



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

June 9, 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 NYMEX Brent Liquidity Provider Program  
NYMEX Submission No. 14-197**

Dear Ms. Jurgens:

New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the NYMEX Brent Liquidity Provider Program ("Program"). The modifications to the Program will become effective on July 1, 2014.

Exhibit 1 sets forth the terms of this Program. Modifications to the Program appear below with additions to the Program underscored and deletions to the program ~~overstruck~~.

NYMEX reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity 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 modifications to the Program 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 monitor trading in 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 products included in this Program are listed for trading in the open and competitive market. The incentives available under the Program will apply to transactions by participants via any of NYMEX's execution and/or clearing venues, including the pit and our central limit order book. Therefore, the incentives under this Program protect any price discovery taking place in the centralized market. 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 Program is subject to the Exchange's record retention policies which comply with the CEA.

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

NYMEX certifies that this submission has been concurrently posted on the NYMEX 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](mailto:tim.elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our NYMEX Submission No. 14-197 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## NYMEX Brent Liquidity Provider Program

### Program Purpose

The purpose of this Program is to incentivize volume and liquidity in the ~~NYMEX Brent Crude Oil Financial Futures contract products listed below~~. The purpose of the proposed modifications is to further incent liquidity in the Brent futures and European Gasoil futures complex. The resulting addition of liquidity for these products benefits all participants in the market.

### Product Scope

NYMEX Brent Crude Oil Financial Futures ("BZ") and European Gasoil (100mt) Bullet Futures ("7F") that are traded on Globex® and/or cleared by the Clearing House ("Products").

### Eligible Participants

There is no limit to the number of participants that may register in the Program. Participants may be a NYMEX member or non-member firm. The Program is open to any participant that registers with NYMEX.

### Program Term

Start date is December 14, 2011. End date is ~~June 30, 2014~~ June 30, 2015.

### Hours

N/A

### Incentives

Once accepted into the Program, participants may qualify for the following incentives:

#### 1. Volume Monthly Incentive Pool

- a. *Qualifications.* ~~If, during a given calendar month, a participant (i) maintains at least a combined average daily volume ("ADV") of 1000 contract sides traded on Globex in the Products, and (ii) accounts for at least two percent (2%) of total combined volume traded in the Products, the participant will be eligible for the following incentive.~~
- b. *Incentive.* ~~Qualifying participants will be eligible to receive a pro-rata share of a volume monthly incentive pool ("Incentive Pool"). The percentage of the Incentive Pool that a participant is eligible to receive will equal the percentage of the total combined volume traded in the Products that the participant trades, provided that Trades that are executed in the outright contracts or Products spread to Crude Oil Futures ("CL"), NY Harbor ULSD Futures ("HO"), and RBOB Gasoline Physical Futures ("RB") using exchange listed spreads on Globex will count as double volume for the purposes of determining a participant's pro-rata share.~~

Upon satisfying all obligations, as determined by the Exchange, participants may be eligible to receive 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 no longer meets the eligibility requirements of the Program.

The Exchange's market regulation staff will monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange will remove self-matched trades from Program incentive calculations.