

June 14, 2013

VIA E-MAIL

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

**RE: Regulation 40.6(a) Rule Certification. Chicago Mercantile Exchange Inc./The Board of Trade of the City of Chicago, Inc./New York Mercantile Exchange, Inc./Commodity Exchange, Inc./The Board of Trade of Kansas City, Missouri, Inc.
Submission # 13-240: Issuance of CME Group Market Regulation Advisory Notice RA1307-5**

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"), Commodity Exchange, Inc. ("COMEX") and the Board of Trade of Kansas City, Missouri, Inc. ("KCBT") are notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that they are self-certifying the issuance of CME Group Market Regulation Advisory Notice RA1307-5 ("RA1307-5").

RA1307-5 is being issued to the marketplace as a result of revisions being adopted to CME, CBOT, NYMEX and COMEX Rule 512 that were self-certified via today's CME Group Submission 13-230. The Advisory Notice notifies the marketplace that effective July 1, 2013, the summary fining authority under the Rule will extend to any party that fails to discharge a reporting obligation to the Exchange or CME Clearing.

RA1307-5 appears in Exhibit A and will be disseminated to the marketplace on June 17, 2013.

The Market Regulation Department and the Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act"). During the review, we have identified that the changes described in this Submission may have some bearing on the following Core Principle:

Availability of General Information: As required by this Core Principle, the Exchanges are publicly issuing RA1307-5 to ensure that affected market participants are aware of the sanctions for noncompliance with required reporting responsibilities.

The Exchanges certify that the issuance of RA1307-5 complies with Act and regulations thereunder. There were no opposing views to the Advisory Notice.

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

If you have any questions regarding this submission, please contact Robert Sniegowski, Market Regulation, at 312.341.5991 or via email at Robert.Sniegowski@cmegroup. Alternatively, you may contact me at 212.299.2200. Please reference CME/CBOT/NYMEX/COMEX/KCBT Submission No. 13-240 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – RA1307-5

Exhibit A

MARKET REGULATION ADVISORY NOTICE

Exchange	CME, CBOT, NYMEX, COMEX & KCBT
Subject	Summary Fines for Reporting Infractions
Rule References	Rule 512
Advisory Date	June 17, 2013
Advisory Number	CME Group RA1307-5
Effective Date	July 1, 2013

This Advisory Notice supersedes CME Group Market Regulation Advisory Notice RA1208-5 issued on August 30, 2012. It is being issued as a result of revisions to Rule 512 ("Reporting Infractions") being adopted, pending all relevant regulatory review periods, on July 1, 2013. The revisions extend the Market Regulation Department ("Department") Chief Regulatory Officer's summary fining authority for failure to comply with a reporting responsibility to the Exchange or to CME Clearing to include nonmembers who are subject to the jurisdiction of the Exchange pursuant to Rule 418 ("Consent to Jurisdiction").

Rule 512 requires that all data, records and other information required to be reported to the Exchanges or CME Clearing be submitted in an accurate, complete and timely manner. The rule authorizes the Chief Regulatory Officer or his designee to issue summary fines based on the inaccurate, incomplete or untimely submission of data or records. The summary fines may not exceed \$5,000 per offense for individuals or \$10,000 per offense for firms.

Infractions subject to sanctions under Rule 512 include, but are not limited to, deficiencies related to the following types of reporting:

- large trader reporting
- open interest reporting
- reporting of long positions eligible for delivery
- block trade reporting
- user IDs on CME Globex trades (Tag 50)
- automated/manual indicator on CME Globex trades (Tag 1028)
- CTI (customer type indicator) codes

The Department will continue, in its discretion, to issue warning letters for a first offense. However, consistent with CFTC regulations for designated contract markets, no more than one warning letter will be issued to an individual or entity for the same offense within a rolling 12-month period. Factors affecting the amount of the sanction under Rule 512 will include the magnitude, frequency and impact of the reporting infraction, the party's prior disciplinary history for similar infractions and remedial actions taken to correct the identified reporting issues. The Department, in its discretion, may refer matters that it deems egregious to the Probable Cause Committee for the issuance of charges, which, if issued, would require disposition by the Business Conduct Committee ("BCC").

Rule 512 will allow parties 15 calendar days following the receipt of a summary fine to present evidence to the Department demonstrating that the fine should be rescinded or reduced. The rule also allows parties to appeal the Department's determination that the evidence submitted was insufficient to warrant a rescission or reduction in the summary fine to the BCC, provided that the party provides evidence of a valid basis for the appeal as set forth in the rule.

Summary fines issued pursuant to the provisions of Rule 512 constitute formal Exchange disciplinary action requiring reporting to the CFTC pursuant to CFTC Regulation 9.11(a), which will result in a posting on the trading floor in addition to entry into the National Futures Association Basic System. Individuals and firms will not be subject to both a fine under Rule 512 and a surcharge levied by CME Clearing pursuant to Rule 852 (“Surcharges for Errors, Delays and Omissions”) based on the same underlying activity

The texts of Rules 512 and 852 appear below.

512. REPORTING INFRACTIONS

512.A. General

All data, records and other information required by the rules to be reported to the Exchange or the Clearing House, as applicable, must be submitted in an accurate, complete and timely manner.

512.B. Sanctions

1. Except as otherwise provided in Rule 536, the Chief Regulatory Officer or his designee shall have the authority to impose summary fines on parties who have consented to the jurisdiction of the Exchange pursuant to Rule 418. Summary fines shall not exceed \$5,000 per offense for individuals or \$10,000 per offense for firms for the inaccurate, incomplete or untimely submission of data, records or information required to be submitted to the Exchange or the Clearing House.
2. Individuals and firms shall have 15 days following receipt of the notice of a summary fine to present evidence to the Market Regulation Department that the fine should be rescinded or reduced. Absent the submission of such evidence within the designated time period, the fine shall be deemed final and may not be appealed.

512.C. Hearings and Appeals

If the Chief Regulatory Officer or his designee determines that evidence submitted by an individual or firm pursuant to Section B.2. is insufficient to support the requested rescission or reduction of the fine, the individual or firm may, within 10 days of the decision, file a written appeal with the Market Regulation Department. A written appeal that fails to specify the grounds for the appeal and the specific error or impropriety of the original decision shall be dismissed. The appeal shall be heard by a Panel of the Business Conduct Committee (“BCC Panel”) whose decision shall be final. The appellant shall be entitled to be represented by counsel, appear personally before the BCC Panel and present evidence that he may have in support of his appeal. The BCC Panel shall not set aside, modify or amend the appealed decision unless it determines, by a majority vote, that the decision was:

1. Arbitrary, capricious, or an abuse of the Exchange staff’s discretion;
2. In excess of the Exchange staff’s authority or jurisdiction; or
3. Based on a clearly erroneous application of Exchange rules.

Notwithstanding the provisions of Sections B.1. and B.2. above, the Market Regulation Department may, at any time, refer matters that it deems egregious to the Probable Cause Committee.

852. SURCHARGES FOR ERRORS, DELAYS AND OMISSIONS

Exchange staff may establish, and from time to time revise, schedules of surcharges to be imposed upon clearing members for errors, delays and omissions with respect to trade data and certain other information required to be provided to the Clearing House. These surcharges are to be collected by the Clearing House and are in addition to any disciplinary sanctions that may be imposed by Market Regulation, the BCC or CHRC for the violation of Exchange rules.

Questions regarding this Advisory Notice may be directed to Robert Sniegowski, Senior Director, Rules & Regulatory Outreach, Market Regulation Department, at 312.341.5991

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.