SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested ☐

Registered Entity Identifier Code (optional): <u>15-519</u>

Organization: <u>Commodity Exchange, Inc. ("COMEX")</u>

Filing as a: ☒ **DCM**   ☐ **SEF**   ☐ **DCO**   ☐ **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): <u>December 12, 2015</u>   Filing Description: <u>Modifications to the 1000oz Silver Futures Resting Order Incentive Program</u>

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: <u>Not Applicable</u>

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

December 12, 2015

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

> **RE:** **Modifications to the 1000oz Silver Futures Resting Order Incentive Program**
> **COMEX Submission No. 15-519**

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. ("COMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of modifications to the 1000oz Silver Futures Resting Order Incentive Program ("Program"). The proposed modifications to the Program will become effective on January 1, 2016.

Exhibit 1 sets forth the terms of the Program. Modifications appear below, with additions underlined and deletions overstruck.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, Exchange 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 as set forth in the Exhibit 1 below is such that it does not incentivize manipulative trading or market abuse and 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 Program does not impact the Exchange's order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. Participants in the Program will be required to execute a contractual agreement expressly agreeing to abide by Exchange rules and applicable regulations. The Program is subject to the Exchange's record retention policies which comply with the CEA.

The Exchange certifies that the Program and proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or the proposed modifications.

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 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 COMEX Submission No. 15-519 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

1000oz Silver Futures Resting Order Incentive Program

Program Purpose

The purpose of the Program is to incentivize additional liquidity in the product listed below. A more liquid contract benefits all participants in the market.

Product Scope

1000oz Silver Futures that are traded on the CME Globex Platform ("Product").

Eligible Participants

~~Up to ten (10) participants may be selected into the Program.~~ There is no limit to the number of participants that may participate in the Program. Participants must be COMEX members. ~~Potential participants are required to submit an application/bid sheet to the Exchange which is used to determine eligibility. Potential participants maintaining a average daily volume of 100 contracts sides traded in 5,000oz silver futures over the previous thee (3) month period and that maintain a significant resting order percentage may be selected into the Program. Notwithstanding the forgoing, COMEX may modify the aforementioned criteria as it deems necessary.~~

Program Term

Start date is June 17, 2013. End date is ~~December 31, 2015~~ June 30, 2016.

Hours

N/A

Program Incentives

Each calendar month, participants that meet certain average daily volume levels in the Product or maintain a designated percentage of total volume in the Product will be eligible to receive predetermined incentives.

Monitoring and Termination of Status

The Exchange shall monitor trading activity 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.