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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 16, 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: COMEX High Grade Copper Options Market Maker Program
COMEX Submission No. 11-516**

Dear Mr. Stawick:

Commodity Exchange, Inc. ("COMEX" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a market making program in support of High Grade Copper Options contracts traded on the Globex® platform ("Program"). The proposed Program will become effective on January 4, 2012.

Exhibit 1 sets forth the terms of the proposed Program.

COMEX business staff responsible for the Program and the COMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, COMEX 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 proposed Program's incentive structure as set forth in Exhibit 1 below is such that it does not incentivize manipulative trading or market abuse and will 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 continue to monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations under the Program to ensure proper distribution of earned incentives. The incentives in the proposed Program do not impact the Exchange's order execution. Participants in the Program will be selected by the Exchange's staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchange's rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. 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 the COMEX rules. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

COMEX 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 Exchanges' 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 COMEX Submission No. 11-516 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachment

EXHIBIT 1

COMEX HIGH GRADE COPPER OPTIONS MARKET MAKER PROGRAM

Program Purpose

The purpose of this Program is to incent market makers to enhance liquidity in High Grade Copper Options on the CME Globex® platform. The resulting increase in liquidity for High Grade Copper Options on the CME Globex platform benefits all participant segments in the market.

Product Scope

Copper options contracts that are traded on the CME Globex® platform ("Products")

Eligible Participants

Up to seven (7) participants may be selected into the Program. Participants can be NYMEX or COMEX members or non-members. Potential participants are required to submit an application/bid sheet to the Exchange which is used to determine eligibility. The Exchanges' staff will use a variety of factors in determining whether or not a prospective market maker is selected to participate in the Program, including past performance in the Products, the prospective participants overall historical performance and experience acting as a market maker in other products traded on Globex®, and the ability to commit to and maintain at least the required quoting obligations. Notwithstanding the forgoing, COMEX may, from time to time, add to or subtract from the factors listed above as it deems necessary.

Program Term

Start date is January 04, 2012. End date is December 31, 2012.

Hours

RTH

Obligations

Market makers are required to quote the first three (3) months of the Products for 80% of the time during RTH and maintain an average depth of two (2) quoted contracts on each quoted strike. Participants are required to respond to requests for quotes (RFQ) for the Products during RTH within 1 minute for 80% percent of the time. Market makers are required to have at-the-money quotes of plus or minus three and out of the money quotes equaling a total of four call and four put strikes for each month.

Program Incentives

Fee Waivers

All eligible market participants that trade the Products will have their Globex® execution fees waived for trades executed in the Products. For every two (2) contract sides traded by a participant in the Products on Globex®, the participant will receive a fee credit equal to the value of the Globex execution fee charged for a trade made in one (1) COMEX Copper Futures contract. Average Daily Volume in excess of five thousand (5,000) contracts in the Products will not receive the fee waiver.

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 or fails to meet the obligations of the Program.