



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 Fund Manager Incentive Program
CME/CBOT/NYMEX/COMEX Submission No. 13-399**

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 Fund Manager Incentive Program ("LAFMIP" 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 and the proposed modifications will 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 Exchanges' 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, or contact me at 212-299-2200. Please reference our CME/CBOT/NYMEX/COMEX Submission No. 13-399 in any related correspondence.

Sincerely,

/s/ Christopher K. Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

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 LAFMIP, 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 LAFMIP 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 LAFMIP participating Fund Manager. The LAFMIP 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 LAFMIP firm.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LAFMIP participant.

Fund managers from the following countries qualify for the LAFMIP:

Argentina
Belize
Bolivia
Brazil
Chile
Colombia
Costa Rica Mexico
Dominican Republic
Ecuador
El Salvador

French Guiana
Guatemala
Guyana
Honduras
Mexico
Nicaragua
Panama
Paraguay
Peru
Suriname

Uruguay
Venezuela

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 discounted fees for the Products that are traded on Globex in accordance with the following table:

Product Category (For Executed trades on Globex only)	LAFMIP fees (per side)
CME Products	
E-mini Equity Index – Futures	\$0.75 <u>\$0.76</u>
E-mini Equity Index – Options	\$0.44 <u>\$0.445</u>
Full Size Equity Index – Futures	<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	\$0.75
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>
CBOT Products	

Mini Equity Contracts **	\$0.75
Full Size Equity Contracts	\$0.90
Interest Rates Contracts	\$0.50
Full Size Agricultural Contracts	\$1.35
<u>Mini Agricultural Contracts</u>	<u>\$0.81</u>
NYMEX Products	
Energy Contracts (Physicals) on CME Globex	\$1.00
COMEX Products	
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 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.