

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-567 (2 of 3)

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): December 16, 2014 Filing Description: Modifications to the New Trader 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.

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|--------------------------|---------------------------------------|------------|
| <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:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 16, 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 New Trader Incentive Program
CBOT Submission No. 14-567 (2 of 3)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), and New York Mercantile Exchange, Inc. ("NYMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the New Trader Incentive Program ("NTIP" or "Program"). The proposed modifications to the Program will become effective on January 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 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 under the Program 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, and NYMEX certify that the Program and proposed modifications comply 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 CMESubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CBOT Submission No. 14-567 (2 of 3) in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

NEW TRADER INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to incentivize new traders associated with proprietary trading firms and trading arcades 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 Energy, NYMEX Platinum Futures and NYMEX Palladium Futures 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 members and non-members may participate.~~ Participants must be 106.J. members of CME, CBOT, and NYMEX. Firms located in Canada and the United States are excluded from the Program. Additionally participants must meet the following criteria:

To qualify for NTIP, a trader must:

- Be new to CME Group derivatives trading and recruited locally.
- Possess less than one year's experience with other derivative exchanges.
- Be trading using the facilities of the NTIP firm and those facilities cannot be located in Canada or the United States.
- Be undergoing or have undergone the respective training program that provides an overview of CME Group products.
- Agree to receive CME Group marketing information via postal mail or email.
- Be actively trading with discretion. Traders who are operators of automated trading systems are not eligible for the incentive stated below.
- Submit a fully completed Individual Trader application to CME group personnel with a photocopy of passport or equivalent photo ID.

To qualify for NTIP, a firm must:

- Be either a proprietary trading firm or trading arcade.
- Submit each Individual Trader application to the Exchanges' personnel.
- Management, on at least a quarterly basis, must meet with the Exchanges' representatives, at the Exchanges' request, to review their participation in the Program, overall trading activity, and status of registered traders.
- Make available to the Exchanges their traders for education on the Exchanges' markets from an Exchange representative or designate.
- Give the Exchanges opportunity to review their trader education programs.
- Make available a list of all registered traders who are actively trading to be sent to the Exchanges on a quarterly basis.
- Provide all other necessary and reasonable information to determine the entity's eligibility to participate in the NTIP.
- Make available an update to their clearing firm and the Exchanges regarding traders who are no longer with the firm so they can be de-registered from the Program within the Exchanges Fee System within two weeks of their departure from the firm.

Program Term

Start date is December 19, 2011. End date is ~~December 31, 2014~~ March 31, 2015. The Program will not renew after March 31, 2015.

Hours

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

Program Incentives

Fee Waivers. Subject to the minimum volume requirements set forth in the paragraph below, once accepted into the Program, participating traders will be eligible for a fee waiver for Globex® execution and clearing fees covering up to a maximum of 50,000 sides in the Products. Participants will be removed from the Program upon reaching 50,000 sides. Participating traders will have until the end of the Program to use their free sides.

~~Participants currently in the Program with a minimum of 3,000 contract sides remaining out of the 50,000 sides allocated must trade at least 3,000 contract sides in the Products during the first calendar quarter of 2014 in order to remain in the Program. Participants currently in the Program must have traded at least 3,000 contract sides in the Products in the last quarter of 2014 in order to continue to participate in the Program during 2015. New participants must trade at least 3,000 sides in the Products during the first full calendar quarter following their registration in the Program in order to remain in the 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 the Exchanges conclude from review that a Program participant no longer meets the eligibility requirements or fails to meet the obligations of the Program.