



RECEIVED
CFTC

2011 NOV 17 PM 3:46

OFFICE OF THE
SECRETARIAT

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

November 16, 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: Latin American Fund Manager Incentive Program
CME/CBOT/NYMEX/COMEX Submission No. 11-429**

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 for Fund Management Firms ("Fund Managers") in the Latin America region ("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.

The Exchanges certify that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>

Mr. David Stawick
November 16, 2011
Page 2

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. 11-429 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

LATIN AMERICA FUND MANAGER INCENTIVE PROGRAM

Program Purpose.

The purpose of this Program is to incentivize Fund Managers 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, CBOT, NYMEX, and COMEX products available for trading on the Globex Platform ("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 LMIP, a Fund Manager must:

- Be located in a Latin American country. (See below)
- Have assets under management of at least US\$100 million.
- Be registered and licensed by the government regulator in their respective country in Latin America and must submit to the Exchanges all related documentation of such registrations and licenses.
- Have all traders physically located in Latin America.
- Complete a FMIP application and be approved by the Exchanges.
- Register Approved Funds with the Exchanges. Approved Fund accounts will receive discounted fees only on fund accounts that are solely managed by the FMIP participating Fund Manager. The FMIP participant must submit documentation showing they are the authorized manager of the fund account applying for discounted fees.
- Trade the account of a hedge fund, certain specialized government-sponsored pension funds, commodity pool or other collective investment vehicle. Individual managed accounts, private pension funds and mutual funds do not qualify for the program.
- Execute all trades in the name of the Approved Fund account managed by the qualified FMIP firm.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the FMIP participant.

The Fund managers from the following countries qualify for the LMIP:

Argentina	Ecuador	Panama
Belize	El Salvador	Paraguay
Bolivia	French Guiana	Peru
Brazil	Guatemala	Suriname
Chile	Guyana	Uruguay
Colombia	Honduras	Venezuela
Costa Rica Mexico	Mexico	
Dominican Republic	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)	LABIP fees (per side)
CME Products	
E-mini Equity Index - futures	\$0.75
E-mini Equity Index - option	\$0.44
Full Size Equity Index contract	\$1.50
Interest Rate contracts	\$0.75
Foreign Exchange contract	\$1.00
Agricultural contracts - future	\$1.50
Agricultural contracts - option	\$0.81
CBOT Products	
Mini Equity contracts *	\$0.075
Full size Equity contract	\$0.90
Interest Rates contract	\$0.50
Agricultural contract	\$1.35
NYMEX Products	
Energy contracts (Physicals) on CME Globex	\$1.00
COMEX Product	
Metals futures contracts (Physicals) on CME Globex	\$1.00

* For CBOT Mini Dow product only

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.