February 18, 2005

Via E-Mail and US 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 05.28 – Notification of Rule Interpretation on COMEX Division EFPs – Exchange Acceptance of Gold-Backed Exchange-Traded Funds ("ETF") Shares as Cash Leg of an EFP.

Dear Ms. Jean Webb:

The New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC") that, as set forth in the attached rule interpretation, it will accept gold-backed ETF shares as the physical commodity component for EFP transactions involving COMEX gold futures contracts, provided that all elements of a bona fide EFP pursuant to Exchange Rule 104.36 are satisfied.

The application of this rule interpretation will be effective February 22, 2005. Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the new rule interpretation complies 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

Attachment
cc: Thomas LaSala
Brian Regan

Notice No. 05-50
February 22, 2005

TO: All Exchange Members, Member Firms and Clearing Firms

FROM: James E. Newsome, President

RE: **INTERPRETATION OF COMEX DIVISION EFPS: GOLD-BACKED EXCHANGE-TRADED ETF SHARES ACCEPTED AS CASH LEG OF EFP**

Exchange Rule 104.36, which governs exchanges of futures for physicals ("EFP") transactions on the COMEX Division, refers to a "physical commodity" as one of the required components of an EFP transaction but also indicates that the physical commodity need only be substantially the economic equivalent of the futures contract being exchanged.

The purpose of this Notice is to confirm that the Exchange would accept gold-backed exchange-traded Funds ("ETF") shares as the physical commodity component for an EFP transaction involving COMEX gold futures contracts, provided that all elements of a bona fide EFP pursuant to Exchange Rule 104.36 are satisfied.

Thus, acceptable gold-backed and exchange-traded ETF funds include, but are not limited to, the iShares COMEX® Gold Trust (ticker: IAU), which began trading on the American Stock Exchange on January 28, 2005.

That trust is an exchange-traded fund that provides a means of obtaining a level of participation in the gold market through the securities market. The trust shares are intended to constitute a means of making an investment similar to an investment in gold. Each trust share represents a fractional undivided beneficial interest in the trust's net assets which consist primarily of gold held by a custodian on behalf of the trust. The shares of that trust are expected to reflect the price of gold less the trust's expenses and liabilities.

Any questions concerning this interpretation can be forwarded to Anthony V. Densieski, Senior Director, Market Surveillance at (212) 299-2881, Nicholas G. Galati, Director, Market Surveillance at (212) 299-2920, or Bonnie Yurga, Senior Manager, Market Surveillance at (212) 299-2879.