

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-046 (4 of 4)

Organization: Commodity Exchange, Inc. ("COMEX")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): January 13, 2021 Filing Description: Modifications to the International Cross-Asset Volume Incentive Program

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                                     |                                     |            |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification                       | § 40.6(a)  |
| <input type="checkbox"/>            | Approval                            | § 40.5(a)  |
| <input type="checkbox"/>            | Notification                        | § 40.6(d)  |
| <input type="checkbox"/>            | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/>            | SIDCO Emergency Rule Change         | § 40.10(h) |

Rule Numbers: Not Applicable

**New Product**

Please note only ONE product per Submission.

- |                          |                                       |            |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification                         | § 40.2(a)  |
| <input type="checkbox"/> | Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> | Approval                              | § 40.3(a)  |
| <input type="checkbox"/> | Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission                       | § 39.5     |

Official Product Name:

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- |                          |                                                         |                      |
|--------------------------|---------------------------------------------------------|----------------------|
| <input type="checkbox"/> | Certification                                           | § 40.6(a)            |
| <input type="checkbox"/> | Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/> | Certification Security Futures                          | § 41.24(a)           |
| <input type="checkbox"/> | Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/> | Approval                                                | § 40.5(a)            |
| <input type="checkbox"/> | Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/> | Approval Security Futures                               | § 41.24(c)           |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | "Non-Material Agricultural Rule Change"                 | § 40.4(b)(5)         |
| <input type="checkbox"/> | Notification                                            | § 40.6(d)            |

Official Name(s) of Product(s) Affected:

Rule Numbers:

January 13, 2021

**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

**RE: Modifications to the International Cross-Asset Volume Incentive Program  
COMEX Submission No. 21-046 (4 of 4)**

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 modifications to the International Cross-Asset Volume Incentive Program ("IVIP" or "Program"). The modifications to the Program will become effective on February 1, 2021.

Exhibit 1 sets forth the terms of the Program. Modifications appear below, with additions underlined 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: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program and proposed modifications do 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 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 and proposed modifications will be subject to the Exchanges' record retention policies which comply with the CEA.

CME, CBOT, NYMEX, and COMEX certify that the Program and proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program and the proposed modifications.

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 [CMESubmissionInquiry@cmegroup.com](mailto:CMESubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com). Please reference our COMEX Submission No. 21-046 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## INTERNATIONAL CROSS-ASSET VOLUME INCENTIVE PROGRAM

### Program Purpose

The purpose of this Program is to incentivize high volume proprietary trading arcades located outside North America to trade the products listed below. The resulting increase in liquidity in the products listed below benefits all participant segments in the market.

### Product Scope

Certain CME, CBOT, NYMEX, and COMEX products that are available for trading on the Globex Platform; all CME and CBOT Interest Rate futures and options and Foreign Exchange options available for trading via open outcry (collectively, the "Products").

### Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants must be distinct legal entities located outside of North America who have registered for and are in good standing with the IIP. Wholly owned (100%) subsidiaries may register together for the Program. Separate firms (unless wholly owned subsidiaries) must be registered separately.

Additional Arcade Firm Requirements:

- Teams of individuals with joint profits and losses under a participating arcade firm must be registered and approved by the Exchanges to be eligible for discounted rates under the arcade firm. Teams that adjust their legal status for the purpose of achieving lower combined rates may not be accepted into the Program. If firms have affiliates based in North America, they must apply for an exception.
- Individual traders under the participating arcade firm must either (i) be receiving less than eighty percent (80%) of profits and losses (as required under the IIP program); or (ii) be self-funded traders who:
  - Have primary income coming from trading;
  - Pay a desk fee;
  - Primarily trade from the physical location operated by the participating arcade firm;
  - Share risk with the participating arcade firm; and
  - Register with the Exchanges as "exempt traders" and the participant arcade firm makes the exempt trader available for product notices and education.

### Program Term

Start date is November 1, 2012. End date is ~~January 31, 2021~~ June 30, 2021.

### Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

## **Obligations**

For continued eligibility and incentive qualification, participants must maintain a combined average daily volume (“ADV”) in the Products of 2,500 contracts (sides) measured over a given calendar quarter. Micro E-mini Equity Index products will be excluded from this ADV requirement.

