



Special Executive Report

DATE: June 15, 2022

SER#: 9006

SUBJECT: **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 Contracts**

Effective Sunday, July 10, 2022, for trade date Monday, July 11, 2022, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") shall amend the Special Price Fluctuation Limits and Daily Price Limits table (the "Table") provided in NYMEX Rule 589. ("Special Price Fluctuations Limits") and adopt 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").

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.

Inquiries regarding the aforementioned may be directed to the CME Group Global Command Center at 312.456.2391. Questions regarding this Special Executive Report may be directed to the CME Global Command Center at +1.800.438.8616, in Europe at +44.800.898.013, in Asia at +65.6532.5010, or GCC@cme.com.

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.

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.

1258102.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.

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>