



Marco Bianchi  
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NYSE Liffe US  
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**By Electronic Mail**  
February 5, 2013

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

CONFIDENTIAL TREATMENT  
REQUESTED

**Re: NYSE Liffe US Submission 2013-102 – Notice Announcing the Re-Launch  
of the Global FCM Incentive Program**

Dear Ms. Jurgens:

I am a Senior Vice-President of NYSE Liffe US LLC ("NYSE Liffe US" or the "Exchange"). Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the "Act"), and U.S. Commodity Futures Trading Commission (the "Commission") Regulations (the "Regulations") Section 40.6(a), I enclose a Cover Sheet for NYSE Liffe US Submission 2013-102 and NYSE Liffe US Notice 4/2013 which announces that the Exchange is re-launching the Global FCM Incentive Program ("GFIP"), which will be effective from February 22, 2013 through December 31, 2013, as set forth in the Notice.

NYSE Liffe US hereby certifies that: (i) the GFIP complies with the Act and the regulations thereunder and (ii) a notice and copy of this submission has been concurrently posted on the Exchange's web site. Additionally, a concise explanation and analysis of the GFIP and its compliance with applicable provisions of the Act, including core principles and the Commission's regulations thereunder, is attached. No substantive opposing views were received from members or others with respect to the GFIP.

If you have any questions, please call me at (212) 656-4312.

Yours Truly,

Marco Bianchi  
Enclosures

**Designated Contract Market Core Principles Implicated by  
NYSE Liffe US Submission 2013-102**

<b>CORE PRINCIPLE</b>	<b>ANALYSIS</b>
<i>Core Principle 2: Compliance with Rules</i>	As with all Exchange members and participants, all participants in the GFIP are subject to all existing rules of the Exchange including Chapter 3, governing access to the Exchange's Trading Platform, Chapter 6 governing the business conduct of Exchange members and prohibiting, among other things, fraudulent acts, fictitious and pre-arranged trades, market manipulation, disruptive trading practices and acts inconsistent with just and equitable principles of trade. The Exchange monitors its markets on a constant basis in real-time. In addition, through the operation of a regulatory services agreement, the National Futures Association provides to the Exchange comprehensive trade practice and market surveillance services designed to detect activities that are not in compliance with the Act, CFTC Rules, or Exchange rules and policies. Additionally, the Exchange has the authority, through Chapter 7 of the Exchange's rulebook, and the capacity to investigate any possible rule violations and, where appropriate, bring disciplinary actions and impose sanctions for any violations. Finally, the Exchange has in place effective international information sharing arrangements and has entered into accords such as the Boca Declaration and the Intermarket Surveillance Group Agreement.
<i>Core Principle 3: Contracts not Readily Subject to Manipulation</i>	The GFIP does not incentivize manipulative or other abusive practices. In the Exchange's experience, programs of this type have not promoted abusive practices by participants. Further, the Exchange has policies and procedures to monitor the participants and trading to detect and prevent manipulative or abusive trading and practices.
<i>Core Principle 4: Prevention of Market Disruption</i>	Trading by participants in the GFIP, like all trading on the Exchange, will continue to be subject to the existing trade practice and market surveillance policies and procedures of the Exchange. The Exchange has real-time surveillance capabilities involving both human interaction as well as technological tools. Furthermore, the Exchange staff, in coordination with National Futures Association, has the capacity to detect and respond to manipulation and price distortions in its market and the ability to provide accurate and complete trade reconstruction.
<i>Core Principle 5: Position Limits or Accountability</i>	Participants in the GFIP will continue to be subject to all applicable position limits and/or position accountability rules.

CORE PRINCIPLE	ANALYSIS
<i>Core Principle 9: Execution of Transactions</i>	Incentive programs are designed to enhance the market by providing liquidity. Furthermore, the Exchange will, and as it does for all such programs, monitor the impact, if any, that these programs have on trading on the centralized market and, in the event the Exchange identifies any deleterious effect to the centralized market, will take appropriate action.
<i>Core Principle 10: Trade Information</i>	The Exchange records and maintains an audit trail with all trade information regarding trading by all market participants, including the participants in the GFIP, necessary to monitor for customer and market abuse.
<i>Core Principle 12: Protection of Markets and Market Participants</i>	Participants in the GFIP remain subject to all of the Exchange's rules. Chapter 6 of the Exchange's rulebook governs the business conduct of Exchange members and prohibits, among other things, fraudulent acts, fictitious and pre-arranged trades and other activities that could disadvantage their customers, as well as disruptive trading practices and acts detrimental to the Exchange and inconsistent with just and equitable principles of trade. The Exchange monitors for and investigates any possible rule violations and where appropriate brings disciplinary actions and imposes sanctions for any violations by any participants in the GFIP.
<i>Core Principle 13: Disciplinary Procedures</i>	Chapter 7 of the Exchange's rulebook provides for disciplinary procedures by which the Exchange may impose sanctions for any violations of the Exchange's rules, including any violations by participants in the GFIP.
<i>Core Principle 18: Recordkeeping</i>	Data with regard to the GFIP shall be retained by the Exchange in secured storage for a period of at least five years and be readily accessible and open to review by the CFTC. Additionally, the Exchange has in place business continuity and disaster recovery policies and procedures that provide for back-up and off-site storage of Exchange records.



