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By Electronic Mail

August 16, 2012

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

**Re: NYSE Liffe US Submission 2012-122 –Extending the International
Trader Incentive Program for 100 oz. and 33.2 oz. (mini-sized) Gold
Futures and the 5,000 oz. and 1,000 oz. (mini-sized) Silver Futures
Contracts**

Dear Mr. Stawick:

I am a Senior Vice-President of NYSE Liffe US LLC (“NYSE Liffe US” or the “Exchange”). Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the “Act”), and U.S. Commodity Futures Trading Commission (the “Commission”) Regulations (the “Regulations”) Section 40.6(a), I enclose a Cover Sheet for NYSE Liffe US Submission 2012-122 and NYSE Liffe US Notice 25/2012 which announces that the Exchange is extending the International Trader Incentive Program (“ITIP”) for 100 oz. and 33.2 oz. (mini-sized) Gold Futures and the 5,000 oz. and 1,000 oz. (mini-sized) silver futures contracts (“Precious Metals Futures”) effective September 4, 2012, through August 30, 2013.

NYSE Liffe US hereby certifies that: (i) the Precious Metals Futures ITIP complies with the Act and the regulations thereunder and (ii) a notice and copy of this submission has been concurrently posted on the Exchange’s web site. Additionally, a concise explanation and analysis of the Precious Metals Futures ITIP and its compliance with applicable provisions of the Act, including core principles and the Commission's regulations thereunder, is attached. No substantive opposing views were expressed by members or others with respect to the ITIP.

If you have any questions, please call me at (212) 656-5145.

Yours Truly,

Jennifer Ropiak
Enclosures

**Designated Contract Market Core Principles Implicated by
NYSE Liffe US Submission 2012-122**

CORE PRINCIPLE	ANALYSIS
<p><i>Core Principle 2: Compliance with Rules</i></p>	<p>All participants in the program must complete and submit an application to the Exchange and trading under the program is subject to the Act and all applicable rules, regulations, orders and interpretations of the CFTC and any applicable self-regulatory organization. In addition, the Exchange has the right to terminate or alter any and all benefits available under the program. Additionally, the Exchange specifically reserves the right to disqualify any market participant in part or in full from consideration for benefits under the program, including with respect to specific transactions. If a participant's enrollment or participation in the program is in violation of one or more terms of the program or transactions effected by a participant were executed in violation of the Commodity Exchange Act, CFTC regulations or other applicable law, regulation, or Exchange Rule, the Exchange reserves the right to adjust the award of benefits accordingly and to seek reimbursement of any benefits previously awarded. Specifically, the program participant agrees by enrolling and participating in the program to retroactively pay the full fee that would have been charged for transactions in such cases. This is in addition to any other remedies that may be pursued in a disciplinary proceeding under Chapter 7 of the Exchange's rules.</p> <p>Moreover, the Exchange monitors its markets on a constant basis in real-time. In addition, through the operation of a regulatory services agreement, the National Futures Association provides to the Exchange comprehensive trade practice and market surveillance services designed to detect activities that are not in compliance with the Act, CFTC Rules, or Exchange rules and policies. Additionally, the Exchange has the authority, through Chapter 7 of the Exchange's rulebook, and the capacity to investigate any possible rule violations and, where appropriate, bring disciplinary actions and impose sanctions for any violations. Finally, the Exchange has in place effective international information sharing arrangements and has entered into accords such as the Boca Declaration and the Intermarket Surveillance Group Agreement.</p>
<p><i>Core Principle 3: Contracts not Readily Subject to Manipulation</i></p>	<p>The program does not incentivize manipulative or other abusive practices. In the Exchange's experience, programs of this type, including the current Precious Metals Futures ITIP, have not promoted abusive practices by participants. Further, the Exchange has policies and procedures to monitor the participants and trading in the Precious Metals Futures and to detect and prevent manipulative or abusive trading and practices.</p>

