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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 02, 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: Regulation 40.6(a): CME FX Bank Incentive Program
CME Submission No. 11-438**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc ("CME" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") of the implementation of an Incentive Program for commercial banks in support of Foreign Exchange/Currency ("FX") proprietary electronic trades on the CME Globex® electronic trading platform ("BIP" or "Program"). The proposed Program will become effective on December 19, 2011.

Exhibit 1 sets forth the terms of the proposed Program.

The Exchange's business staff responsible for the Program and the Exchange's 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 Exchange's 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 Record Keeping.

The proposed Program's incentive structure does not incentivize manipulative trading or market abuse and does 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 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 Exchange's order execution. Participants in the Program will be selected by the Exchange's staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchange's 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 Exchange's record retention policies which comply with the CEA.

CME certifies that the Program complies with the Commodity Exchange Act 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>

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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 Submission No. 11-438 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

CME FX BANK INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to incentivize commercial banks to trade FX products for their proprietary accounts 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 FX 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 members and non-members may participate. Additionally participants must meet the following criteria:

To qualify for BIP, a participant must be a private bank, commercial bank, or central bank and:

- Complete a BIP application and be approved by the Exchange
- Execute all trades in the bank's name
- Register all participating traders who must be bona fide employees or independent contractors of the bank
- Have a relationship with an Exchange clearing firm

Program Term

Start date is December 19, 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®. BIP participants will be charged the following fees:

FX Products (For Executed trades on Globex only)	Rate
CME Globex Transaction fee	10 ¢
CME Clearing fee	44 ¢
Total Fee	54 ¢

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.