



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

December 10, 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: Extension of CME/CBOT Interest Rate Options Give Up Incentive Program  
CME/CBOT Submission No. 13-466**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME") and the Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") that they plan to extend the Interest Rate Options Give Up Incentive Program ("Program") through December 31, 2014. The Program was set to expire on December 31, 2013. The extension will become effective on January 2, 2014.

Exhibit 1 sets forth the terms of this Program. 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, CME/CBOT staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Monitoring of Trading, Execution of Transactions, Protection of Market Participants, and Compliance with Rules.

The Program does not impact the Exchanges' ability to perform its trade practice and market surveillance obligations under the CEA and the Exchanges' have implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The tiered incentives in the Program do not impact the Exchanges' order execution. Participants in the program will be selected by 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.

CME and CBOT certify that the Program complies with the CEA 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 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](mailto:tim.elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our CME/CBOT Submission No. 13-466 in any related correspondence.

Sincerely,

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

Attachment: Exhibit 1

# EXHIBIT 1

## CME/CBOT INTEREST RATE OPTIONS GIVE UP INCENTIVE PROGRAM

### **Program Purpose**

The purpose of this Program is to encourage executing brokers to increase their volume in the products listed below, enhancing market liquidity. A more liquid contract benefits all participants in the market.

### **Product Scope**

The following CME/CBOT Interest Rate ("IR") options products ("Products"):

Eurodollar options  
Euroyen options  
Treasury options  
Fed Funds options

### **Eligible Participants**

There is no limit to the number of executing brokers who may participate under the Program. Participants may be CME or CBOT members or non-members. In order to qualify for the Program, potential participants must (i) have, over a recent period of time, consistently maintained at least 500,000 interest rate options give ups over a calendar month and (ii) during that time, maintain at least a thirty three percent (33%) of the total give up volume from CME/CBOT interest rate options.

### **Program Term**

Start date is January 6, 2012. End date is ~~December 31, 2013~~ December 31, 2014.

### **Hours**

N/A

### **Tiered Volume Incentives**

Once accepted into the Program, participants will be eligible to participate in tiered volume incentives whereby participants may be charged reduced give-up surcharges for the Products. The tiered volume levels are predetermined by CME/CBOT and are based on a participant's monthly give-up volume in the Products during an applicable calendar month.

### **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 they conclude from review that a Program participant no longer meets the eligibility requirements of the Program.