CORE PRINCIPLE	ANALYSIS
<i>Core Principle 4: Prevention of Market Disruption</i>	Trading by participants in the program, like all trading in the Precious Metals Futures, will continue to be subject to the existing trade practice and market surveillance policies and procedures of the Exchange. As stated above, the Exchange has real-time surveillance capabilities involving both human interaction as well as technological tools. Furthermore, the Exchange staff, in coordination with National Futures Association, has the capacity to detect and respond to manipulation and price distortions in its market and the ability to provide accurate and complete trade reconstruction.
<i>Core Principle 5: Position Limits or Accountability</i>	Participants in the program will continue to be subject to all applicable position limits and accountability levels. Further, the Exchange will make all amendments necessary to its existing position limits to be in compliance with the CFTC new Part 151 rules, when such rules and the relevant compliance dates become effective.
<i>Core Principle 9: Execution of Transactions</i>	The ITIP is designed to enhance the market by providing depth of liquidity and higher quality markets by attracting new and larger participation by international traders. Furthermore, the Exchange will, as it does for all such programs and has for the existing Precious Metals Futures ITIP, monitor the impact, if any, that these programs have on trading on the centralized market and, in the event the Exchange identifies any deleterious effect to the centralized market, will take appropriate action.
<i>Core Principle 10: Trade Information</i>	The Exchange records and maintains an audit trail with all trade information regarding trading by all market participants, including the participants in this program, necessary to monitor for customer and market abuse.
<i>Core Principle 12: Protection of Markets and Market Participants</i>	Participants in the programs remain subject to all of the Exchange's rules. Chapter 6 of the Exchange's rulebook governs the business conduct of Exchange members and prohibits, among other things, fraudulent acts, fictitious and pre-arranged trades and other activities that could disadvantage their customers, as well as acts detrimental to the Exchange and inconsistent with just and equitable principles of trade. The Exchange monitors for and investigates any possible rule violations and where appropriate brings disciplinary actions and imposes sanctions for any violations by any participants over which it has jurisdiction.
<i>Core Principle 13: Disciplinary Procedures</i>	Chapter 7 of the Exchange's rulebook provides for disciplinary procedures by which the Exchange may impose sanctions for any violations of the Exchange's rules, including any violations by participants in these programs.
<i>Core Principle 18: Recordkeeping</i>	Data with regard to the program shall be retained by the Exchange in secured storage for a period of at least five years and be readily accessible and open to review by the CFTC. Additionally, the Exchange has in place business continuity and disaster recovery policies and procedures that provide for back-up and off-site storage of Exchange records.

CORE PRINCIPLE	ANALYSIS
<i>Core Principle 19: Antitrust Considerations</i>	The program will not result in any restraint of trade as it puts no restrictions on trading in other competing markets.



NYSE LIFFE U.S. NOTICE No. 25/2012

ISSUE DATE: August 16, 2012
EFFECTIVE DATE: September 1, 2012

Extension of the International Trader Incentive Programs in Precious Metals Futures

Summary

This Notice announces the extension of the International Trader Incentive Program in Precious Metals Futures.

1. Introduction

- 1.1. In an effort to enhance the depth of liquidity and quality of its market, and in order to attract new and greater participation from international traders, the Exchange in [Notice No. 14/2010](#) introduced its International Trader Incentive Program ("ITIP") for 100 oz. and 33.2 oz. (mini-sized) gold futures and the 5,000 oz. and 1,000 oz. (mini-sized) silver futures contracts ("Precious Metals Futures"). In [Notice No. 27/2011](#) the Exchange extended the ITIP through August 31, 2012.

2. Extension of the International Trader Incentive Program

- 2.1. The Exchange hereby announces the extension of the International Trader Incentive Program ("ITIP") for the period September 4, 2012 through August 30, 2013.
- 2.2. Once a participant signs up, he or she will be eligible for ITIP benefits for six months afterwards or until August 30, 2013, whichever date is earliest. For example, a participant who signs up starting October 1, 2012, will be eligible for benefits for a full six months until March 31, 2013, and a participant who signs up on July 15, 2013 will be eligible for benefits for one and a half months until August 30, 2013. ITIP will provide certain reduced transaction fees for eligible trades. The terms of this extension will only apply to those participants who sign up for the ITIP on or after September 4, 2012. Those participants already enrolled will continue to participate pursuant to Notice No. 27/2011.