## NYSE LIFFE U.S. NOTICE No. 4/2013

ISSUE DATE: February 5, 2013  
EFFECTIVE DATE: February 22, 2013

### Re-Launch of the Global FCM Incentive Program

#### Summary

This Notice announces the re-launch of the Global FCM Incentive Program.

#### 1. Introduction

- 1.1 In an effort to enhance the depth of liquidity and quality of its markets and in order to attract new participants, NYSE Liffe US is re-introducing the Global FCM Incentive Program (the "GFIP") for its Eurodollar, US Treasury Futures, and Precious Metals Futures.
- 1.2 For the purposes of this Notice, US Treasury Futures shall include all contracts in the Exchange's Treasury Futures complex, including 2-Year, 5-Year, and 10-Year US Treasury Note Futures and 30-Year and Ultra US Treasury Bond Futures. In addition, Precious Metals Futures shall include the 100 oz. and 33.2 oz. (mini-sized) Gold and the 5,000 oz. and 1,000 oz. (mini-sized) Silver Futures and Options on Futures contracts.

#### 2. Description of the Global FCM Incentive Program

- 2.1 FCMs that are in good standing with the National Futures Association and Commodity Futures Trading Commission, or subject to a regulatory structure administered by a foreign regulator that is comparable to that in the United States (as determined by the Market Regulation Department), will be permitted to participate in the GFIP ("participating FCMs" or "GFIP Participants").
- 2.2 On February 22, 2013, the Exchange will re-launch GFIP, which will provide to the participating FCM certain Exchange fee rebates for every trade in Eurodollar Futures, US Treasury Futures, or Precious Metals Futures originated by the FCM on behalf of customers who are not consistently active traders<sup>1</sup> in Eurodollar, US Treasury Futures, or Precious Metals Futures ("Qualifying Business").<sup>2</sup> Rebates available under the GFIP to the participating FCM will be limited to a portion of the Exchange fees charged to the

<sup>1</sup> The Exchange considers "not consistently active traders" to be traders that have traded no more than 1,000 contracts in the relevant contract market in the past twelve months.

<sup>2</sup> FCMs are prohibited from sharing this rebate with other intermediaries such as Introducing Brokers and Commodity Trading Advisors, whether registered or un-registered.

participating FCM for Qualifying Business. The GFIP will run through December 31, 2013.

- 2.3 Each participating FCM will be required to provide such supporting volume information as requested by the Exchange to establish the extent of the FCM's Qualifying Business to the satisfaction of the Exchange.

**3. Provisions Applicable to the GFIP Program**

- 3.1 Exchanges For Related Positions (EFRPs) and block trades are eligible.
- 3.2 Trades in which the GFIP Participant assumes the opposite side of the transaction will qualify if such trades are conducted in accordance with Rule 612.
- 3.3 Trades executed in connection with a market making program or to qualify for any other Exchange incentive program will not be eligible for benefits under GFIP.
- 3.4 Clearing and non-trade activities associated with transacting in Futures contracts on the Exchange will continue to be subject to the fee schedule as posted on the NYSE Liffe US website, the NYPC website, and the OCC website.
- 3.5 To participate in the GFIP, participants must complete the relevant application form and return it to the Exchange via email to [nyseliffeus@nyx.com](mailto:nyseliffeus@nyx.com).
- 3.6 The Exchange reserves the right to terminate or alter any and all benefits available under the GFIP. Among other things, the Exchange will monitor the impact on the central market of the inclusion of off-exchange trades in the GFIP, and take appropriate action as necessary to protect trading in the central market.
- 3.7 The Exchange reserves the right to disqualify any market participant in part or in full from consideration for GFIP benefits, including with respect to specific transactions. Should the Market Regulation Department determine that one or more transactions effected by a participant were executed in violation of applicable law, regulation, or Exchange Rule, the Exchange reserves the right to adjust the award of benefits accordingly and to seek reimbursement from the GFIP Participant of any benefits already paid out. The Market Regulation Department's determination shall be final.

**4. Compliance with Laws, Rules and Regulations**

- 4.1 All members and participants in the NYSE Liffe U.S. marketplace are reminded that they remain subject to all applicable laws, rules and regulations otherwise applicable to their activities, including, but not limited to the NYSE Liffe U.S. Rules, the Commodity and Exchange Act and the rules and regulations promulgated thereunder.

