

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-497 (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): November 24, 2014 Filing Description: Modifications to the Latin America Commodity Commercial 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

November 24, 2014

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 Latin America Commodity Commercial Incentive Program
CME Submission No. 14-497 (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 Latin America Commodity Commercial Incentive Program ("LACIP" or "Program"). The modifications to the Program will become effective on January 1, 2015.

Exhibit 1 sets forth the terms of the Program. Modifications to the Program 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 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 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 will be 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 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 CMEGSubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CME Submission No. 14-497 (1 of 4) in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

LATIN AMERICA COMMODITY COMMERCIAL INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to incentivize commercial hedgers in 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 Agricultural futures and options on Globex®, all CBOT standard-sized and mini-sized Agricultural products on Globex®, all CME Foreign Exchange products on Globex®, all NYMEX standard-size Energy products on Globex®, and all NYMEX/COMEX standard sized Metals futures products on Globex® (“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 LACIP, a commercial hedger must:

- Be located in a Latin American country. (See below)
- Be a commercial firm involved in the physical agriculture, energy or metals commodity markets, defined as a firm whose primary business involves at least one of the following: extracting, growing, processing, refining and/or merchandising of commodities. Provide information justifying this status, for example any industry association membership, annual report, etc.
- Have all traders physically located in Latin America.
- Complete an LACIP application and be approved by the Exchanges.
- Execute all trades in the LACIP participant's name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LACIP participant.
- Have a relationship with an Exchange clearing member.

The following countries qualify for the LACIP:

Argentina	French Guiana	Panama
Aruba	Guadeloupe	Paraguay
Belize	Guatemala	Peru
Bolivia	Guyana	Puerto Rico
Brazil	Haiti	Saint Martin
Chile	Honduras	Saint Pierre and Miquelon
Colombia	Jamaica	Suriname
Costa Rica	Martinique	Uruguay
Dominican Republic	Mexico	Venezuela
Ecuador	Netherlands Antilles	
El Salvador	Nicaragua	

Program Term

Start date is December 4, 2011. End date is ~~December 31, 2014~~ December 31, 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)	LACIP fees (per side)
CME Agricultural Products – Futures	\$1.50
CME Agricultural Products – Options	\$0.81
CBOT Agricultural Products – Standard Size Contracts	\$1.35 <u>\$1.45</u>
CBOT Agricultural Products – Mini-Sized Contracts	\$0.81 <u>\$0.90</u>
<u>ICS & CS Agricultural Options</u>	<u>\$2.06</u>
CME Foreign Exchange Products – Standard Size Contracts (Futures)	\$1.00
CME Foreign Exchange Products – Options	\$1.00
CME Foreign Exchange Products – E-mini Contracts	\$0.54
CME Foreign Exchange Products – E-micro Contracts	\$0.10
<u>Foreign Exchange Variance Futures</u>	<u>\$0.07</u>
NYMEX Energy Products – Standard Size Contracts	\$1.00 <u>\$1.10</u>
COMEX Metals Products – Standard Size Contracts (Futures Only)	\$1.00 <u>\$1.10</u>

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.