



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

May 15, 2014

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 CME E-mini S&P Select Sector Index Futures Market
Maker Program.
CME Submission No. 14-146**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of modifications to the E-mini S&P Select Sector Index Futures Market Maker Program ("Program"). The proposed modifications to the Program will become effective on June 1, 2014.

Exhibit 1 sets forth the terms of this Program. The modifications appear below, with additions underscored and deletions ~~overstruck~~.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). 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 Program and proposed modifications will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by Exchange 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 the Exchange in which each participant will expressly agree to comply with and be subject to applicable regulations and CME rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

CME certifies that the Program and the modifications to the Program comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or the proposed modifications.

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 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 Submission No. 14-146 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

E-MINI S&P SELECT SECTOR INDEX FUTURES MARKET MAKER PROGRAM

Program Purpose

The purpose of this Program is to incent market makers to enhance liquidity in the products listed below. The resulting increase in central limit order book liquidity on the CME Globex® Platform benefits all participants segments in the market.

Product Scope

CME E-Mini S&P Select Sector Index futures products traded on Globex® (“Products”).

Eligible Participants

Market makers must be a Chicago Mercantile Exchange member, lessee or trade a proprietary account at a member firm. CME may designate, in its sole discretion, a limited number of Program participants. CME may designate up to five (5) Tier 1 Market Makers, with the total combined Tier 1 and Tier 2 Market Makers set at up to eight (8). Potential participants are required to submit an application/bid sheet to the Exchange as part of a competitive application process which is used to determine eligibility. In determining whether or not a prospective participant is selected to participate in the Program, Exchange staff may take into account a variety of factors including the strength of the quoting obligations the prospective participant is willing to commit to provide, whether Exchange staff believes that the prospective participant can maintain such obligations, and historical volume trading the Products and similar contracts. The Exchange may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

Program Term

Start date is March 14, 2011. End date is ~~May 31, 2014~~ June 30, 2015.

Obligations

Tier 1:

- Continuous Market Posting. Each market maker will be required to post contracted two-sided markets in all nine sectors in the outright markets of the Products, with tighter bid/ask spreads obligations and bid/offer size requirements than Tier 2 Market Makers, under normal market conditions for designated hours between 8:30 a.m. and 3:15 p.m. Chicago time each business day.
- Volume Commitment. CME may terminate a Tier 1 Market Maker if it fails to account for at least five percent (5%) of aggregate electronic volume in the Products on a monthly basis.

Tier 2:

- Continuous Market Posting. Each market maker will be required to post contracted two-sided markets in E-mini S&P Select Sector Index futures under normal market conditions for designated hours between 8:30 a.m. and 3:15 p.m. Chicago time each business day.

Incentives

Tier 1:

- Fee Waivers. CME Clearing and CME Globex fees waived for all Tier 1 Market Makers in the Program.
- Performance Stipend. Tier 1 Market Makers will receive a monthly stipend for performing their obligations.

Tier 2:

- Fee Waivers. CME Clearing and CME Globex fees waived for all Tier 2 Market Makers in the Program.

Tier 1 and 2:

- Incentive Pool. During each full month of participation in the Program, Tier 1 and Tier 2 participants may be eligible to participate in a predetermined incentive pool.

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.