

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 13-008 Date: January 15, 2013

**IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.**

**ORGANIZATION** New York Mercantile Exchange, Inc.

**FILING AS A:**  **DCM**  **SEF**  **DCO**  **SDR**  **ECM/SPDC**

## TYPE OF FILING

- **Rules and Rule Amendments**

- Certification under § 40.6 (a) or § 41.24 (a)
- “Non-Material Agricultural Rule Change” under § 40.4 (b)(5)
- Notification under § 40.6 (d)
- Request for Approval under § 40.4 (a) or § 40.5 (a)
- Advance Notice of SIDCO Rule Change under § 40.10 (a)

- **Products**

- Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)
- Swap Class Certification under § 40.2 (d)
- Request for Approval under § 40.3 (a)
- Novel Derivative Product Notification under § 40.12 (a)

## RULE NUMBERS

N/A

## DESCRIPTION

NYMEX Core Products European Prop Incentive Program



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

January 15, 2013

**VIA E-MAIL**

Ms. Sauntia Warfield  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: NYMEX Core Products European Prop Incentive Program.  
NYMEX Submission No. 13-008**

Dear Ms. Warfield:

New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a volume incentive program for international firms in support of certain NYMEX Energy contracts that are traded on CME Globex® ("Program"). The proposed Program will become effective on January 31, 2013.

Exhibit 1 sets forth the terms of this Program.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, NYMEX 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 proposed Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The incentives in the Program will 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. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

NYMEX certifies that the proposed Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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>

Ms. Sauntia Warfield  
Page 2  
January 15, 2013

If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at [robert.lev@cmegroup.com](mailto:robert.lev@cmegroup.com), or contact me at 212-299-2200. Please reference our NYMEX Submission No. 13-008 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Enclosure

# **EXHIBIT 1**

## **NYMEX Core Products European Prop Incentive Program**

### **Program Purpose**

The purpose of this Program is to encourage high-volume European market participants to increase their Globex volume in core energy products during regular and extended trading hours. A more liquid contract benefits all participants in the market.

### **Product Scope**

Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures, and RBOB Gasoline futures that are traded on the CME Globex® Platform ("Products").

### **Eligible Participants**

Up to three participants may participate in the Program. Participants may be NYMEX members or non-members multinational firms based outside of the United States. NYMEX, in its sole discretion, will select international prospective participants' based on historical average daily volume in the Products traded on Globex. NYMEX may, from time to time, add or subtract from the above factors as it deems necessary.

### **Program Term**

Start date is January 31, 2013. End date is June 30, 2013.

### **Hours**

N/A

### **Progressive Tiered Volume Incentives**

Once accepted into the Program, participants will be eligible to participate in progressive tiered volume incentives whereby participants may be charged a reduced fee rate for the Products that a participant trades on the CME Globex® Platform. The progressive tiered volume levels are predetermined by NYMEX.

### **Monitoring and Termination of Status**

The Exchange 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.