## **Program Incentives**

1. Fee Discounts: Upon meeting all obligations, as determined by the Exchanges, participants will receive the following incentives: ~~beginning on February 1, 2020.~~

<b>Product Category</b>	<b>IVIP All-in Fees (Per Side)</b>
<b>CME Globex Only</b>	
<b>CME Products</b>	
Agricultural – Futures	\$0.82
Agricultural – Options	\$0.82
Weather Contracts	\$0.26
Full Size Foreign Exchange – Futures* (excluding FX Link)	\$0.54
Full Size Foreign Exchange – Futures via FX Link	\$0.60
Foreign Exchange – Options*	\$0.54
E-mini Foreign Exchange Contracts*	\$0.54
E-micro Foreign Exchange Contracts	\$0.10
Full Size Equity Index – Futures	\$1.10
Full Size Equity Index – Options	\$1.01
E-mini Equity Index – Futures* (Outrights & Spreads)	\$0.62
E-mini Equity Index – Options*	\$0.50
Micro E-Mini Equity Index Futures (Outrights & Spreads)	\$0.10
Micro E-mini Equity Index – Options (Outrights & Spreads)	\$0.10
Nikkei/TOPIX Futures (Outrights & Spreads)	\$1.10
Bitcoin Futures	\$4.50
Bitcoin Options ( <i>Effective 1/13/2020</i> )	\$4.50
Interest Rate Futures*	\$0.50
Interest Rate Options*	\$0.50
<b>CBOT Products</b>	
Full Size Agricultural Contracts	\$1.06
Mini Agricultural Contracts	\$0.90
ICS & CS Agricultural Options	\$2.06
Mini \$5 Dow Products	\$0.62
Micro E-Mini Dow Futures	\$0.10
DJ U.S. Real Estate Index Futures	\$0.62
Eris Swap Futures	\$0.50
U.S. Treasury Futures	\$0.49
U.S. Treasury Options	\$0.49
Fed Fund Products	\$0.49
MAC Swap Futures	\$0.49

Product Category	IVIP All-in Fees (Per Side)
<b>NYMEX Products on CME Globex</b>	
Core Energy (CL, LO, HO, OH, RB, OB, NG, LN, ON)	\$0.90
NYMEX Metals (PL, PA)	\$1.00
All other Energy	Must be 10% greater than the highest member rate
<b>COMEX Products on CME Globex – Futures Only</b>	
Core Metal (GC, SI, HG)	\$1.00
E-micro Gold (MGC)	\$0.20
1,000 oz. Silver (SIL)	\$0.40
Shanghai Gold (SGC, SGU)	\$1.00
Gold (Enhanced Delivery) Futures (4GC)	\$1.00

Product Category	IVIP All-in Fees (per side)
<b>Pit Trading</b>	
<b>CME Products</b>	
Interest Rate Contracts*	\$0.50
Foreign Exchange Options*	\$0.54
<b>CBOT Products</b>	
U.S. Treasury Futures	\$0.49
U.S. Treasury Options	\$0.49
Fed Fund Futures	\$0.49
Fed Fund Options	\$0.49

\*The products denoted with an asterisk above will be eligible for the additional CME Products Progressive Volume Discount Incentives listed in #2 below.

2. *CME Products Progressive Volume Discount Incentives*: Upon meeting all obligations, as determined by the Exchanges, participants will be eligible to receive the following incentives beginning on February 1, 2020. Subject to the restrictions set forth in #3 below, participants in the Program that maintain an ADV of 1,000 combined contract sides traded in the respective CME Products denoted above are eligible to receive progressive volume fee discounts in those Products as set forth below.

CME Products IVIP				
Tier Structure	Interest Rates	FX	e-Mini Equity Futures	e-Mini Equity Options
0 – 1000	\$0.50	\$0.54	\$0.62	\$0.50
1001 - 5000	\$0.35	\$0.41	\$0.42	\$0.40
5001+	\$0.25	\$0.36	\$0.37	\$0.36

3. *Restrictions*: Participants may choose to participate in the Program on a Product Group by Product Group basis, but must select which Product Groups they want to include under the Program when submitting their initial application. Participants may not receive incentives under the IIP for volumes in Products counted toward this Program.

### **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.

If a participant does not meet the minimum volume requirements during one (1) calendar quarter of the Program, the participant will still be eligible to receive the incentives for that applicable quarter. In order to continue to receive the Program incentives, participants must meet the minimum volume requirements for all subsequent calendar quarters.