



**CME Group**

Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

December 4, 2013

**VIA E-MAIL**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: Modifications to the Latin America Bank Incentive Program  
CME/CBOT/NYMEX/COMEX Submission No. 13-398**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME"), the Board of Trade of the City of Chicago, Inc. ("CBOT"), the New York Mercantile Exchange, Inc. ("NYMEX"), and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") that they plan to modify the Latin America Bank Incentive Program ("LABIP" or "Program"). The modifications to the Program will become effective on January 2, 2014.

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

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity 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, Compliance with Rules, and Recordkeeping.

The 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 monitor trading in the products in order to prevent manipulative trading and market abuse. The incentives in the 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 Program is subject to these rules. The 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 CEA and the regulations thereunder. There were no substantive opposing views to this Program or the modifications to the 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>.

If you require any additional information regarding this submission, please contact Tim Elliott at 312-466-7478 or via e-mail at [Tim.Elliott@cmegroup.com](mailto:Tim.Elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our CME/CBOT/NYMEX/COMEX Submission No. 13-398 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## LATIN AMERICA BANK INCENTIVE PROGRAM

### Program Purpose

The purpose of this Program is to incentivize banks 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 LABIP, a bank must:

- Be located in a Latin American country. (See below)
- Have all traders physically located in Latin America.
- Complete a LABIP application and be approved by the Exchanges.
- Execute all trades in the LABIP participant's name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LABIP participant.
- Have a relationship with an Exchange clearing member.

#### Banks from the following countries qualify for the LABIP:

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, 2013~~ December 31, 2014.

### 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:

<b>Product Category (For Executed trades on Globex only)</b>	<b>LABIP fees (per side)</b>
<b>CME Products</b>	
E-mini Equity Index – Futures	\$0.75 <u>\$0.76</u>
E-mini Equity Index – Options	\$0.44 <u>\$0.445</u>
<u>Full Size Equity Index – Futures</u>	<u>\$1.55</u>
Full Size Equity Index – <u>Options</u>	\$1.50
<u>E-micro Equity Index Contracts</u>	<u>\$0.50</u>
Interest Rate Contracts	\$0.44
Foreign Exchange – <u>Full Size Futures contract</u>	\$1.00
<u>Foreign Exchange – Options</u>	<u>\$1.00</u>
<u>Foreign Exchange – E-mini Contracts</u>	<u>\$0.54</u>
<u>Foreign Exchange – E-micro Contracts</u>	<u>\$0.10</u>
Agricultural Contracts – Futures	\$1.50
Agricultural Contracts – Options	\$0.81
<u>Weather Contracts</u>	<u>\$0.245</u>
<b>CBOT Products</b>	
Mini Equity Contracts **	\$0.75
Full Size Equity Contracts	\$0.90
Interest Rates Contracts	\$0.44
<u>Full Size Agricultural Contracts</u>	\$1.35
<u>Mini Agricultural Contracts</u>	<u>\$0.81</u>

<b>NYMEX Products</b>	
Energy Contracts (Physicals) on CME Globex	\$1.00
<b>COMEX Products</b>	
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 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.