



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

March 6, 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: NYMEX Globex Traded Energy Products Back Month Messaging Program  
NYMEX Submission No. 12-058**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc ("NYMEX" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a messaging incentive program in support of certain back month energy contracts that are traded on Globex ("Program"). This proposed Program will become effective on March 22, 2012.

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 (the "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;

Designated Contract Market Core Principles: 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. NYMEX market regulation staff will never-the-less continue to monitor all participants to prevent manipulative trading and market abuse. The products included in this Program are listed for trading in the open and competitive market. The incentives available under the Program will not impact the Exchange's order execution. Participants will be selected by NYMEX based on the criteria set forth in the attached exhibit. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must submit an application to NYMEX in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

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The Exchange 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>

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. 12-058 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachments

# EXHIBIT 1

## **NYMEX Globex Traded Energy Products Back Month Messaging Program**

### **Program Purpose**

The purpose of the Program is to incentivize increased liquidity in contract expirations of NYMEX Light Sweet Crude Oil futures, Heating Oil futures and RBOB Gasoline futures, other than the front month expiration ("Back Month Expirations"). Increased liquidity in Back Month Expirations, resulting in higher volume of the products listed below, benefits all participants in the marketplace.

### **Product Scope**

NYMEX Light Sweet Crude Oil futures, Heating Oil futures and RBOB Gasoline futures traded on the Globex Platform ("Products").

### **Eligible Participants**

NYMEX may designate up to three (3) participants in the Program. Participants may be a NYMEX member or non-member firm. NYMEX, in its sole discretion, will use a variety of factors in determining whether or not a prospective participant is selected to participate in the Program, including the prospective participant's overall historical volume in the Products traded on Globex, the prospective participant's historical percentage of volume in the Products traded as resting volume, and the prospective participant's historical volume in Back Month Expirations of the Products. Notwithstanding the foregoing, NYMEX may add or subtract from the factors listed above from time to time.

### **Program Term**

Start date is March 22, 2012. End date is June 30, 2012.

### **Hours**

RTH

### **Incentives**

Messaging. Participants in the Program will be excepted from the Specific Volume Ratios for the Products under the CME Group Messaging Policy and will instead be subject to predetermined elevated Volume Ratios.

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

The Exchange shall monitor participants' activity in the Products and retains 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.