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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

OFFICE OF THE
SECRETARIAT

October 24, 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: NYMEX and COMEX Options Market Making Program on Globex®.
NYMEX/COMEX Submission No. 11-385

Dear Mr. Stawick:

New York Mercantile Exchange, Inc. ("NYMEX") and the Commodity Exchange, Inc ("COMEX") (NYMEX and COMEX collectively the "Exchanges") hereby notify the Commodity Futures Trading Commission ("Commission") that it plans to implement a Market Making Program for certain metals and energy contracts on Globex® ("Program"). The proposed Program will become effective on November 8, 2011.

Exhibit 1 sets forth the terms of the proposed Program.

NYMEX and COMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, NYMEX and 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. The Exchanges' 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' obligations under the Program 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 NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchanges in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The proposed Program will be subject to the Exchanges' record retention policies which comply with the CEA.

CME certifies that the Program complies 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 Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>

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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 NYMEX/COMEX Submission No. 11-385 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

NYMEX and COMEX Options Market Making Program on Globex®

Program Purpose.

The purpose of this Program is to incent market makers to enhance liquidity in the Products listed below. A more liquid contract benefits all participants in the market.

Product Scope

Gold Options, Silver Options, Copper Options, Light Sweet Crude Oil Options and Natural Gas Options on Globex®

Eligible Participants

There is no limit to the amount of participants that may be selected into the Program. Participants can be a NYMEX or COMEX member or non-member trading firm. In determining whether or not a prospective market maker is selected to participate in the Program, NYMEX and COMEX staff may take into account a variety of factors including, but not limited to, the prospective market maker's overall historical volume and experience in the Products and other energy and metals options 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 November 8, 2011. End date is October 31, 2013.

Hours

RTH (Gold Options, Silver Options and Copper Options: 7:00am - 12:30pm Chicago Time).
(Light Sweet Crude Oil Options and Natural Gas Options: 8:00am-1:30pm Chicago Time).

Obligations

Quoting Requirements:

During the applicable RTH hours, participants must post a two-sided market for designated trading months of at least one (1) of the Products above with a contracted maximum bid/ask spread and minimum volume quote per side.

Additionally, participants may be required to respond to requests for quotes (RFQ) for the Products during the applicable RTH within a designated amount of time and for a designated percentage of time.

Program Incentives: For each Product above that a market maker successfully performs its obligations, the market maker shall receive the following incentives:

1. Mass Quote Message. NYMEX/COMEX shall permit the market maker to submit quotes for the Product using the Mass Quote message under an assigned identification granted by NYMEX staff.
2. Quotes Per Seconds. Additionally, NYMEX shall allocate to market makers the ability to submit up to a designated amount of Quotes Per Second for the Products.

Monitoring and Termination of Status

The Exchanges 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.