

October 17, 2012

VIA E-MAIL

Ms. Sauntia Warfield
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: CME E-micro S&P CNX Nifty futures Marker Maker Program.
CME Submission No. 12-334**

Dear Ms. Warfield:

Chicago Mercantile Exchange Inc. ("CME" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a market making program in support of certain E-micro S&P CNX Nifty futures contracts that are traded on Globex® ("Program"). The proposed Program will become effective on January 2, 2013.

Exhibit 1 sets forth the terms of the 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 Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange'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' obligations under the Program to ensure proper distribution of earned incentives. The incentives in the 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 CME rules include 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 will be subject to the Exchange's record retention policies which comply with the CEA.

CME 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, or contact me at 212-299-2200. Please reference our CME Submission No. 12-334 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

CME E-micro S&P CNX Nifty Futures Market Making Program

Program Purpose

The purpose of the Program is to incent market makers to enhance liquidity in E-micro S&P CNX Nifty Index futures. A more liquid contract on the central limit order book benefits all participants in the market.

Product Scope

E-micro S&P CNX Nifty Index futures on Globex®("Product").

Eligible Participants

The Exchange may designate a limited number of CME E-micro S&P CNX Nifty Index futures market makers, which will be limited to ten (10) participants. Participants can be CME members or non-members. CME staff will use a variety of factors in determining whether or not a prospective market maker is selected to participate in the Program, including past performance in E-micro S&P CNX Nifty Index futures and the ability to commit to and maintain at least the required quoting obligations. Notwithstanding the forgoing, the Exchange may, from time to time, add to or subtract from the factors listed above as it deems necessary.

Program Term

Start date is January 2, 2013. End date is December 31, 2013.

Hours

RTH, ETH, ATH

Obligations

1. **Continuous Market Posting:** Each market maker will be required to post continuous two-sided markets for CME E-micro S&P CNX Nifty Index futures in the lead-month contract and in the calendar spread during the roll each business day at contracted maximum bid offer spreads and minimum quote size during contracted hours.
2. **Account Maintenance:** For audit purposes, a proprietary account through which all market making activity under this Program shall be conducted, must be identified to CME staff.

Program Incentives

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

1. **Fee Discounts.** Participants will receive predetermined CME Clearing and CME Globex fee Discounts.
2. **Performance Stipend:** Each market maker in the Program will receive a predetermined performance stipend per calendar month.
3. **Volume Based Incentive.** Market makers will receive a predetermined monetary incentive based on volume thresholds as determined by CME.

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 or fails to meet the obligations of the Program.