

November 13, 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: New Globex Market Makers for European Emissions  
NYMEX Submission No. 13-528**

Dear Ms. Jurgens:

New York Mercantile Exchange, Inc. (“NYMEX” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it plans to implement the New Globex Market Makers for European Emissions program (“Program”). The proposed Program will become effective on December 1, 2013.

Exhibit 1 sets forth the terms of the Program.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles (the “Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). During the review, NYMEX 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’s structure will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the CEA. CME Group Market Regulation Staff will monitor trading in the Program’s products for the purpose of detecting and preventing manipulative trading and/or market abuse. CME Group has implemented systems to track Program participants’ trading activity to ensure proper distribution of earned incentives. The products included in this Program are listed for trading in the open and competitive market. Therefore, the incentives under this Program protect any price discovery taking place in the centralized market. Participants in the Program will be selected by NYMEX 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 NYMEX in which each participant will expressly agree to comply with, and be subject to, applicable regulations and NYMEX rules. Additionally, the Program will be subject to the Exchange’s record retention policies, which comply fully with the CEA.

NYMEX 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 Tim Elliott at 312-466-7478 or via e-mail at [tim.elliott@cmegroup.com](mailto:tim.elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our NYMEX Submission No. 13-528 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## New Globex Market Makers for European Emissions

### Program Purpose

The purpose of the Program is to incentivize participants to increase Globex liquidity in the products listed below. A more liquid contract on the central limit order book benefits all participants in the marketplace.

### Product Scope

European Union Allowance futures and spread contracts that are traded on the Globex Platform or cleared via CME ClearPort ("Product(s)").

### Eligible Participants

NYMEX may designate up to two (2) participants in the Program. Participants may be NYMEX members or non-members. In order to be considered for selection into the Program, potential participants must submit a Bid Sheet to the Exchange which is used to determine eligibility. When selecting participants for the Program, NYMEX will take into account the following factors: (i) historical volume and experience trading the Products and similar contracts, and (ii) the participant's ability to commit to and maintain the required quoting obligations for the duration of the Program. Notwithstanding the foregoing, NYMEX, in its sole discretion, may add or subtract from the aforementioned criteria as it deems necessary.

### Program Term

Start date is December 1, 2013. End date is July 30, 2014.

### Hours

ETH

### Obligations

Quoting Requirements. Participants in the Program must quote continuous two-sided markets in designated contract months of the Products during ETH at contracted maximum bid/ask spreads and at contracted minimum depth.

Participants are subject to reasonable reporting requirements, including providing supporting documentation for purposes of auditing Program compliance.

### Incentives

Upon completing all obligations as determined by NYMEX, participants will be entitled to the following incentives:

1. *Execution Fee Waivers on Globex:* Participants in the Program will receive execution fee waivers for Products executed by participants on Globex during ETH or submitted for clearing by participants via CME ClearPort during ETH.
2. *Participation Stipend:* Participants in the Program may receive a monthly participation stipend.

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

CME Group shall monitor market participants' activity in the Products. CME Group retains the right to revoke Program participant status at any time. Participant account information will be reported to Market Regulation for self-match trade monitoring.