

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 15-107 (1 of 4)

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): March 17, 2015 Filing Description: Modifications to the Asia-Pacific 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

March 17, 2015

**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 Asia-Pacific Incentive Program  
CME Submission No. 15-107 (1 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 plans to modify the Incentive Program for banks in the Asia-Pacific region ("AIP" or "Program"). The modifications to the Program will become effective on April 1, 2015.

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; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Record Keeping.

The Program 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 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 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.

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 [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@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 CME Submission No. 15-107 (1 of 4) in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## ASIA-PACIFIC INCENTIVE PROGRAM

### **Program Purpose**

The purpose of this Program is to incentivize banks in Asian 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**

The CME, CBOT, NYMEX and COMEX products traded on Globex® that are listed in the table below (“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. Participants in the Emerging Markets Bank Incentive Program (“EMBIP”) are not eligible to participate in this Program. Additionally participants must meet the following criteria:

To qualify for AIP, a bank must:

- Be located in an Asian-Pacific country.
- Complete an AIP application and be approved by the Exchanges.
- Execute all trades in the AIP participant’s name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the AIP participant.
- Have a relationship with an Exchange clearing member.

### **Program Term**

Start date is December 5, 2011. End date is ~~March 31, 2015~~ September 30, 2015.

### **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)	AIP Fees (Per Side)
<b>CME Products</b>	
Agricultural Futures	\$1.50
Agricultural Options	\$0.81
Weather Products	\$0.245
Foreign Exchange Futures	\$1.00
Foreign Exchange Options	\$1.00
E-mini Foreign Exchange Products	\$0.54
E-micro Foreign Exchange Products	\$0.10
Foreign Exchange Variance Futures	\$0.07
Full Size Equity Index Futures (except Nikkei)	\$1.60
Full Size Equity Index Futures (Nikkei)	\$1.55
Full Size Equity Index Options	\$1.50
E-mini Equity Index Futures	\$0.76
E-mini Equity Index Options	<del>\$0.445</del> <u>\$0.45</u>
E-micro Equity Index Futures	\$0.50
Interest Rates Futures	\$0.44
Interest Rates Eurodollar and European Options*	\$0.44
Fixed Income Index Products	\$0.59
2-Year Eurodollar Bundle Futures	\$3.52
3-Year Eurodollar Bundle Futures	\$5.28
5-Year Eurodollar Bundle Futures	\$8.80
2-Year Eurodollar Bundle Options	\$2.89
3-Year Eurodollar Bundle Options	\$4.22
5-Year Eurodollar Bundle Options	\$6.87
<b>CBOT Products</b>	
Full Size Agricultural Products	\$1.45
Mini-sized Agricultural Futures	\$0.90
ICS & CS Agricultural Options	\$2.06
<del>\$25 Dow Futures</del>	<del>\$0.90</del>
\$10 Dow Futures	<u>\$0.62</u>
\$10 Dow <del>Products</del> Options	\$0.57
Mini \$5 Dow Products	\$0.75
DJ U.S. Real Estate Index Futures	\$0.75
U.S. Treasury Futures	\$0.49
U.S. Treasury Options	\$0.49
Other Financial Products	\$0.49
Deliverable IR Swap Futures	\$0.49
<b>NYMEX Products</b>	

Energy contracts (Physicals)	\$1.10
<b>COMEX Products</b>	
Metals futures contracts (Physicals)	\$1.10

**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 of the Program.