or Deletion Requests Which Are Promptly Discovered

(a) If any floor member discovers within fifteen (15) minutes after the proper execution of a futures transaction or within ~~thirty (30)~~ sixty (60) minutes of an option transaction, in which he acted as seller, that the trade or transaction has not been recorded in the official records of the Exchange or that a price was entered in the official record for which no transaction occurred in the ring, he shall, within that fifteen (15) minute period for a futures transaction or ~~thirty (30)~~ sixty (60) period for an option transaction:

- (1) advise an employee of the Exchange at the ring of that fact and request such employee to prepare an add-in or deletion slip on forms provided by the Exchange reflecting the terms of such transaction;
 - (2) present the add-in or deletion slip to any member of the Floor Committee for approval or disapproval provided, however, that no Floor Committee member may participate in any deliberation or decision involving an insert or correction if that Floor Committee member has a personal or financial interest in the requested change; and
 - (3) if approval by a member of the Floor Committee is noted on the add-in or deletion slip, deliver a copy thereof to an employee of the Exchange designated for that purpose for inclusion in the record of Exchange transactions.
- (b) Approval of Add-In or Deletion. In determining whether to approve an add-in or deletion slip, a member of the Floor Committee shall consider:
- (1) bids, offers and prices prevailing both at the time the trade allegedly was executed and at the time the add-in slip was submitted;
 - (2) activity in the ring at the time the trade allegedly was executed;
 - (3) whether such trade will establish a new high or low for that delivery month for the day; and
 - (4) such market and other conditions as the member of the Floor Committee may deem appropriate.

(c) Approval of Inserts or Corrections Creating New Daily High or Low or New Open or Close High or Low. A member of the Floor Committee may not approve an add-in or deletion slip pursuant to this Rule for a trade which would establish a new high or low price in that delivery month or futures option series for that day if: (1) the add-in or deletion slip has not been previously presented to and approved by a Ring Supervisor; (2) the request is not made within fifteen (15) minutes of the time of execution of a futures transaction and ~~thirty-sixty (60)~~ minutes of the time of execution of an option transaction; or (3) there is a good cause shown by any floor member for refusing approval of such add-in or deletion. For purposes of this Rule 104.62(c) it shall be deemed to be good cause for refusing to approve such an add-in or deletion slip if the recording or deletion thereof from the official records of the Exchange would have either caused another floor member holding a bona fide stop or limit order to attempt to execute the order or not to execute the order elected by the subject price.

(d) Disapproval of Add-In or Deletion. If a member of the Floor Committee or Ring Supervisor notes disapproval on an add-in or deletion slip, the trade may not thereafter be approved without the floor member seeking and obtaining the written approval on the add-in or deletion slip of three members of the Floor Committee and only after such three members of the Floor Committee have consulted with the member of the Floor Committee that originally disapproved the slip. In such event, the add-in or deletion slip must be delivered to an employee of the Exchange designated for that purpose not later than thirty (30) minutes after the close of trading in the ring in which the transaction occurred. Any trade not approved pursuant to this Rule shall be deemed to be a trade that occurred at a price not above or below the high or low price for that delivery month or futures option series during the bracket in which the transaction occurred and the floor member who executed the trade shall make his customer equal to the difference between the price at which the trade is deemed to have occurred pursuant to this Rule and the price at which the trade was executed. No deletion request will be considered if made more than 15 minutes after the futures transaction or ~~thirty (30)~~ sixty (60) minutes after the option transaction was entered in the record, except in accordance with the provisions of Rule 104.63(B), below.

(e) Cross Trades. Notwithstanding any other provision of this Rule, a cross trade may be added into the records of the Exchange only if:

- (1) the trade was not recorded in the Exchange's record due to an error of an Exchange employee;
- (2) the floor member presents an add-in slip to a member of the Floor Committee within 10 minutes of the time the cross trade was executed;
- (3) the Floor Committee member to whom the slip is presented signs the slip acknowledging that he observed the floor broker announce his bid and offer, by open outcry, prior to the execution of the cross trade;
- (4) the floor member presents the signed add-in slip to a designated Exchange employee at the podium in the ring in which the trade was executed;
- (5) the Exchange employee who supervises the trading ring in which the trade was executed announces the proposed add-in cross trade to the ring; and
- (6) following receipt of no objection from any member in the ring, the ring supervisor co-signs the slip and authorizes insertion of the trade into the Exchange's records.

COMEX Division Rule 104.63 Add-In Trades Which Are Not Discovered Promptly

(A) Add-In Trades

(1) Trade Not Recorded. If any floor member discovers more than fifteen (15) minutes after a futures transaction or more than ~~thirty (30)~~ sixty (60) minutes after an option transaction other than a cross trade was executed, that such trade or transaction has not been recorded in the official records of the Exchange, he shall, prior to commencement of trading on the next business day:

- (a) prepare, together with the other party to the transaction, an add-in slip on forms provided by the Exchange reflecting the terms of such transaction;
 - (b) present the add-in slip to at least three members of the Floor Committee for their written approval; however, if the add-in slip is submitted within fifteen (15) to forty-five (45) minutes of the trade's execution if a futures transaction or within ~~thirty (30) to sixty (60)~~ to ninety (90) minutes if an option transaction, a Ring Supervisor and Floor Committee Member may approve the add-in; and
 - (c) after such approval, deliver a copy thereof to an employee of the Exchange for inclusion in the record of such Exchange transactions.
- (2) Approval and Disapproval. In determining whether to approve an add-in slip under this Rule, members of the Floor Committee shall use the same criteria prescribed for trades described in Rule 104.62 ("Add-In or Deletion Requests Which Are Promptly Discovered"). Any trade not approved pursuant to this Rule shall be null and void and of no force or effect.

(3) Cross Trades. No cross trade may be added into the official records of the Exchange pursuant to this Rule.

(B) Deletions. Deletion requests made more than fifteen (15) minutes after the futures transaction or sixty (60) minutes after the option transaction was entered in the record will only be permitted in the case of:

- (1) a transaction or price print posted as a result of an Exchange error; or
 - (2) a transaction or price print that, if permitted to stand would be inconsistent with the maintenance of overall integrity in the marketplace.
- (3) All deletion requests made pursuant to this rule must be documented and approved as follows:

(a) the requesting member must prepare a deletion request slip on forms provided by the Exchange reflecting the specifics of the request;

(b) present the deletion slip to at least three members of the Floor Committee for their written approval;

(c) after such approval, deliver a copy thereof to an employee of the Exchange for deletion of the price from the record of the Exchange.

(2) Approval and Disapproval. In determining whether to approve a deletion slip under this Rule, members of the Floor Committee shall use the same criteria prescribed for trades described in Rule 104.62 ("Add-In or Deletion Requests Which Are Promptly Discovered").