



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

February 14, 2012

**VIA E-MAIL**

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: CME Floor-traded Futures Liquidity Program  
CME Submission No. 12-051**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement an incentive program for foreign exchange ("FX") contracts that are traded by floor traders on Globex® through a handheld device ("Program"). The proposed Program will become effective on March 01, 2012.

Exhibit 1 sets forth the terms of this Program.

CME business staff responsible for the Program and the CME legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, CME 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 will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will continue to monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. The incentives in the Program do 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 CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program will be subject to applicable regulations and CME rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

CME certifies that the Program complies with the Commodity Exchange Act 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>

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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 CME Submission No. 12-051 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## CME FLOOR TRADED FUTURES LIQUIDITY PROGRAM

### Program Purpose

The purpose of this Program is to incent floor traders who utilize both the pit and Globex to perform certain trading strategies involving FX futures. The resulting increase in floor liquidity for FX futures will provide liquidity in FX options on the floor during periods of high hedging demand.

### Product Scope

All FX futures products traded on the Globex® Platform through a hand-held device.

### Eligible Participants

There is no limit to the number of participants that may be selected in the Program. Participants must be individual members of CME. CME will select participants based on their history of providing liquidity in FX futures on the trading floor to FX options floor traders. CME may, from time to time, add to or subtract from the factors listed above as it deems necessary.

### Program Term

Start date is March 1 2012. End date is December 31, 2012.

### Hours

RTH

### Program Incentives

Program participants shall be eligible to receive Globex execution fee waivers for FX futures that participants transacting on Globex through a hand-held device.

### 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.