



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

March 13, 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: Modifications to U.S. Dollar Denominated Crude Palm Oil Futures Market
Making Program on Globex. CME Submission No. 12-078**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to amend certain terms of the U.S. Dollar Denominated Crude Palm Oil Futures Market Making Program on CME Globex® ("Program"). The Exchange previously self-certified the terms and conditions for the Program on May 3, 2010. Modifications to the Program will become effective on April 1, 2012.

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

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's incentive structure as set forth in the Exhibit below is such that it does not incentivize manipulative trading or market abuse and will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. CME's market regulation staff will continue to monitor all market participants that trade 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 proposed 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 Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. 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 CME rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

CME certifies that the Program, and all modifications set out in Exhibit 1, comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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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, or contact me at 212-299-2200. Please reference our CME Submission No. 12-078 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

U.S. Dollar Denominated Crude Palm Oil Futures Market Making Program on Globex

Program Purpose

The purpose of the proposed Program modifications is to help facilitate liquidity in the U.S. Dollar denominated Crude Palm Oil contract that is traded on the CME Globex Platform. A more liquid contract benefits all market participants.

Product Scope

U.S. Dollar denominated Crude Palm Oil contracts that are traded on the CME Globex Platform ("Product").

Eligible Participants

CME may designate up to four (4) participants with the ability to expand the Program to up to seven (7) participants. Participants may be CME members or non-members. CME, in its sole discretion, will use a variety of factors in determining whether or not a prospective market maker is selected to participate in the Program, including the prospective market maker's ability to commit to and maintain at least the minimum required quoting obligations and the prospective market maker's participation and performance acting as a market maker in other products traded on the CME GLOBEX Platform. To the extent the Program at any point in time has less than the maximum amount of participants, prospective market makers applying to participate in the Program will be reviewed on a rolling basis and accepted or not accepted based on the above mentioned factors. CME may, from time to time, add or subtract from the aforementioned factors as it deems necessary.

Program Term

Start date is May, 2010. End date is April 30, 2014.

Hours

Contracted hours during RTH and ETH

Obligations

Quoting Requirements:

Participants must post a two-sided market for the Product at contracted maximum bid/ask spreads and contracted minimum volume quotes per side during a designated percentage of RTH and/or ETH.

Program Incentives Market Makers that comply with their contracted obligations shall receive the following incentives:

~~Fee Waivers. Market Makers in the Program will have their Globex execution fees and clearing fees waived for trades in the Product made by the market maker through a designated account until December 31, 2011.~~

Participation in Revenue Share. Market makers will share in a revenue pool that will be allocated on a pro-rata basis based on each market maker's relative trade in the Product during an applicable calendar month ("Revenue Pool"). The Revenue Pool will be funded based on revenue received from trading in the Product, other than revenue generated from market makers. .

Fee Credits. For each U.S. Dollar denominated Crude Palm Oil contract traded by a market maker through their designated account(s), the market maker shall receive a fee credit equal to forty-five cents (\$0.45) to be applied towards trades made in the Exchange's agricultural products. The Fee Credits will apply through ~~March 31,~~ December 31, 2012.

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.