



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: Modifications to the Asia-Pacific Incentive Program  
CME/CBOT/NYMEX/COMEX Submission No. 13-486**

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") of modifications to the Incentive Program for banks in the Asia-Pacific region ("AIP" or "Program"). The proposed modifications will become effective on January 2, 2014.

Exhibit 1 sets forth the terms of the 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, 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 Record Keeping.

The Program 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 Program's products 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 is 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.

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/NYMEX/COMEX Submission No. 13-486 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## ASIA-PACIFIC INCENTIVE PROGRAM

### **Program Purpose**

The purpose of this Program is to incentivize banks in Asian 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**

The CME, CBOT, NYMEX and COMEX products traded on Globex® that are listed in the table below (“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 AIP, a bank must:

- Be located in an Asian-Pacific country.
- Complete an AIP application and be approved by the Exchanges.
- Execute all trades in the AIP participant’s name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the AIP participant.
- Have a relationship with an Exchange clearing member.

### **Program Term**

Start date is December 5, 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:

Product Category (For Executed trades on Globex only)	AIP fees (per side)
<b>CME Products</b>	
E-mini Equity Index - futures	\$0.75 <u>\$0.76</u>

E-mini Equity Index - options	<del>\$0.44</del> <u>\$0.445</u>
Full Size Equity Index <del>Products</del> - futures	<del>\$1.50</del> <u>\$1.55</u>
<u>Full Size Equity Index – options</u>	<u>\$1.50</u>
<u>E-micro Equity Index Contracts</u>	<u>\$0.50</u>
Interest Rate contracts	\$0.44
<u>Full Size Foreign Exchange contracts – futures</u>	\$1.00
<u>Foreign Exchange – options</u>	<u>\$1.00</u>
<u>E-mini Foreign Exchange Contracts</u>	<u>\$0.54</u>
<u>E-micro Foreign Exchange 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 **	<u>\$0.075</u>
Full Size Equity contract	\$0.90
<u>U.S. Treasury Futures</u>	<u>\$0.44</u>
<u>U.S. Treasury Options</u>	<u>\$0.44</u>
<del>Interest Rates contract</del> <u>Other Financial Contracts</u>	\$0.44
<u>Full Size Agricultural contract</u>	\$1.35
<u>Mini Agricultural Contracts</u>	<u>\$0.81</u>
<b>NYMEX Products</b>	
Energy contracts (Physicals)	\$1.00
<b>COMEX Product</b>	
Metals futures contracts (Physicals) – Futures only	\$1.00

\*\* For CBOT Mini Dow product only

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