



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 11, 2012

VIA E-MAIL

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

**RE: Modifications to NYMEX International Firm Volume Incentive Program
NYMEX Submission No. 12-439**

Dear Ms. Warfield:

New York Mercantile Exchange, Inc (“NYMEX” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (“Commission”) that it plans to modify the International Firm Volume Incentive Program (“Program”). The proposed modifications to the Program will become effective on January 2, 2013.

Exhibit 1 sets forth the terms of this Program. Modifications appear below with additions underscored and deletions ~~overstruck~~.

NYMEX business staff responsible for the Program and proposed modifications and the NYMEX legal department collectively reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodities Exchange Act (“CEA”). During the review, NYMEX 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 proposed modifications will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange has implemented systems to track Program participants’ volume to ensure proper distribution of earned incentives. The incentives in the Program will not impact the Exchange’s order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program and proposed modifications will be subject to the Exchange’s record retention policies which comply with the CEA.

NYMEX certifies that the Program and proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program and proposed modifications.

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>

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 NYMEX Submission No. 12-439 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

NYMEX INTERNATIONAL FIRM VOLUME INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to encourage international trading firms to increase their Globex® volume enhancing market liquidity for the products listed below. A more liquid contract benefits all participants in the market.

Product Scope

Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures, and RBOB Gasoline futures that are traded on the CME Globex® Platform ("Products").

Eligible Participants

There is no limit to the number of participants under the Program. Participants may be NYMEX members or non-members based outside of the United States. NYMEX, in its sole discretion, will select international prospective participants' based on recent average daily volume in the Products traded on Globex. NYMEX may, from time to time, add or subtract from the above factors as it deems necessary.

Program Term

Start date is July 1, 2012. End date is ~~December 31, 2012.~~ December 31, 2013.

Hours

N/A

Progressive Tiered Volume Incentives

Once accepted into the Program, participants will be eligible to participate in progressive tiered volume incentives whereby participants may be charged a reduced fee rate for the Products that a participant trades on the CME Globex® Platform during regular trading hours. The progressive tiered volume levels are predetermined by NYMEX and are based on a participant's combined average daily volume of contracts traded in the Products on Globex measured during an applicable calendar month.

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.