



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

April 16, 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: REVISED – LN & OS Options Market Maker Program  
NYMEX Submission No. 14-133R**

Dear Ms. Jurgens:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it plans to implement the LN & OS Options Market Maker Program (“Program”). The Program will become effective on May 1, 2014.

Exhibit 1 sets forth the terms of the Program.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). During the review, NYMEX 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 will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange’s market regulation staff will monitor trading in the Program’s products to prevent manipulative trading and market abuse. Additionally, the Exchange 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. Participants in the Program will be selected by NYMEX staff using criteria as further stated in Exhibit 1. 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 Program will be subject to the Exchange’s record 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.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s 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 NYMEX Submission No. 14-133R in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## LN & OS Options Market Maker Program

### **Program Purpose**

The purpose of this Program is to promote volume and open interest in European-style Natural Gas Options and Brent Crude Oil Options on Globex. More liquid contracts benefit all participants in the market.

### **Product Scope**

Natural Gas European Options (“LN”) and Brent Crude Oil Last Day Options (“OS”) that are traded on Globex (“Products”).

### **Eligible Participants**

There is no limit to the number of participants in the Program. Participants may be NYMEX members or non-members. In order to be considered for the Program, NYMEX will take into account (i) historical volume and experience trading the Products and similar options contracts, and (ii) the participant’s ability to quote two-sided markets for options products on an electronic platform. NYMEX may, in its sole discretion, add or subtract from the aforementioned factors as it deems necessary.

### **Program Term**

Start date is May 1, 2014. End date is June 30, 2015.

### **Hours**

Designated hours during RTH and ETH.

### **Obligations**

Participants must quote two-sided markets in the applicable products, at predetermined average bid/ask spreads and minimum quote sizes.

### **Incentives**

For each calendar month that a participant meets its obligations, as determined by the Exchange, the participant may be eligible for predetermined incentives.

### **Monitoring and Termination of Status**

The Exchange 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 has failed to meet its obligations or no longer meets the eligibility requirements of the Program.