



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

January 29, 2014

**VIA E-MAIL**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: Modifications to Central Bank Incentive Program  
CME/CBOT/NYMEX/COMEX Submission No. 14-038**

Dear Ms. Jurgens:

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 modifications to the incentive program for Central Banks ("Program"). The modifications to the Program will become effective on February 13, 2014.

Exhibit 1 sets forth the terms of the Program. The 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, the Exchanges' staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules and Record Keeping.

The Program's incentive structure 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 trading in the Program's products to prevent manipulative trading and market abuse. The incentives in the proposed 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 is subject to the Exchanges' record retention policies which comply with the CEA.

CME, CBOT, NYMEX, and COMEX certify that the Program and modifications comply 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 contact Tim Elliott at 312-466-7478 or via e-mail at [tim.elliott@cmegroup.com](mailto:tim.elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our CME/CBOT/NYMEX/COMEX Submission No. 14-038 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## CENTRAL BANK INCENTIVE PROGRAM

### **Program Purpose**

The purpose of this Program is to incentivize Central Banks located outside of the United States 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, and NYMEX futures and options contracts available for trading on the CME Globex Platform, and all COMEX futures products available for trading on the CME Globex® Platform (“Products”).

### **Eligible Participants**

There is no limit to the number of participants that may participate in the Program. All non-U.S. central banks may apply for participation.

### **Program Term**

Start date is July 1, 2013. End date is December 31, 2014.

### **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 discounted transaction fees for the Products traded on Globex in accordance with the following table:

Product Category (For Executed trades on Globex only)	Central Bank Incentive Program Participant fees (per side)
<b>CME Products</b>	
E-mini Equity Index – Futures	\$0.75 <u>\$0.76</u>
E-mini Equity Index – Options	\$0.44 <u>\$0.445</u>
Full Size Equity Index Contracts – Futures	\$1.50 <u>\$1.55</u>

<u>Full Size Equity Index Contracts – Options</u>	<u>\$1.50</u>
<u>E-micro Equity Index Contracts</u>	<u>\$0.50</u>
Interest Rate Contracts	\$0.44
<u>Full Size Foreign Exchange contract – Futures</u>	\$1.00
<u>Foreign Exchange – Options</u>	<u>\$1.00</u>
<u>E-mini Foreign Exchange Contracts</u>	<u>\$0.54</u>
<u>E-micro Foreign Exchange Contracts</u>	<u>\$0.10</u>
Agricultural Contracts – Futures	\$1.50
Agricultural Contracts – Options	\$0.81
<u>Weather Contracts</u>	<u>\$0.245</u>
<b>CBOT Products</b>	
Mini Equity Contracts*	\$0.75
Full Size Equity Index Contracts	\$0.90
<u>U.S. Treasury Futures</u>	<u>\$0.44</u>
<u>U.S. Treasury Options</u>	<u>\$0.44</u>
<u>Interest Rates contract Other Financial Contracts</u>	\$0.44
Full Size Agricultural Contracts	\$1.35
<u>Mini Agricultural Contracts</u>	<u>\$0.81</u>
<b>NYMEX Products</b>	
Energy Contracts (Physicals) on CME Globex	\$1.00
<b>COMEX Products</b>	
Metals Futures Contracts (Physicals) on CME Globex	\$1.00

\* For CBOT Mini Dow product only

### **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.