



**Latin America Bank Incentive Program  
Questions & Answers  
December 2011**

**1. What is the Latin America Bank Incentive Program?**

The Latin America Bank Incentive Program (“LABIP”) allows banks in Latin America to receive discounted fees for their proprietary trading of CME Group products. Program participants receive discounted fees on CME, CBOT, and NYMEX products and COMEX futures products for electronic trading only. LABIP participants will receive discounted fees through **December 31, 2012**.

**2. How does a bank qualify for the program?**

To qualify for LABIP, a bank must:

- Be located in Latin America. (Refer to Question #14 at end of document for a list of qualifying countries)
- Have all traders physically located in Latin America.
- Complete a LABIP application and be approved by CME Group.
- Execute all trades in the LABIP participant’s name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LABIP participant.
- Have a relationship with a CME Group clearing member.

**3. What trading fees are charged by CME Group for the trades of LABIP participants?**

Please refer to the most updated fee schedule at [www.cmegroup.com/company/fees](http://www.cmegroup.com/company/fees) for more details on this program or for fees not listed below.

As of **August 1, 2011**, the following fee schedule applies:

<b>Product Category Electronic Trading Only</b>	<b>Standard customer (non- member) rates</b>	<b>LABIP all-in fees (per side)</b>	<b>Savings</b>	
<b>CME Products</b>				
E-mini Equity Index - futures	\$1.14	\$0.75	\$0.39	34%
E-mini Equity Index - options	\$0.55	\$0.44	\$0.11	20%
Full Size Equity Index contracts	\$2.28	\$1.50	\$0.78	34%
Interest Rate contracts	\$1.19	\$0.44	\$0.75	63%
Foreign Exchange contracts	\$1.60	\$1.00	\$0.60	38%
Agricultural contracts - futures	\$1.89	\$1.50	\$0.39	21%
Agricultural contracts - options	\$1.29	\$0.81	\$0.48	37%



<b>CBOT Products</b>				
Mini Equity contracts **	\$1.14	\$0.75	\$0.39	34%
Full size Equity contracts	\$0.96	\$0.90	\$0.06	6%
Interest Rates contracts	\$0.56	\$0.44	\$0.12	21%
Agricultural contracts	\$1.81	\$1.35	\$0.46	25%
<b>NYMEX Products</b>				
Energy contracts (Physicals) on CME Globex	\$1.45	\$1.00	\$0.45	31%
<b>COMEX Products</b>				
Metals futures contracts (Physicals) on CME Globex	\$1.45	\$1.00	\$0.45	31%

\*\* For CBOT Mini Dow product only.

### **Minimum Volume**

**4. Is there a minimum volume requirement in order to continue as a LABIP participant to receive reduced fees?**

No.

### **Application Process**

**5. How do firms apply for the LABIP?**

Firms wishing to apply for LABIP should contact the Audit Department at 312.930.3230 or CME Group's P&S Department in Chicago at 312.930.4597 (including for assistance in Spanish or Portuguese). You may also send an e-mail to [cmelateam@cmegroup.com](mailto:cmelateam@cmegroup.com). Staff at these offices can provide you with additional information and assist you through the application process.

**6. How long is the approval process?**

Once the application, all supporting documents and the application fee are received, the review process starts and generally takes 4-6 weeks. CME staff will consider the applicant's business reputation, financial resources and proprietary trading activity in approving the applicant and reserves the right to reject any applicant. The decision of CME staff is final.

**7. Do banks applying for the LABIP have to submit financial statements?**

Yes. As part of the supporting documents required with the LABIP application, banks are required to submit their certified financial statements. If a certified financial statement is not available, LABIP applicants may submit any published financial statement with its application including those published on its website. All financial statements submitted must be in English.



**8. Are there any application fees?**

Yes. A \$2,000 non-refundable application fee will be required prior to any entity being reviewed and approved to receive the discounted rates. This fee will be applied to any transfer fees associated with the future purchase or lease of a membership.

**9. If my firm is approved as a LABIP participant, does it still need a clearing firm?**

Yes. All trades at CME Group are done through CME Group clearing member firms. All LABIP participants must maintain their own separate account on the books of a CME Group clearing member firm for their proprietary trades. LABIP accounts may not be maintained in a non-disclosed omnibus account.

**10. How will my clearing firm be notified that my firm has been approved in the LABIP?**

While we will do our best to notify the appropriate staff at any clearing firms you have included in your LABIP application, the responsibility to inform your clearing firm remains with you. Because the LABIP discounted rates will be applicable at any clearing firm you utilize, we may not know about all of your clearing relationships. As a result, you must notify your clearing firms when you receive your approval notification. We encourage customers to notify their clearing firms about their intention to apply for this program as early as possible.

**11. How does a clearing firm register a LABIP firm in order to receive the discounted fees?**

Both the workstation operator ID and the account must be registered within the fee system in order to receive the reduced rates. Also, the assigned workstation operator ID must be included on each electronic transaction in order to receive the discounted fees. The registration must reflect which exchange(s) the LABIP participation is for since operator ID registration is across exchanges. If these requirements are not met, non-member rates will apply.

The LABIP firm's clearing firm must ensure that a unique workstation operator ID is assigned to each trader. Then the clearing firm fee administrator must register both the account and the trader's workstation operator ID (also known as the Tag 50 ID) in CME Group's Exchange Fee System. Both the account and operator ID must be associated to the appropriate LABIP participant.

**Note:** The fee system will retain the legacy program name of "SAIP" when registering either the account owner and/or the workstation operator ID.

For the operator ID registration, the following information is required:

- Workstation Operator ID (Tag 50)
- Trader Name
- Date of Birth (MM/DD/YYYY)
- Trading Location (Country of primary residence)
- Email address (optional)



**Other Information**

**12. Can the Latin American branch offices of banking groups headquartered outside of Latin America participate?**

Yes. For example, a bank's wholly owned subsidiaries based in Caribbean locations will also qualify for LABIP.

**13. Can the non-Latin American branch offices of groups headquartered in Latin America participate?**

No.

**14. The following countries qualify for the LABIP:**

Argentina	Ecuador	Panama
Belize	El Salvador	Paraguay
Bolivia	French Guiana	Peru
Brazil	Guatemala	Suriname
Chile	Guyana	Uruguay
Colombia	Honduras	Venezuela
Costa Rica	Mexico	
Dominican Republic	Nicaragua	