SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested ☐

Registered Entity Identifier Code (optional): 23-509 (3 of 4)

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a: ☒ **DCM**   ☐ **SEF**   ☐ **DCO**   ☐ **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): December 12, 2023   Filing Description: Extension of the Retail Broker 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:

CME Group

December 12, 2023

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

<div align="center">

RE: **Extension of the Retail Broker Incentive Program**
NYMEX Submission No. 23-509 (3 of 4)

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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 extend the Retail Broker Incentive Program ("Program") through December 31, 2024. The extension of the Program will become effective on January 1, 2024. All other Program terms remain unchanged.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions underscored 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, Exchange staff identified the following Core Principles as potentially being impacted: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, Availability of General Information, and Recordkeeping.

The Program does not impact the Exchanges' ability to perform their trade practice and market surveillance obligations under the CEA. The Exchanges' market regulation staff will monitor activity in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchanges have implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The Program does not affect the Exchanges' order execution. Participants in the Program will be selected by Exchanges' staff using criteria as set forth in Exhibit 1. Each of the Exchanges' respective rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchanges' in which each participant expressly agrees to comply with, and be subject to, applicable regulations and applicable rules. The Program is 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 or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our NYMEX Submission No. 23-509 in any related correspondence.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Retail Broker Incentive Program

Program Purpose

The purpose of the Program is to incentivize participants to educate their clients about the benefits of trading the Exchanges' products and centralized clearing, ultimately providing additional liquidity to the marketplace. A more liquid contract benefits all participants in the market.

Product Scope

All CME, CBOT, NYMEX, and COMEX products, excluding event contracts, that are traded on the Globex Platform ("Products").

Eligible Participants

There is no limit to the number of firms that can participate in the Program. Retail firms with either: (i) 5,000 or more active direct retail trading users, or (ii) $250,000 in monthly retail Exchange revenue may apply for participation in the Program. Participants must register with the Exchange to qualify for the Program.

Program Term

Start date is June 17, 2013. End date is ~~December 31, 2023~~ <u>December 31, 2024</u>.

Hours

N/A

Obligations

Participants must participate in marketing-planning sessions with the Exchanges on an annual basis. Incentives are intended for supporting broker retail initiatives. To receive the incentives, participants must supply the Exchanges with invoices showing expenses of the pre-approved marketing, sales, and commercial initiatives targeting Exchange products. Participants must submit written proposals and receive written approval prior to using incentives. Participants must provide the Exchanges with invoices showing expenses of pre-approved external initiatives and the corresponding performance metrics. Participants must provide the Exchanges with performance metrics for pre-approved internal initiatives.

Incentives*

Upon satisfying all obligations, as determined by the Exchanges, each calendar month participants may be eligible to earn fee credits to be used towards marketing, sales, and commercial initiatives targeting Exchange products. For each month in a three (3) month period ("Period"), if a participant's retail month-over-month volume has increased at a higher rate compared to the Exchanges' total Globex volume, excluding CME Interest Rate futures and options products, event contracts, and adjusted for Micro contracts volume**, the participant will receive a fee credit of $0.40 for each incremental side grown versus the Exchanges'. Fee credits will accumulate over the three (3) month Period and will be capped at $375,000 per participant, per three (3) month Period. Participants will receive the accumulated fee credits at the end of each three (3) month Period as follows:
- (i) Period 1 – *January 1 through March 31*: Fee credits available on April 1
- (ii) Period 2 – *April 1 through June 30*: Fee credits available on July 1

(iii)   Period 3 – *July 1 through September 30*: Fee credits available on October 1

(iv)   Period 4 – *October 1 through December 31*: Fee credits available on January 1 of the following calendar year

Participants must submit a proposal for credit spend within six (6) months of each Period or the credits will be forfeited.

*Participants may only join the Program on the first day of a month. Participants not joining the Program at the beginning of a three (3) month period will still be subject to the same accumulation and respective Period dates.

**One (1) Micro contract will be counted as 0.1 of a side for volume calculation, with the exception of Micro Bitcoin Futures, which will be counted as 1. Any newly listed Micro product will be counted as 0.1 of side and any other product will be counted as one (1) side, unless designated otherwise by the Exchange.

Monitoring and Termination of Status

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