



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

November 27, 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: Modifications to CME Non-Member Globex Fee Discount Program for Foreign Exchange Options.  
CME Submission No. 12-412**

Dear Ms. Warfield:

Chicago Mercantile Exchange Inc. ("CME" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") of proposed modifications to the CME Non-Member Globex Fee Discount Program for Foreign Exchange Options ("Program"). The proposed modifications to the Program will become effective on January 2, 2013.

Exhibit 1 sets forth the terms of the Program. The modifications appear below with additions underscored and deletions ~~overstruck~~.

CME business staff responsible for the Program and the CME legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, CME 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.

The Program and proposed modifications do not incentivize manipulative trading or market abuse and do 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. The Program does not impact the Exchange's order execution. All non-members that execute trades in Foreign Exchange ("FX") Options traded on Globex® shall be entitled to participate. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules.

CME certifies that the Program and proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or proposed modifications.

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 CME Submission No. 12-412 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachments

# EXHIBIT 1

## CME Non-Member Globex® Fee Discount Program for FX Options

### **Program Purpose.**

The purpose of this Program is to incentivize non-members to trade FX Options on the CME Globex® platform. The resulting increase in central limit order book liquidity for FX Options on the CME Globex platform benefits all participant segments in the market.

### **Product Scope**

FX Options contracts that are traded on the CME Globex® Platform (“Products”)

### **Eligible Participants**

All non-members are eligible to participate. The fee discount described below will be automatically applied to all executed trades in the Products.

### **Program Term**

Start date is December 13, 2011. End date is ~~December 31, 2012~~ December 31, 2013.

### **Hours**

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

### **Program Incentives:**

Fee Discounts All non-members that trade the Product will have their Globex® execution fees discounted to ~~\$0.40~~ \$0.50 from the normal price of \$1.00 for trades executed in the Products.

### **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 no longer meets the eligibility requirements of the Program.