3. Provisions Applicable to the ITIP

- 3.1. Exchanges For Related Positions (EFRPs) and block trades are not eligible trades in the ITIP.
- 3.2. Trades in which the Member assumes the opposite side of the transaction will qualify if such trades are conducted in accordance with Exchange Rule 612.

- 3.3. Clearing and non-trade activities associated with transactions in Precious Metals Futures will continue to be subject to the fee schedules as posted on the [NYSE Liffe US website](#) and the [OCC Website](#).
- 3.4. In order to participate in the ITIP, participants must complete the application form attached hereto and return it to the Exchange.
- 3.5. The Exchange reserves the right to terminate or alter any and all benefits available under the ITIP.
- 3.6. All participants must maintain their own separate account on the books of an OCC Member firm for their proprietary trades. Additionally, it is the responsibility of participants to notify their clearing member firms of participation in the ITIP so that the appropriate fees are applied.
- 3.7. The Exchange reserves the right to disqualify any market participant in part or in full from consideration for ITIP benefits, including with respect to specific transactions. Following the discovery that: (1) a participant's enrollment or participation in ITIP is in violation of one or more terms of the ITIP; or (2) one or more transactions effected by a participant were executed in violation of the Commodity Exchange Act, CFTC regulations or any applicable law, regulation, or Exchange Rule, the Exchange reserves the right to adjust the award of benefits accordingly and to seek reimbursement of any benefits previously awarded. Specifically, if trading fees were waived or discounted for a transaction or transactions later found to be in violation of the Commodity Exchange Act, CFTC regulations or any applicable law, regulation or Exchange Rule, or the participant's participation in the ITIP is later found to be in violation of one or more terms of the ITIP, the ITIP participant agrees by enrolling and participating in the ITIP to retroactively pay the full fee that would have been charged. This is in addition to any other remedies that may be pursued in a disciplinary proceeding under Chapter 7 of the Exchange's Rules.

4. Compliance with Laws, Rules and Regulations

- 4.1. All members and participants in the NYSE Liffe US marketplace are reminded that they remain subject to all applicable laws, rules and regulations otherwise applicable to their activities, including, but not limited to the NYSE Liffe US Rules, the Commodity Exchange Act and the rules and regulations promulgated thereunder.

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For further information in relation to this Notice, Members should contact the following:

New York Office	1 212 656 4300	nyseliffe@nyx.com
Chicago Office	1 312 442 7730	nyseliffe@nyx.com

Appendix

NYSE LIFFE US International Trade Incentive Program (ITIP) Application Form

Applicant Information

1. Name of Individual	
2. Name of Individual's Firm	
3. Individual Trader Mnemonic (ITM) dedicated exclusively to the Applicant's ITIP qualifying transactions:	
4. Address:	
5. Email:	
6. Phone:	
7. By Signing this Agreement, the Applicant agrees to be bound by its terms.	
8. Name of Signatory	
9. Position	

Attachment 1

International Trader Incentive Program for Precious Metals Futures

Eligible Participants

- International market participants

Hours

- Entire trading session

Program Term

- Start Date is September 4, 2012
- End Date is six months after participant enrolls or August 30, 2013, whichever is earliest

Obligations

- Must be individual traders who trade on a discretionary basis for their own account, or for the proprietary account of an employer.
- Participants must be enrolled in this program and must be in full compliance with Exchange rules.

Incentives

- Mini-sized gold and silver futures: Exchange transaction fees waived for the first three months and reduced fees (\$0.10 per side) for the last three months;
- 100 Oz. Gold and 5,000 Oz. Silver Futures: Reduced Exchange transaction fees (\$0.20 per side) for six months.

Monitoring and Termination Status

NYSE Liffe US will monitor participant activity on an ongoing basis, and retains the right to disqualify any participant from, or adjust the award of, ITIP benefits if NYSE Liffe US concludes, from its review that (1) a participant's enrollment or participation in ITIP is in violation of one or more terms of the ITIP; or (2) one or more transactions effected by a participant were executed in violation of the Commodity Exchange Act, CFTC regulations or any applicable law, regulation, or Exchange Rule.