

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-044 (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 16, 2019 Filing Description: Modifications to the Emerging Markets Bank Incentive Program

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Not Applicable

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

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

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

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

Rule Numbers:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

January 16, 2019

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 Emerging Markets Bank Incentive Program
COMEX Submission No. 19-044 (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") that they plan to modify the Emerging Markets Bank Incentive Program ("EMBIP" or "Program"). The modifications to the Program will become effective on February 1, 2019.

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

The Program's incentive structure does not incentivize manipulative trading or market abuse and does not impact the Exchanges' ability to perform its trade practice and market surveillance obligations under the CEA. The Exchanges' market regulation staff will monitor trading in the products in order 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 is subject to the Exchanges' record retention policies which comply with the CEA.

The Exchanges certify that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or the modifications to the 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 e-mail CMESubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our COMEX Submission No. 19-044 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Emerging Markets Bank Incentive Program

Program Purpose

The purpose of this Program is to incentivize banks in emerging markets in Eastern Europe, Asia, Africa, and Latin American countries 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, NYMEX, and COMEX products available for trading on the Globex Platform ("Products").

Eligible Participants

There is no limit to the amount of participants that may be selected in the Program. All approved CME, CBOT, NYMEX and COMEX non-members may participate. Additionally, participants must meet the following criteria:

To qualify for EMBIP, a bank must:

- Be located in an emerging market in Eastern Europe, Asia, Africa, or Latin American country, as determined by the Exchanges.
- ~~Have all traders physically located in the identified emerging market country.~~
- Complete an EMBIP application and be approved by the Exchanges.
- Execute all trades in the EMBIP participant's name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the EMBIP participant.
- Have a relationship with an Exchange clearing member.

Program Term

Start date is December 4, 2011. End date is ~~January 31, 2019~~ January 31, 2020.

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 fee discounts for the Products that are traded on Globex in accordance with the following table:

Product Category (For Executed trades on Globex only)	EMBIP fees (per side)
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CME Products	
E-mini Equity Index – Futures	\$0.87 <u>\$0.92</u>
E-mini Equity Index – Options	\$0.45 <u>\$0.50</u>
Bitcoin Futures	\$4.85
Interest Rate Futures	\$0.50 <u>\$0.60</u>
Interest Rate Options	\$0.50 <u>\$0.60</u>
Foreign Exchange – Full Size Futures (excluding FX Link)	\$1.00
Foreign Exchange – Full Size Options	\$1.00
CBOT Products	
Mini \$5 Dow Equity Contracts	\$0.87 <u>\$0.92</u>
Mini \$5 Dow Products Globex BTIC	\$2.15
DJ U.S. Real Estate Index Futures	\$0.87 <u>\$0.92</u>
DJ U.S. Real Estate Index Futures Globex BTIC	\$1.44
2-Year U.S. Treasury Futures	\$0.56
5-Year U.S. Treasury Futures	\$0.56 <u>\$0.58</u>
10-Year & Ultra 10-Year U.S. Treasury Futures	\$0.59 <u>\$0.65</u>
U.S. Treasury Bond Futures	\$0.64 <u>\$0.70</u>
Ultra U.S. Treasury Bond Futures	\$0.64 <u>\$0.70</u>
U.S. Treasury Options	\$0.49 <u>\$0.50</u>
	\$0.56 <u>\$0.60</u>

Other Financial Products	
MAC Swap Futures	\$0.49
Full Size Agricultural Contracts	\$1.67
NYMEX Products	
Energy Contracts (Physicals) on CME Globex (CL, LO, HO, OH, RB, OB, NG, LN, ON)	\$1.27
NYMEX Metals (PL, PA, PO, PAO)	\$1.27
COMEX Products	
Metals Futures Contracts (Physicals) on CME Globex (GC, SI, HG)	\$1.27

Monitoring and Termination of Status

The Exchanges shall monitor trading activity 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 of the Program.