



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

January 16, 2014

**VIA E-MAIL**

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

**RE: Modifications to Brent Futures and Inter-Commodity Spread Market Maker Program  
NYMEX Submission No. 14-019**

Dear Ms. Jurgens:

New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") that it plans to modify its market making program in support of certain NYMEX Brent contracts that are traded on Globex ("Program"). The proposed modifications to the Program will become effective on February 3, 2014.

Exhibit 1 sets forth the terms of this Program. The modifications appear below, with additions underscored and deletions ~~overstruck~~.

NYMEX reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity 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 modifications to the Program 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 incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by NYMEX staff using criteria as further stated in Exhibit 1. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with NYMEX in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

NYMEX certifies that the 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>.

If you require any additional information regarding this submission, please contact Tim Elliott at 312-466-7478 or via e-mail at [tim.elliott@cmegroup.com](mailto:tim.elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our NYMEX Submission No. 14-019 in any related correspondence.

Sincerely,

/s/ Christopher K. Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## Brent Futures and Inter-Commodity Spread Market Maker Program

### Program Purpose

The purpose of this Program is to incentivize market makers to provide liquidity in the products listed below. The resulting additional central limit order book liquidity benefits all participants in the market.

### Product Scope

Brent Last Day Crude Oil Financial Futures (BZ) and the Exchange's listed spread between Brent Last Day Crude Oil Futures ("BZ") and WTI Light Sweet Crude Oil Futures ("CL") ("BZ-CL Spread"), the Exchange's listed spread between BZ and NY Harbor ULSD Futures ("HO") ("BZ-HO Spread"), and the Exchange's listed spread between BZ and RBOB Gasoline Physical Futures ("RB") ("BZ-RB Spread") traded on the Globex Platform ("Products").

### Eligible Participants

NYMEX may designate up to eight (8) participants in the Program. Participants may be NYMEX members or non-members. Potential participants are required to submit an application/bid sheet to the Exchange as part of a competitive application process which is used to determine eligibility. In determining whether or not a prospective market maker is selected to participate in the Program, NYMEX staff may take into account a variety of factors including the strength of the quoting obligations the prospective market maker is willing to commit to provide and whether NYMEX staff believes that the prospective market maker can maintain such obligations. NYMEX may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

### Program Term

Start date is November 30, 2012. End date is June 30, 2014.

### Hours

RTH, ATH, ETH

### Obligations

Quoting Requirements. Participants in the Program must quote continuous two-sided markets in a combination of outright contracts, front month contracts, inter-commodity spreads, chained spread contracts and front to back spread contracts out the curve for the Products during U.S., European and/or Asian trading hours at contracted maximum bid/ask spreads and at contracted minimum quote sizes.

### Incentives

For each calendar month that a participant meets its quoting obligations the applicable Program participant shall be eligible for a predetermined participation stipend. Firms will receive a fee waiver for the non-Brent leg of the exchange listed spread.

**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 has failed to meet its obligations or no longer meets the eligibility requirements of the Program.