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Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

OFFICE OF THE  
SECRETARIAT

October 13, 2011

**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: Extension and Modifications to E-micro Gold Futures Market Making  
Program on Globex.  
COMEX Submission No. 11-374**

Dear Mr. Stawick:

Commodity Exchange, Inc ("COMEX" or "the Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to extend and also amend certain terms of E-micro Gold Futures Market Making Program on Globex® ("Program"). The Exchange previously self-certified the terms and conditions for the Program in October, 2010. Modifications to the Program will become effective on November 1, 2011.

Exhibit 1 sets forth the terms of this Program with the proposed modifications. The proposed additions to the Program are underscored and the proposed deletions are overstruck.

COMEX business staff responsible for the 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; Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The proposed 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. COMEX'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 proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

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CME certifies that the Program, and all modifications set out in Exhibit 1 comply 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. 11-374 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachments

# EXHIBIT 1

## E-micro Gold Futures Market Maker Program on Globex

### Program Purpose.

The purpose of this Program is to improve liquidity in the E-micro Gold Futures contract ("Product") as a more liquid contract benefits all participants in the market. Although the Product has had some initial success, the Product has not reached the level of liquidity that would allow it to be sustainable without market makers.

### Product Scope

E-micro Gold Futures on Globex®

### Eligible Participants

Up to ten (10) market makers may participate in the Program. Participants can be a CME, CBOT, NYMEX or COMEX trading firm. In determining whether or not a prospective market maker is selected to participate in the Program, COMEX staff may take into account a variety of factors including, but not limited to, the prospective market maker's overall historical volume in other metals contracts traded on the CME Globex Platform, the prospective market maker's ability to commit to and maintain at least the 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.

### Program Term

Start date is October 4, 2010. End date is ~~October 31, 2011~~ March 31, 2012.

### Hours

RTH (7:00am - 4:00pm Chicago Time).

### Obligations

#### Quoting Requirements:

Participants must post a two-sided market for the first two active trading months of the MGC contract cycle months, or for spreads, for the first three active cycle months with a maximum bid/ask spread of 4 ticks for both futures and spreads and minimum volume quote per side for both futures and spread quotes of 10 x10.

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 (including lessee fees if applicable) waived for trades in the Product made by the market maker through a designated account.

#### Fee Credits.

A fee credit of 4.5 cents (\$0.045) will be applied to a participant's designated account for each E-micro Gold Futures contract side traded by the participant.

**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.