



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

April 12, 2013

**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: FX Brazilian Real Futures and Options Market Maker Program  
CME Submission No. 13-134**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a market maker program in support of Brazilian Real futures and options traded on Globex ("Program"). The proposed Program will become effective on May 1, 2013.

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 proposed Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. Nevertheless, Exchange staff will continue to monitor trading in the Program's products in order 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 products included in this Program are listed for trading in the open and competitive market. The incentives available under the Program will apply to transactions by participants via any of CME's available execution and/or clearing venues, including our central limit order book. Therefore, the incentives under this Program protect any price discovery taking place in the centralized market. Participants in the Program will be selected by CME staff using criteria as set forth 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 CME in which each participant will expressly agree to comply with, and be subject to, applicable regulations and Exchange rules. Additionally, the proposed Program will be subject to the Exchange's record retention policies, which comply fully with the CEA.

CME 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>.

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. 13-134 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1

# **EXHIBIT 1**

## **FX Brazilian Real Futures and Options Market Maker Program**

### **Program Purpose**

The purpose of this Program is to incentivize participants to increase liquidity in the products listed below. A more liquid contract on the central limit order book benefits all participants in the marketplace.

### **Product Scope**

CME Brazilian Real futures and options ("Products").

### **Eligible Participants**

CME may designate up five (5) participants in the Program. Participants may be CME members or non-members. When selecting potential participants, CME may take into account potential participants' historical activity in onshore trading and client servicing in the Brazilian Real, the potential participant's ability to meet the quoting obligations of the Program and the potential participant's ability to maintain significant open interest in the Products. Notwithstanding the foregoing, CME may add or subtract from the aforementioned factors as it deems necessary.

### **Program Term**

Start date is May 1, 2013. End date is April 30, 2016.

### **Hours**

Designated hours during RTH ("Hours").

### **Obligations**

*Minimum Quoting Obligations.* Each calendar month, participants must quote continuous two-sided markets in designated contract months of the Products at maximum bid/offer spreads and minimum quote sizes.

### **Incentives**

Upon satisfying all Program obligations as determined by the Exchange, each Program participant shall be eligible for predetermined incentives.

### **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.