



RECEIVED
CFTC

2011 DEC 28 PM 2:52

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

OFFICE OF THE
SECRETARIAT

December 27, 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: Extended Trading Hours Incentive Program for NYMEX Core Energy Products on Globex. NYMEX Submission No. 11-536

Dear Mr. Stawick:

New York Mercantile Exchange, Inc ("NYMEX" or "the Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement an incentive program in support of certain energy products that are traded on Globex® during extended trading hours ("Program"). This proposed Program will become effective on January 12, 2012.

Exhibit 1 sets forth the terms of this Program.

NYMEX business staff responsible for the Program 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 proposed Program will not impact the Exchange's ability to perform their trade practice and market surveillance obligations under the CEA and 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' volume 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 NYMEX staff using criteria as further stated in Exhibit 1. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with NYMEX in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

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

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>

Mr. David Stawick
Page 2
December 27, 2011

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. 11-536 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

Extended Trading Hours Incentive Program for NYMEX Core Energy Products on Globex

Program Purpose

The purpose of this Program is to incentivize newly formed non-member trading firms to increase volume and liquidity in certain NYMEX energy contracts on Globex® during extended trading hours. The resulting liquidity in the products listed below benefits all participants in the marketplace.

Product Scope

The following NYMEX energy products on Globex® (“Products”):

Light Sweet Crude Oil futures (CL), Natural Gas Futures (NG) and Heating Oil Futures (HO).

Eligible Participants

NYMEX may designate up to three (3) participants in the Program. Participants must be NYMEX non-member trading firms. In order to be considered for selection into the Program, an applicant must (i) be a trading firm that was formed within the twelve (12) months preceding the application, (ii) have shown, over a recent period of time, growth and growth potential, (iii) have, over a recent period of time, traded significant percentages of overall volume in the Products during extended trading hours, and (iv) have, over a recent period of time, achieved a significant percentage of volume in the Products as non-aggressor (resting) volume.

Program Term

Start date is January 12, 2012. End date is March 31, 2012.

Hours

N/A

Fee Discounts

For each month that a participant is in the Program, the participant will be eligible to receive pre-determined fee discounts in the Products that the participant trades on the CME Globex® Platform.

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.