



New York
Mercantile Exchange

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OFFICE OF THE SECRETARIAT

January 31, 2008

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. New York Mercantile Exchange, Inc. Submission #08.02:
Amendments to NYMEX Rule 9.05(E)**

Dear CFTC Commissioners:

The New York Mercantile Exchange, Inc. ("Exchange") is notifying the Commodity Futures Trading Commission ("Commission") that it is self-certifying the changes attached with this submission to NYMEX Rule 9.05(E). This rule is being amended by changing the method used to determine the applied value of U.S. Treasuries in fulfillment of Performance Bond requirements. This amendment allows U.S. Treasuries to be applied at the current market value of the instrument less a pre-determined haircut. In addition, this rule is being amended by allowing Clearing Members to deposit U.S. Treasuries with maturities up to thirty (30) years from the date of deposit as margin in fulfillment of Performance Bond requirements. Lastly, this rule is being amended by allowing Clearing Members to deposit certain foreign currencies and debt in fulfillment of Performance Bond Requirements. Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule changes comply with the Act, including regulations under the Act; these changes will be made effective on February 18, 2008.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2207.

Very truly yours,

Brian J. Regan
Senior Vice President and Counsel

Att.

New York Mercantile Exchange, Inc.
World Financial Center
One North End Avenue
New York, NY 10282-1101
(212) 299-2000

*The New York Mercantile Exchange, Inc., is composed of two divisions.
The NYMEX Division offers trading in crude oil, heating oil, unleaded gasoline,
natural gas, electricity, coal, propane, platinum, and palladium. The COMEX Division
offers trading in gold, silver, copper, and aluminum.*

NOTIFICATION OF AMENDMENTS TO NYMEX RULE 9.05(E)

(Underlining in bold shows additions; strikeouts in bold show deletions)

9.05 Margins

(E) Clearing Members may meet Performance Bond Requirements ~~original margin calls~~ by depositing:

(1) Cash (~~U.S. Currency~~);

- (i) U.S. Dollar
- (ii) Foreign Sovereign Cash

Subject to a maximum limit of 25% of the Clearing Member's total original margin obligations for the aggregate of foreign sovereign cash, each currency listed below shall be converted to a U.S. Dollar equivalent using the closing price from the previous business day less the haircut as stated below:

<u>British Pound</u>	<u>3%</u>
<u>Canadian Dollar</u>	<u>3%</u>
<u>Euro</u>	<u>3%</u>
<u>Japanese Yen</u>	<u>5%</u>

(2)

(i) Domestic Debt - Original Margin Certificates U.S. Treasury Obligations issued by an original margin depository, in form acceptable to the Clearing House, for delivery to the order of the Clearing House, representing securities issued by the Department of Treasury of the United States of America maturing within ~~ten~~ **thirty (30)** years from the date of the ~~deposit~~ **issuance** and guaranteed as to principal and interest by the United States Government; such securities shall be valued at ~~ninety five percent (95%)~~ **current market value of the par value; or less the haircut as stated below:**

U.S. Treasury Bills

No Haircut applied to the market value.

U.S. Treasury Notes

U.S. Treasury Bonds

<u>0 - 5 years</u>	<u>2%</u>
<u>5 - 10 years</u>	<u>3.5%</u>
<u>10 - 30 years</u>	<u>5%</u>

(ii) Subject to a maximum limit of 25% of the Clearing Member's total original margin obligations for the aggregate of foreign sovereign debt, Foreign Sovereign Debt - Canadian Bills/Bonds issued by the Treasury Board of Canada Secretariat maturing within ~~thirty (30)~~ **thirty (30)** years from the date of deposit and guaranteed as to principal and interest by the Government of Canada; such securities shall be valued at the current market value less the haircut as stated below:

Canadian Bills/Bonds

<u>0 - 5 years</u>	<u>5.5%</u>
<u>5 - 10 years</u>	<u>7.0%</u>
<u>10 - 30 years</u>	<u>8.5%</u>