



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

October 3, 2012

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: CME USD/CNH Market Making Incentive Program on Globex®
CME Submission No. 12-262**

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 market making incentive program in support of the U.S. Dollar denominated Chinese Yuan ("USD/CNH") futures contract on Globex® ("Program"). The proposed Program will become effective on November 19, 2012.

Exhibit 1 sets forth the terms of this 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, Compliance with Rules and Recordkeeping

The proposed Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. Nevertheless, CME Market Regulation Staff will continue to monitor all market participants for any manipulative trading and/or market abuse in the Program's products. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The proposed Program does not impact the Exchange's order execution. Participants in the Program will be selected by CME staff using criteria as further stated in Exhibit 1. Chapter 4 of the CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with CME in which each participant will expressly agree to comply with, and be subject to, applicable regulations and CME rules. Additionally, the proposed Program will be subject to the Exchange's record retention policies, which comply fully with the CEA.

CME certifies that the proposed Program complies with the CEA 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>

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. 12-262 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

USD/CNH Market Making Incentive Program on Globex®

Program Purpose

The purpose of this Program is to incentivize participants to increase Globex liquidity in the products listed below. A more liquid contract on the central limit order book benefits all participants in the marketplace.

Product Scope

Standard size and E-micro size U.S. Dollar denominated Chinese Yuan Futures on Globex ("Product(s)").

Eligible Participants

CME may designate up to ten (10) participants in the Program. Participants may be CME members or non-members. Market Maker's participating in the Program may not qualify for additional CME incentive programs that include the Products. When selecting potential participants, CME will take into account potential participants' historical activity in Foreign Exchange products as well as ability to meet the quoting obligations of the Program. Notwithstanding the forgoing, CME may add or subtract from the aforementioned factors as it deems necessary.

Program Term

Start date is November 19, 2012. End date is December 31, 2013.

Hours

Designated hours during RTH and/or ETH ("Hours").

Obligations

Minimum Quoting Obligations. Each calendar month, participants must quote continuous two-sided markets in designated contract months of the Products at maximum bid/offer spreads and minimum quote sizes.

Incentives

Upon satisfying all Program obligations as determined by the Exchange, each Program participant shall be eligible for predetermined incentives.

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 has failed to meet its obligations or no longer meets the eligibility requirements of the Program.