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June 8, 2006 11:00 AM -0700

Via E-Mail

CFTC OFFICE OF THE SECRETARIAL

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

Re: Rule Certification. NYMEX Submission 06.65: Notification of Reallocation Relief Related to CME Rule 536B for Electronic Trading of NYMEX Contracts on Globex®.

Dear Ms. Eileen A. Donovan:

The New York Mercantile Exchange ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") of reallocation relief related to CME Rule 536B for Electronic Trading of NYMEX Contracts on Globex®.

Effective June 12, 2006, the NYMEX is setting forth procedures to provide for relief related to reallocations permitted under CME Rule 536B. Specifically, due the unavailability of a two-way API to facilitate permissible reallocations, NYMEX will permit the reallocation of bunched orders in accordance with procedures outlined in the attached Notice to Members No. 06-307 dated June 8, 2006. Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached notification complies with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Thomas LaSala, Senior Vice President, Compliance and Risk Management, at (212) 299-2897, or the undersigned at (212) 299-2207.

Very truly yours,

Nancy M. Minett
Vice President
Compliance Department

cc: Thomas LaSala
Brian Regan

Notice No. 06-307
June 8, 2006

TO: All NYMEX Members, Member Firms, and Commodity Managers

FROM: James E. Newsome, President

RE: **Reallocation Relief Related to CME Rule 536B for Electronic Trading of NYMEX Contracts on Globex®**

NYMEX Electronic Trading Rules contained in Chapter 11G make reference to certain CME rules related to trading on the Globex® system. This Notice specifically concerns CME Rule 536B which describes requirements for acceptance of orders for entry on Globex®. Section 2 of that rule allows certain reallocations of positions/executions with respect to bunched orders.

NYMEX Operations and Compliance Staff are aware that software, used by Clearing Members for purposes of making a reallocation permitted by the aforementioned Rule, cannot be supported for Day 1 of the NYMEX contracts on Globex® launch due to the lack of a two-way API. To facilitate permissible reallocations, NYMEX has advised Members and Clearing Members by Notice No. 06-293 dated June 5, 2006 that the "E-Clerk" functionality would be available to facilitate this process until such time as the two-way API becomes available. However, in communications coordinated by the FIA Futures Services Division, relief from the reallocation requirements of Rule 536B was requested due to the manual labor-intensive nature of the operational process.

In response to this request, reallocation of "Bunched Orders" will be permitted in the following fashion:

- The executing firm may send the ultimate clearing member the appropriate executions in the form of a "bulk" reallocation.
- This "bulk" reallocation will not contain specific customer account numbers, but instead make reference to the CTA or account controller who originated the order and which was otherwise eligible for end of day reallocation.
- The receiving firm will generally rely upon the order originator to supply the ultimate customer details for reallocation within their back-office accounting systems.
- As a backup, the executing firms will be available to supply such information to the receiving firms, as they would have had such communication from the order originator.

This relief will be in place until integration of the two-way API, which is a priority item for the Exchange.

Any questions can be directed to Thomas LaSala, Senior Vice President, Compliance and Risk Management, at (212) 299-2897, Nancy Minett, Vice President, Compliance, at (212) 299-2940, or Sean Keating, Senior Vice President, Clearing, at (212) 299-2135.