

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-448 (2 of 4)

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): November 15, 2017 Filing Description: Modifications to the Latin America Proprietary Trading Incentive Program

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Not Applicable

**New Product**

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:

November 15, 2017

**VIA ELECTRONIC PORTAL**

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

**RE: Modifications to the Latin America Proprietary Trading Incentive Program  
CBOT Submission No. 17-448 (2 of 4)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX"), and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the Latin America Proprietary Trading Incentive Program ("LAPTIP" or "Program"). The modifications to the Program will become effective on December 1, 2017.

Exhibit 1 sets forth the terms of the Program. Modifications appear below, with additions underlined and deletions ~~overstruck~~.

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, the Exchanges' staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program's incentive structure does not incentivize manipulative trading or market abuse and does not impact the Exchanges' ability to perform its trade practice and market surveillance obligations under the CEA. The Exchanges' market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. The incentives in the Program do not impact the Exchanges' order execution. Participants in the Program will be selected by the Exchanges' staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules. The Program will be subject to the Exchanges' record retention policies which comply with the CEA.

The Exchanges certify that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com). Please reference our CBOT Submission No. 17-448 (2 of 4) in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## LATIN AMERICA PROPRIETARY TRADING INCENTIVE PROGRAM

### Program Purpose

The purpose of this Program is to incentivize proprietary trading firms in Latin American countries to trade the products listed below on the CME Globex® Platform. The resulting increase in liquidity in the products listed below benefits all participant segments in the market.

### Product Scope

All CME, CBOT, NYMEX, and COMEX products traded on Globex® (“Products”).

### Eligible Participants

There is no limit to the amount of participants that may participate in the Program. All approved CME, CBOT, NYMEX and COMEX non-members may participate. Additionally participants must meet the following criteria:

To qualify for LAPTIP, a participant must:

- Be located in a Latin American country, as determined by the Exchanges.
- Be a proprietary trading firm of a Latin American broker, proprietary business of banks executed by brokers from the same financial group, or an independent proprietary trading firm.
- Have all traders physically located in Latin America.
- Complete an LAPTIP application and be approved by the Exchanges.
- Execute all trades in the LAPTIP participant’s name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LAPTIP participant.
- Have a relationship with an Exchange clearing member.

### Program Term

Start date is January 1, 2015. End date is December 31, 2017.

### Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

### Program Incentives

Once accepted into the Program, participants will be eligible to receive the following incentives:

Fee Discounts. Participants will be eligible to receive fee discounts for the Products that are traded on Globex® in accordance with the following table:

<b>Product Category (For Trades Executed on Globex® Only)</b>	<b>LAPTIP All- In Fees (Per Side)</b>
<b>CME Products</b>	
Agricultural contracts - futures	\$1.50
Agricultural contracts - options	\$1.50
Weather contracts	\$0.25
Foreign Exchange - futures	\$1.00
Foreign Exchange - options	\$1.00
CME E-mini FX products	\$0.54
CME E-micro FX products	\$0.10
Full Size Equity Index - futures	\$1.60
Nikkei Futures	\$1.60
Full Size Equity Index – options	\$1.50
E-mini Equity Index - futures	\$0.76
E-mini Equity Index - options	\$0.45
E-mini Nifty 50 Index Futures	\$0.76
USD Ibovespa futures	\$1.26
Interest Rates futures	<del>\$0.44</del> <u>\$0.50</u>
Interest Rates <del>Eurodollar and European</del> options	<del>\$0.44</del> <u>\$0.50</u>
2-Yr Eurodollar bundle futures	\$3.52
3-Yr Eurodollar bundle futures	\$5.28
5-Yr Eurodollar bundle futures	\$8.80
2-Yr Eurodollar bundle options	\$2.89
3-Yr Eurodollar bundle options	\$4.22
5-Yr Eurodollar bundle options	\$6.87
<b>CBOT Products</b>	
Full size Agricultural products	\$1.45
Mini-sized Agricultural futures	\$0.90
ICS & CS Agricultural options	\$2.06
Mini \$5 Dow products	\$0.75
DJ U.S. Real Estate Index futures	\$0.75
U.S. Treasury futures	\$0.49
U.S. Treasury options	\$0.49
Other financial products	\$0.49
<del>Deliverable IR swap futures</del> <u>MAC Swap Futures</u>	\$0.49
<b>NYMEX Products</b>	
Energy contracts (Physicals)	\$1.10

NYMEX Metals (PL, PA, PO, PAO)	\$1.10
<b>COMEX Products</b>	
Metals futures contracts (Physicals)	\$1.10

**Monitoring and Termination of Status**

The Exchanges shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements or fails to meet the obligations of the Program.