



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

April 10, 2012

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: NYMEX Brent Block Trade Broker Rebate Program.
NYMEX Submission No. 12-109.**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc ("NYMEX," the "Clearing House", or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a broker rebate program in support of certain NYMEX Brent Crude Oil products that are cleared on CME ClearPort ("Program"). The proposed Program will become effective on April 25, 2012.

Exhibit 1 sets forth the terms of the proposed Program.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles and the derivatives clearing organization core principles (collectively the "Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, NYMEX staff identified the following Core Principles as potentially being impacted;

Designated Contract Market Core Principles: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The proposed Program will not impact the Exchange's ability to perform their trade practice and market surveillance obligations under the CEA and NYMEX market regulation staff will continue to monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. Additionally, NYMEX has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The products included in this Program are listed for trading in the open and competitive market. The incentives under the Program do not adversely impact any price discovery that may be taking place in the centralized market. Specifically, incentives under the Program are only available to brokers that submit previously matched third-party trades in the relevant products. Principals who submit trades or executed orders for their own, or through a proprietary account, are excluded from participation in the Program and are not eligible for incentives. The initiating party is the one who selects the venue, not the broker, and the incentives are earned by the broker well after venue selection is made.

Thus, the Program does not influence the choice made by the principals regarding the execution venue. All brokers that register with NYMEX are eligible to participate. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with NYMEX in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

Mr. David Stawick
April 10, 2012
Page 2

Derivatives Clearing Organization ("DCO") Core Principles: Financial Resources, Participant and Product Eligibility, Rule Enforcement, Recordkeeping

The incentives in this Program will have a non-material impact on the financial resources of the Clearing House. As such, it will not prevent the Clearing House from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as a DCO. All brokers that register with NYMEX are eligible to participate. The incentives provided under the Program will not impact the Clearing House's ability to perform its monitoring or enforcement obligations under the CEA. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute an application or contractual agreement with NYMEX in which each participant expressly agrees to comply with and be subject to applicable regulations and NYMEX rules. The proposed Program will be subject to NYMEX records retention policies which comply with the CEA.

NYMEX certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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

If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at robert.lev@cmegroup.com, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 12-109 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

BRENT BLOCK TRADE BROKER INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to encourage brokers to increase their volume in the products listed below, enhancing market liquidity for those products. A more liquid contract benefits all participants in the market.

Product Scope

NYMEX Light Sweet Crude Oil futures (CL), Heating Oil Futures (HO) and RBOB Gasoline Futures (RB) that are submitted as block trades for clearing on CME ClearPort ("Products").

Eligible Participants

There is no limit to the amount of participants that may register for the Program. The Program is open to all Voice Brokers, Floor Brokers, Introducing Brokers, Associated Persons and Futures Commission Merchants who submit matched trades to the CME ClearPort clearing systems for 3rd parties and all CFTC/NFA registrants who submit orders to, and which are executed on, the CME ClearPort trading platform. Principals who submit trades or executed orders for their own, or a proprietary account, are excluded from participation in the Program.

Program Term

Start date is April 25, 2012. End date is December 31, 2012.

Hours

N/A

Program Incentives

For each calendar month of participation in the Program, participants will be eligible for the following incentives:

CL/HO/RB Rebate. For each CL/HO/RB block trade submitted by a participant to the Clearing House through CME ClearPort, the participant will receive a rebate equal to twenty percent (20%) of the associated clearing fees. The amount of combined CL/HO/RB submitted block trades that receive the aforementioned rebate in a given calendar month will be capped so that they will not exceed two times (2X) the amount of and Brent Look-Alike Crude Oil Futures (BZ) block trades submitted by the participant during the applicable calendar month.

Monitoring and Termination of Status

NYMEX 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.