



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

November 14, 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: NYMEX Brent WTI Incentive Program  
NYMEX Submission No. 12-376R**

Dear Ms. Warfield:

New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement an incentive program in support of certain NYMEX Brent and West Texas Intermediate ("WTI") contracts that are traded on CME Globex® ("Program"). The proposed Program will become effective on November 30, 2012.

Please note that the Exchange is making non-material revisions to NYMEX Submission No. 12-376 in order to correct a typo in Exhibit 1. A copy of this submission with black-line changes from 12-376 is attached hereto as Appendix A.

Exhibit 1 sets forth the terms of this Program.

NYMEX 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 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 nevertheless 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' volume 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 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 NYMEX rules. The Program is subject to the Exchange's record retention policies which comply 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 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. 12-376R in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Enclosure

# **EXHIBIT 1**

## **NYMEX BRENT WTI INCENTIVE PROGRAM**

### **Program Purpose**

The purpose of this Program is to encourage participants to increase their Globex® volume enhancing market liquidity for the products listed below. The resulting central limit order book liquidity benefits all participants in the market.

### **Product Scope**

Brent Crude Oil Last Day Financial Futures("BZ"), Brent 25-Day Futures("NBZ") and Light Sweet Crude Oil Futures ("CL") contracts that are traded on the CME Globex Platform ("Products").

### **Eligible Participants**

NYMEX may designate up to ten (10) participants in the Program. Participants may be a NYMEX member or non-member firm. In order to qualify for the Program, a potential applicant (i) must be a non-U.S. based trading firm, and (ii) cannot receive incentives through another Brent futures volume incentive program. NYMEX may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

### **Program Term**

Start date is November 30, 2012. End date is December 31, 2013.

### **Hours**

N/A

### **Incentives**

For each calendar month that a participant meets pre-determined average daily volume requirements in certain NYMEX products, the applicable participant shall be eligible for predetermined fee discounts.

### **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 has failed to meet its obligations or no longer meets the eligibility requirements of the Program.

# APPENDIX A



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