



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 11, 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 NYMEX Crude and Refined Futures Market Maker Program
NYMEX Submission No. 14-224**

Dear Ms. Jurgens:

New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") that it plans to modify the NYMEX Crude and Refined Futures Market Maker Program ("Program"). The proposed modifications to the Program will become effective on July 1, 2014.

Exhibit 1 sets forth the proposed modifications to the Program, with additions underlined and deletions ~~overstruck~~.

The Exchange 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 Program and proposed modifications 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. Participants who might meet the criteria for this Program generally perform complex trading strategies that include both on-exchange and off-exchange activities. The set of incentives encompassed by the Program has been developed to increase volume across all NYMEX venues through additional execution of these strategies, ultimately having a positive impact on the price discovery process taking place in the centralized market as the Program is designed to increase liquidity on that venue. 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 and proposed modifications will be 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 its 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 NYMEX Submission No. 14-224 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Crude and Refined Futures Market Maker Program

Program Purpose

The purpose of this Program is to incentivize market makers to provide liquidity and open interest in the products listed below. The resulting additional open interest and central limit order book liquidity benefits all participants in the market.

Product Scope

All NYMEX Crude and Refined futures products traded on CME Globex, the NYMEX trading floor, or submitted for clearing via CME ClearPort.

Eligible Participants

NYMEX may designate up to three (3) participants in the Program. Participants may be NYMEX members or non-members. When selecting participants for the Program, NYMEX will take into account; (i) the potential participant's prior experience acting in making markets in the WTI-Brent spread on Globex, and (ii) the potential participant's historical volume traded in crude and refined products over the previous six (6) months. NYMEX may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

Program Term

Start date is March 28, 2013. End date is ~~February 28, 2015~~ June 30, 2015.

Hours

Designated hours during RTH and/or ETH.

Obligations

In order to be eligible for the Program incentives, participants must meet quoting obligations and/or volume requirements, as described below.

Quoting Requirements. Participants in the Program must quote continuous two-sided markets in certain Product contract markets, at predetermined contracted maximum bid/ask spreads and minimum quote sizes.

Volume Requirements. Participants in the Program must maintain a minimum Average Daily Volume (ADV) in certain Product contracts.

Incentives

For each calendar month that a participant meets its quoting obligations and/or volume requirements, the applicable 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.