

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-501 (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): December 26, 2019 Filing Description: Modifications to the Latin America Fund Manager 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.

- | | | |
|--------------------------|---------------------------------------|------------|
| <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 26, 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 Latin America Fund Manager Incentive Program
COMEX Submission No. 19-501 (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 Latin America Fund Manager Incentive Program ("FMIP" or "Program"). The modifications to the Program will become effective on January 13, 2020.

Exhibit 1 sets forth the terms of the Program. The 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 and the proposed modifications will 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 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 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. 19-501 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

LATIN AMERICA FUND MANAGER INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to incentivize Fund Managers 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, CBOT, NYMEX, and COMEX products available for trading on the Globex Platform, and all U.S. Treasury Options and Interest Rate Options traded via Open Outcry ("Products").

Eligible Participants

There is no limit to the ~~amount~~ number 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 LAFMIP, a Fund Manager must:

- Be located in a Latin American country. (See below)
- Have assets under management of at least US \$5 million.
- Be registered and licensed by the government regulator in their respective country in Latin America and must submit to the Exchanges all related documentation of such registrations and licenses.
- Have all traders physically located in Latin America.
- Complete a LAFMIP application, pay an application fee, and be approved by the Exchanges.
- Register Approved Funds with the Exchanges. Approved Fund accounts will receive discounted fees only on fund accounts that are solely managed by the LAFMIP participating Fund Manager. The LAFMIP participant must submit documentation showing they are the authorized manager of the fund account applying for discounted fees.
- Trade the account of a hedge fund, certain specialized government-sponsored pension funds, commodity pool or other collective investment vehicle. Individual managed accounts and private pension funds do not qualify for the Program.
- Execute all trades in the name of the Approved Fund account managed by the qualified LAFMIP firm.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LAFMIP participant.

Fund managers from the following countries qualify for the LAFMIP:

Argentina	El Salvador	Peru
Belize	French Guiana	Suriname
Bolivia	Guatemala	Uruguay
Brazil	Guyana	Venezuela
Chile	Honduras	
Colombia	Mexico	
Costa Rica Mexico	Nicaragua	
Dominican Republic	Panama	
Ecuador	Paraguay	

Program Term

Start date is December 4, 2011. End date ~~January 31, 2020~~ January 31, 2021.

Hours

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

Obligations

Beginning February 1, 2020, participants must maintain a minimum average daily volume (“ADV”) of 100 sides, measured on a quarterly basis. All Micro contracts will be excluded from this ADV requirement.

Program Incentives

Once accepted into the Program, participants will be eligible to receive the following incentives:

Fee Discounts: Upon meeting all obligations, as determined by the Exchanges, participants will be eligible to receive discounted fees for the Products ~~that are traded on Globex~~ in accordance with the following table:

GLOBEX

Product Category (For executed trades on Globex only)	FMIP Fees (per side)
CME Products	
E-mini Equity Index Futures – <u>Outrights</u>	\$0.92 <u>\$0.97*</u>
E-mini Equity Index – Options	\$0.50
Micro E-Mini <u>Equity Index</u> Futures – Outrights	\$0.14
Micro E-Mini <u>Equity Index</u> Futures – Spreads	\$0.11
Bitcoin Futures – <u>Outrights, Spreads</u>	\$4.85
<u>Bitcoin Options</u>	<u>\$4.85</u>
Interest Rate Futures	\$0.60 <u>\$0.75*</u>
Interest Rate Options	\$0.60
Foreign Exchange – Full Size Futures (excluding FX Link)	\$1.00

Foreign Exchange – Full Size Options	\$1.00
CBOT Products	
Mini \$5 Dow Equity Contracts	\$0.92 <u>\$0.97*</u>
Micro E-Mini Dow	\$0.14
DJ U.S. Real Estate Index Futures	\$0.92
2-Year <u>& 3-Year</u> U.S. Treasury Futures	\$0.56
5-Year U.S. Treasury Futures	\$0.58
10-Year & Ultra 10-Year U.S. Treasury Futures	\$0.65
U.S. Treasury Bond Futures	\$0.70
Ultra U.S. Treasury Bond Futures	\$0.70
U.S. Treasury Options	\$0.50
Other Financial Products <u>Fed Fund Contracts</u>	\$0.60
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)	\$1.27
COMEX Products	
Metals Futures Contracts (Physicals) on CME Globex (GC, SI, HG)	\$1.27

*These fees will become effective on February 1, 2020.

OPEN OUTCRY**

Product Category (For executed trades via Open Outcry only)	FMP Fees (per side)
CME Products	
<u>Interest Rate Options</u>	<u>\$0.60</u>
CBOT Products	
<u>U.S. Treasury Options</u>	<u>\$0.50</u>

**These fees will become effective on February 1, 2020.

Monitoring and Termination of Status

The Exchanges shall monitor trading activity 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.