



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 12, 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 International Cross-Asset Volume Incentive Program
CME/CBOT/NYMEX/COMEX Submission No. 13-424**

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 International Cross-Asset Volume Incentive Program ("Program"). The proposed modifications to the Program 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 incentive structure of the Program and proposed modifications do not impact the Exchanges' ability to perform their 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 and proposed modifications will be subject to the Exchanges' record retention policies which comply with the CEA.

CME, CBOT, NYMEX, and COMEX certify that the Program and proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program and the proposed modifications.

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. 13-424 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

INTERNATIONAL CROSS-ASSET INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to incentivize high volume proprietary trading firms and trading arcades located outside North America 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 following products are included:

- All CME products available for trading on both the Globex® Platform and all open outcry and ex-pit transactions for Interest Rate futures and options products, which collectively, are currently eligible for the International Incentive Program (“IIP”);
- All CBOT products available for trading on both the Globex® Platform and all open outcry and ex-pit transactions for Interest Rate futures and options products, which collectively, are currently eligible for IIP;
- The following NYMEX products available for trading on the Globex® Platform: Brent Crude Oil Penultimate Financial Futures; Brent Look-Alike Crude Oil Options; Short-Term Crude Oil Options; Light Sweet Crude Oil (WTI) Futures; WTI Look-Alike Options; Light Sweet Crude Oil Options; Gulf Coast Sour Crude Oil Futures; WTI Calendar Spread (1 Month) Options; Western Canadian Select (WCS) Crude Oil Futures; UxC Uranium U3O8 Futures; Henry Hub Natural Gas Calendar Spread (1 month) Options; Henry Hub Natural Gas Look-Alike Options; Henry Hub Natural Gas Futures; Henry Hub Natural Gas Options; Short-Term Natural Gas Options; Heating Oil Crack Spread Options; Heating Oil Calendar Spread Options; Heating Oil Futures; RBOB Gasoline Options; Heating Oil Options; RBOB Gasoline Futures; RBOB Gasoline Crack Spread Options; RBOB Gasoline Calendar Spread (1 month) Options; Platinum Futures; Palladium Futures; and
- The following COMEX products available for trading on the Globex® Platform: Gold Futures; Copper Futures; Silver Futures (collectively, the “Products”).

Eligible Participants

The Exchanges may select up to twenty-five (25) participants for the Program. Participants must be distinct legal entities located outside of North America who have registered for and are in good standing with the IIP. Wholly owned (100%) subsidiaries may register together for the Program.

Additional Arcade Firm Requirements:

- Teams of individuals with joint profits and losses under a participating arcade firm must be registered and approved by the Exchanges to be eligible for discounted rates under the arcade firm. Teams that adjust their legal status for the purpose of achieving lower combined rates may not be accepted into the Program.
- Individual traders under the participating arcade firm must either (i) be receiving less than eighty percent (80%) of profits and losses (as required under the IIP program); or (ii) be self-funded traders who:
 - Have primary income coming from trading;

0	1000	\$0.44	\$0.54	\$0.49	\$0.75		\$0.81
1001	2000	\$0.30	\$0.40	\$0.40	\$0.55	<u>Applicable HP Rate</u>	\$0.55
2001	3000						
3001	5000						
5001	10000	\$0.22	\$0.35	\$0.35	\$0.45		
10001	20000						
20001	25000						
25001	50000						

Min ADV (sides)	Max ADV (sides)	IR (All Venues)	FX	Equity	Energy	Ags
0	1000	\$0.44	\$0.54	\$0.50	\$0.75	\$0.81
1001	2000	\$0.30	\$0.40	\$0.41	\$0.65	\$0.55
2001	3000					
3001	5000					
5001	10000	\$0.22	\$0.35	\$0.36	\$0.55	
10001	20000					
20001	25000					
25001	50000					

2. ~~Additional Fee Discounts: Qualifying Participants that meet the Product Group ADV requirements (as set forth in 2(b) below,) measured over an applicable Qualifying Period (as set forth in 2(a) below) will be eligible to receive additional discounts on select Product Groups during a corresponding Incentive Period.~~

a. ~~Qualifying Periods/Incentive Periods.~~ For the purposes of the additional fee discounts, the Program's Qualifying Periods and corresponding Incentive Periods are as follows:

Qualifying Period	Corresponding Incentive Period
July 16, 2012 - October 15, 2012	November 1, 2012 - December 31, 2012
September 16, 2012 - December 15, 2012	January 1, 2013 - March 31, 2013
December 16, 2012 - March 15, 2013	April 1, 2013 - April 30, 2013

b. ~~The select Product Groups, corresponding Product Group ADV requirements and additional fee discounts are as follows~~

i. ~~Energy:~~

Minimum ADV Requirement (sides)	Additional Fee Discount
1000 energy contracts on Globex	\$0.15 for each energy contract traded during the applicable Incentive Period

ii. ~~Agricultural Products:~~

Minimum ADV Requirement (sides)	Additional Fee Discount
100 agricultural contracts on Globex	\$0.20 for each agricultural contract traded during the applicable Incentive Period

iii. ~~Equity Contracts:~~

Minimum ADV Requirement (sides)	Additional Fee Discount
25,000 Equity contracts on Globex	\$0.10 for each Equity contract exceeding the 25,000 ADV level traded during the applicable Incentive Period

2. Restrictions: Participants may choose to participate in the Program on a Product Group by Product Group basis, but must select which Product Groups they want to include under the Program when submitting their initial application. Participants may not receive incentives under the IIP for volumes in Products counted toward the Program.

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 or fails to meet the obligations of the Program.