



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

1. What is the Latin America Commercial Incentive Program?

The Latin America Commercial Incentive Program (“LACIP”) is a program that allows commercial hedgers in the Latin America region involved in agriculture, energy or metals to receive discounted fees for their proprietary trading of CME Group Inc. (“CME Group”) commodity products. Program participants receive discounted fees on CME, CBOT, NYMEX and COMEX (COMEX futures only) products traded electronically. Program participants will receive discounted fees through **December 31, 2012**.

2. How does a commercial hedger qualify for the program?

To qualify for LACIP, a commercial hedger must:

- Be located in Latin America.(Refer to question #14 at end of document)
- Be a commercial firm involved in the physical agriculture, energy or metals commodity markets, defined as a firm whose primary business involves at least one of the following: extracting, growing, processing, refining and/or merchandising of commodities. Provide information justifying this status, for example any industry association membership, annual report, etc.
- Have all traders physically located in Latin America.
- Complete an LACIP application and be approved by CME Group.
- Execute all trades in the LACIP participant’s name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the LACIP participant.
- Have a relationship with a CME Group clearing member.

3. What trading fees are charged by CME Group to LACIP participants?

Please refer to the most updated fee schedule at www.cmegroup.com/company/clearing-fees for more details on this program or for fees not listed below.

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

Product Category Electronic Trading Only	Standard customer (non- member) rates	LACIP all-in fees (per side)	Savings	
CME Agricultural Products - futures	\$1.89	\$1.50	\$0.39	21%
CME Agricultural Products - options	\$1.29	\$0.81	\$0.48	37%
CBOT Agricultural Products - Standard size contracts	\$1.81	\$1.35	\$0.46	25%
CBOT Agricultural Products - Mini-sized contracts	\$0.90	\$0.81	\$0.09	10%

NYMEX Energy Products - Standard size contracts	\$1.45	\$1.00	\$0.45	31%
COMEX Metals Products - Standard size contracts (futures only)	\$1.45	\$1.00	\$0.45	31%

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

No.

Application Process

5. How do firms apply for the LACIP?

Firms wishing to apply should complete an Application for Corporate Membership/Incentive Program Participation – Corporate Information form, an Application for Latin American Commercial Incentive Program – Agreement for LACIP Participation, and submit them to the Audit Department.

For questions on the applications, please 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 and Portuguese). You may also send an e-mail to 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 commercial hedgers applying for the LACIP have to submit financial statements?

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

8. Are there any application fees?

Yes. A \$500 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 an LACIP participant, does it still need a clearing firm?

Yes. All trades at CME Group are done through CME Group clearing member firms. All LACIP participants must maintain their own separate account on the books of a CME Group clearing member firm for their proprietary trades. LACIP 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 LACIP program?

While we will do our best to notify the appropriate staff at any clearing firms you have included in your LACIP application, the responsibility to inform your clearing firm remains with you. Because the LACIP 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.

Fee Registration

11. How does a clearing firm register an LACIP 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 LACIP participation is for since operator ID registration is across exchanges. If these requirements are not met, non-member rates will apply.

The LACIP 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 LACIP participant.

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 America branch offices of commercial hedger groups headquartered outside of the Latin America region participate?

Yes.

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

No.

14. The following countries qualify for the LACIP:

Argentina	Chile	El Salvador
Aruba	Colombia	French Guiana
Belize	Costa Rica	Guadeloupe
Bolivia	Dominican Republic	Guatemala
Brazil	Ecuador	Guyana

Haiti
Honduras
Jamaica
Martinique
Mexico
Netherlands Antilles

Nicaragua
Panama
Paraguay
Peru
Puerto Rico
Saint Martin

Saint Pierre and Miquelon
Suriname
Uruguay
Venezuela