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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

November 15, 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: Non-Member Cross-Venue Incentive Program for NYMEX Energy Products
NYMEX Submission No. 11-420**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc ("NYMEX," the "Clearing House", or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a Cross Venue Incentive Program for certain NYMEX energy products, including those that are traded on the CME Globex Platform, traded via open outcry on the NYMEX trading floor and over-the-counter energy products cleared by NYMEX ("Program"). This Program will become effective on December 2, 2011.

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 and the derivatives clearing organization core principles (collectively the "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;

Designated Contract Market Core Principles: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The proposed Program will not impact the Exchange's ability to perform their trade practice and market surveillance obligations under the CEA and NYMEX market regulation staff will continue to monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. Additionally, NYMEX has implemented systems to track Program participants' volume 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 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. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

Derivatives Clearing Organization Core Principles: Financial Resources, Participant and Product Eligibility, Rule Enforcement, Recordkeeping and Information Sharing;

The incentives in this Program will have a non-material impact on the financial resources of the Clearing House. As such, it will not prevent the Clearing House from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as a DCO. When selecting an applicant into the Program, NYMEX will take into account multiple factors from a candidate firm including those set forth in Exhibit 1. The incentives provided under the Program will not impact the Clearing House's ability to perform its monitoring or enforcement obligations under the CEA.

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Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute an application or contractual agreement with the Clearing House 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 Clearing House's records retention policies which comply with the CEA. A potential participant who wishes to subscribe to the Program may contact the Exchange to receive further information regarding the fees that are charged to Program participants.

NYMEX certifies that the Program complies with the Commodity Exchange Act and the regulations thereunder. There were no substantive opposing views to this Program.

NYMEX certifies that this submission has been concurrently posted on the NYMEX 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 NYMEX Submission No. 11-420 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

Non-Member Cross-Venue Incentive Program for NYMEX Energy Products

Program Purpose.

The purpose of this Program is to incentivize trading in NYMEX energy products across all NYMEX venues for non-member trading firms with historically low volume levels. Increasing the overall volume levels in the products below will enhance market liquidity. A more liquid contract benefits all participants in the market.

Product Scope

All NYMEX energy products that are (i) traded on the Globex Platform, (ii) traded on the NYMEX floor via open outcry, or (iii) OTC energy products submitted to and cleared by NYMEX ("Products").

Eligible Participants

NYMEX may designate up to three (3) participants in the Program. Participants must be NYMEX non-members. In order to be considered for the Program, an applicant must (i) be a newly formed trading firm; (ii) have, over a recent time period, maintained a significantly low average daily volume in the Products and (iii) have demonstrated to NYMEX the ability to increase volume across all venues within a short period of time.

Program Term

Start date is December 2, 2011. End date is December 31, 2011.

Hours

N/A

Incentives

Once accepted into the Program, participants will receive reduced fee rates for all trades executed and/or cleared in 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 of the Program.