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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 14, 2011

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Implementation of CME FX EFP Surcharge Volume Incentive Program
CME Submission No. 11-509**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc ("CME" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a CME FX EFP Surcharge Volume Incentive Program ("Program"). The proposed Program will become effective on January 1, 2012.

Exhibit 1 sets forth the terms of the proposed Program.

CME business staff responsible for the Program and the CME legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, CME staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules.

The proposed Program is a general fee waiver that applies to all market participants and thus does not incentivize manipulative trading or market abuse and does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange's market regulation staff will nevertheless continue to monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. The reduced surcharges that may be earned through bona fide transactions under the Program incentivize centralized clearing in the products listed in Exhibit 1 and lead to increases in and development of open interest in the products listed in Exhibit 1. As a result, we believe that the increases in open interest levels provides the basis upon which a centralized trading market can develop, particularly with the development of a more fluid and liquid product traded on the Globex Platform. Participants in the Program shall be selected by CME staff using the criteria as further stated in Exhibit 1. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program is subject to these rules.

CME certifies that the Program complies with the Commodity Exchange Act and the regulations thereunder. There were no substantive opposing views to this Program.

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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 CME Submission No. 11-509 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

CME FX EFP Surcharge Volume Incentive Program

Program Purpose.

The purpose of this Program is to incentivize market participants to trade the products listed below on the CME Globex® Platform and grow overall open interest in foreign exchange ("FX") products. The resulting increase in open interest benefits all participant segments in the market.

Product Scope

All CME FX standard sized futures and options products ("Products").

Eligible Participants

There is no limit to the amount of participants that may participate in the Program. CME Equity Members, Clearing Members, Rule 106.J Equity Member Firms, Rule 106.I Members, Rule 106.S Member Approved Funds, Rule 106.R Electronic Corporate Members, Rule 106.H and 106.N Firms are eligible to participate. The fee incentives described below will be automatically applied to all executed trades made by participants in the Products. For purposes of calculating volume below, trades will be aggregated across accounts within a specific billing firm.

Program Term

Start date is January 1, 2012. End date is December 31, 2012.

Hours

The Program will be applicable regardless of the transaction time.

Program Incentives:

Progressive Tiered Volume Incentives:

Participants in the Program may receive discounted surcharges for exchange for physical ("EFP") trades and block trades in the Products depending on their overall average daily volume ("ADV") of EFP and block trades transacted in the Products over a given calendar month. The incentives below only impact the above reference surcharges and standard exchange rates will continue to apply. The applicable surcharge amount will be based on a progressive volume tier structure in accordance as set forth in the table below:

EFP/Block ADV (in sides)	EFP/Block (Per side) Surcharges
0 to 2,500	\$1.00/Side
2,501-5,000	\$0.75/Side
5,001-8,000	\$0.50/Side
8,001-above	\$0.25/Side

Monitoring and Termination of Status

The Exchange shall monitor trading activity 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.