



RECEIVED
CFTC

2011 NOV 17 PM 3:40

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

November 16, 2011

OFFICE OF THE
SECRETARIAT

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: Latin America Commodity Commercial Incentive Program
CME/CBOT/NYMEX/COMEX Submission No. 11-427**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc ("CME"), the Board of Trade of the City of Chicago, Inc ("CBOT"), the New York Mercantile Exchange, Inc ("NYMEX"), and the Commodity Exchange, Inc ("COMEX") (CME, CBOT, NYMEX, and COMEX collectively the "Exchanges") hereby notifies the Commodity Futures Trading Commission ("Commission") of the implementation of an Incentive Program in support of certain agricultural, energy and metals products traded on Globex® ("LACIP" or "Program"). The proposed Program will become effective on December 4, 2011.

Exhibit 1 sets forth the terms of the proposed Program.

The Exchanges' business staff responsible for the Program and the Exchanges' legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, the Exchanges' staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules and Record Keeping.

The proposed Program's incentive structure does not incentivize manipulative trading or market abuse and does not impact the Exchanges' ability to perform its trade practice and market surveillance obligations under the CEA. The Exchanges' market regulation staff will nevertheless continue to monitor all market participants that trade under the Program to prevent manipulative trading and market abuse. The incentives in the proposed Program do not impact the Exchanges' order execution. Participants in the Program will be selected by the Exchanges' staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program is subject to these rules. The proposed Program will be subject to the Exchanges' record retention policies which comply with the CEA.

CME, CBOT, NYMEX, and COMEX certify that the Program complies with the Commodity Exchange Act and the regulations thereunder. There were no substantive opposing views to this Program.

Mr. David Stawick
November 16, 2011
Page 2

The Exchanges certify that this submission has been concurrently posted on the Exchanges' 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/CBOT/NYMEX/COMEX Submission No. 11-427 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

LATIN AMERICA COMMODITY COMMERCIAL INCENTIVE PROGRAM

Program Purpose.

The purpose of this Program is to incentivize commercial hedgers in Latin American countries to trade the products listed below on the CME Globex Platform. The resulting increase in liquidity in the products listed below benefits all participant segments in the market.

Product Scope

All CME Agricultural futures and options on Globex®, all CBOT standard-sized and mini-sized Agricultural products on t Globex®, all NYMEX standard-size Energy products on Globex® and all NYMEX/COMEX standard sized Energy futures products on Globex® ("Products").

Eligible Participants

There is no limit to the amount of participants that may be selected in the Program. All approved CME, CBOT, NYMEX and COMEX non-members may participate. Additionally participants must meet the following criteria:

To qualify for LACIP, a commercial hedger must:

- Be located in a Latin American country. (See below)
- Be a commercial firm involved in the physical agriculture, energy or metals commodity markets, defined as a firm whose primary business involves at least one of the following: extracting, growing, processing, refining and/or merchandising of commodities. Provide information justifying this status, for example any industry association membership, annual report, etc.
- Have all traders physically located in Latin America.
- Complete an LACIP application and be approved by the Exchanges.
- Execute all trades in the LACIP participant's name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LACIP participant.
- Have a relationship with an Exchange clearing member.

The following countries qualify for the LACIP:

Argentina	French Guiana	Panama
Aruba	Guadeloupe	Paraguay
Belize	Guatemala	Peru
Bolivia	Guyana	Puerto Rico
Brazil	Haiti	Saint Martin
Chile	Honduras	Saint Pierre and Miquelon
Colombia	Jamaica	Suriname
Costa Rica	Martinique	Uruguay
Dominican Republic	Mexico	Venezuela
Ecuador	Netherlands Antilles	
El Salvador	Nicaragua	

Program Term

Start date is December 4, 2011. End date is December 31, 2012.

Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

Program Incentives:

Once accepted into the Program, participants will be eligible to receive the following incentives:

Fee Discounts. Participants will be eligible to receive fee discounts for the Products that are traded on Globex® in accordance with the following table:

Product Category (For Executed trades on Globex only)	LACIP fees (per side)
CME Agricultural Products - Futures	\$1.50
CME Agricultural Products - Options	\$0.81
CBOT Agricultural Products - Standard size contracts	\$1.35
CBOT Agricultural Products - Mini-sized contracts	\$0.81
NYMEX Energy Products - Standard size contracts	\$1.00
COMEX Metals Products – Standard size contracts (futures only)	\$1.00

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.