

# SUBMISSION COVER SHEET

Registered Entity Identifier Code (optional) 13-204

Date: May 31, 2013

**IMPORTANT: CHECK BOX IF CONFIDENTIAL TREATMENT IS REQUESTED.**

## ORGANIZATION

Commodity Exchange, Inc.

## FILING AS A:



DCM



SEF



DCO



SDR



ECM/SPDC

## TYPE OF FILING

### • Rules and Rule Amendments



Certification under § 40.6 (a) or § 41.24 (a)



“Non-Material Agricultural Rule Change” under § 40.4 (b)(5)



Notification under § 40.6 (d)



Request for Approval under § 40.4 (a) or § 40.5 (a)



Advance Notice of SIDCO Rule Change under § 40.10 (a)

### • Products



Certification under § 39.5(b), § 40.2 (a), or § 41.23 (a)



Swap Class Certification under § 40.2 (d)



Request for Approval under § 40.3 (a)



Novel Derivative Product Notification under § 40.12 (a)

## RULE NUMBERS

N/A

## DESCRIPTION

1000oz Silver Futures Resting Order Incentive Program



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

May 31, 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: Implementation of the 1000oz Silver Futures Resting Order Incentive Program  
COMEX Submission No. 13-204**

Dear Ms. Jurgens:

Commodity Exchange, Inc. ("COMEX" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a resting order incentive program in support of COMEX 1000oz Silver Futures Contracts ("Program"). The proposed Program will become effective on June 17, 2013.

Exhibit 1 sets forth the terms of the proposed Program.

COMEX business staff responsible for the proposed Program and the COMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, COMEX staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules and Recordkeeping.

The proposed Program's incentive structure as set forth in the Exhibit 1 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. COMEX's market regulation staff will continue to 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 proposed Program does not impact the Exchange's order execution. As further stated in Exhibit 1, all market participants that trade the Program's products will be entitled to participate. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. Participants in the Program will be required to execute a contractual agreement expressly agreeing to abide by Exchange rules and applicable regulations.

COMEX 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 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 COMEX Submission No. 13-204 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1

# **EXHIBIT 1**

## **1000oz Silver Futures Fee Discount Program**

### **Program Purpose**

The purpose of the Program is to incentivize additional liquidity in the products listed below. A more liquid contract benefits all participants in the market.

### **Product Scope**

1000oz Silver Futures that are traded on the CME Globex Platform ("Products").

### **Eligible Participants**

Up to ten (10) participants may be selected into the Program. Participants may be COMEX members or non-members. Potential participants are required to submit an application/bid sheet to the Exchange which is used to determine eligibility. Potential participants maintaining an average daily volume of 100 contracts sides traded in 5,000-oz silver futures over the previous three (3) month period and that maintain a significant resting order percentage may be selected into the Program. Notwithstanding the foregoing, COMEX may modify the aforementioned criteria as it deems necessary.

### **Program Term**

Start date is June 17, 2013. End date is May 31, 2015.

### **Hours**

N/A

### **Program Incentives**

Each calendar month, participants that meet certain average daily volume levels in the Products or maintain a designated percentage of total volume in the Products will be eligible to receive predetermined incentives.

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

The Exchange shall monitor trading activity 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.