\* \* \* \*

For further information in relation to this Notice, Members should contact the following:

New York Office	1 212 656 4300	<u><a href="mailto:nyseliffe@nyx.com">nyseliffe@nyx.com</a></u>
Chicago Office	1 312 442 7730	<u><a href="mailto:nyseliffe@nyx.com">nyseliffe@nyx.com</a></u>

**NYSE Liffe U.S. Global FCM Incentive Program (GFIP) APPLICATION FORM, page 1**

**Applicant Firm Information**

Name of FCM	
Address	
NYSE Liffe U.S. ITM(s)	
Main Contact	
Email	
<b>By signing this Application, the Applicant agrees to be bound by the terms of the GFIP.</b>	<b>Signature</b>  <b>Date</b>
Name of Signatory	
Position	
FCM Banking Instructions	

**NYSE Liffe U.S. Global FCM Incentive Program (GFIP) APPLICATION FORM, page 2**

**Clearing Member Information**

Applicant's NYSE Liffe U.S. Clearing Member	
NYSE Liffe U.S. Account ID	
Main Contact at NYSE Liffe U.S. Clearing Member	
NYSE Liffe U.S. Clearing Member Banking Instructions	Bank: ABA: Swift: Acct Name: Acct #:
<b>By signing this Application, the Applicant agrees to be bound by the terms of the GFIP. (This section can be left blank where the applicant is an NYSE Liffe U.S. Clearing Member).</b>	<b>Signature</b>  <b>Date</b>
Name of signatory	
Position	
Issue rebate to	<input type="checkbox"/> Account at FCM's Bank <input type="checkbox"/> Account at FCM's Clearing Member

**Supporting documentation for GFIP**

FCM shall provide such supporting documentation for GFIP related volume upon the Exchange's request as necessary to establish Qualifying Business to the Exchange's satisfaction. Such supporting documentation may include client name, location, account number at FCM, and number of sides traded.



Karl D. Cooper  
Chief Regulatory Officer  
NYSE Liffe US  
20 Broad Street, 10th Floor  
New York, NY 10005  
T +1 212-656-4300

**FOIA CONFIDENTIAL TREATMENT REQUEST  
BY NYSE LIFFE US LLC**

**By Electronic Mail**

February 5, 2013

Linda J. Mauldin  
Paralegal Specialist  
FOIA Compliance Office  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

CONFIDENTIAL TREATMENT  
REQUESTED

**Re: FOIA Confidential Treatment Request**

Dear Ms. Mauldin:

By e-mail dated today, February 5, 2013, NYSE Liffe US LLC ("NYSE Liffe US" or the "Exchange") in connection with NYSE Liffe US Submission 2013-102, voluntarily provided the supplemental information attached.

Pursuant to Commission Rule 145.9(d), the Exchange requests confidential treatment of the information attached and this letter on the grounds that disclosure of this information would reveal confidential commercial or financial information of the Exchange. Pursuant to Commission Rule 145.9(d)(5) the Exchange requests that confidential treatment of the attached information be maintained until further notice from the Exchange. The Exchange requests that the Commission notify it immediately after receiving any request under the Freedom of Information Act ("FOIA") or any other court order, subpoena or summons for the attached information. The Exchange specifically notes that it does not waive in any manner its rights under Section 8(f) of the Commodity Exchange Act to receive a copy of any subpoena or summons for the attached information prior to the Commission's disclosure of such information pursuant to such subpoena or summons. Finally, the Exchange requests that the Commission notify it in the event that the Commission intends to disclose the attached information to Congress or any federal or state governmental agency or department.

In connection with this request for confidential treatment, and pursuant to Commission Rule 40.8, the Exchange is submitting the attached detailed written justification in support of the request for confidential treatment.

If you have any questions, please call me at (312) 442-7984.

Yours truly,

Karl D. Cooper  
Enclosure





CONFIDENTIAL TREATMENT  
REQUESTED

Karl D. Cooper  
Chief Regulatory Officer  
NYSE Liffe US  
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New York, NY 10005  
T +1 212-656-4300

**By Electronic Mail**

February 5, 2013

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Supplemental Submission NYSE Liffe US Submission 2013-102 – Supplemental Information Relating to the Re-Launch of the Global FCM Incentive Program**

Dear Ms. Jurgens:

NYSE Liffe US LLC (“NYSE Liffe US” or the “Exchange”) in connection with NYSE Liffe US Submission 2013-102, announcing the re-launch of the Global FCM Incentive Program, which was filed today, is providing the attached supplemental information. The Exchange has simultaneously submitted to the Commission a request for confidential treatment of the supplemental information. A copy of the request for confidential treatment is enclosed.

If you have any questions, please call me at 212-656-4568.

Yours truly,

Karl D. Cooper