

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-438

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date: 10/28/2015 **Filing Description:** Amendments to CME Chapters 358 and 359 Regarding the Addition of Basis Trade at Index Close ("BTIC") Transactions to the E-mini Standard and Poor's 500 Index[®] Futures and E-mini NASDAQ 100 Index[®] Futures Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected: See filing.

Rule Numbers: See filing.

October 28, 2015

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: CFTC Regulation 40.6(a) Certification. Notification of Amendments to CME Chapters 358 and 359 Regarding the Addition of Basis Trade at Index Close (“BTIC”) Transactions to the E-mini Standard and Poor’s 500 Index[®] Futures and E-mini NASDAQ 100 Index[®] Futures Contracts.
CME Submission No. 15-438**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the E-mini Standard and Poor’s 500 Index Futures (Chapter 358, Clearing, CME ClearPort and Globex Code: ES, BTIC Code: EST) and E-mini NASDAQ 100 Index Futures (Chapter 359, Clearing, CME ClearPort and CME Globex Code: NQ, BTIC Code: NQT) contracts to permit Basis Trade at Index Close (“BTIC”) transactions, effective on Sunday, November 15, 2015 for trade date Monday, November 16, 2015.

BTIC transactions enable the price of such futures contracts to be quoted and made by reference to the closing value of the cash market index that underlies such futures contract. BTIC transactions on this contract may be executed on the CME Globex electronic trading platform. In addition, BTIC transactions may be executed as block trades pursuant to the requirements of CME 526 (“Block Trades”) and submitted for clearing via CME ClearPort with at a minimum block size threshold of 500 contracts.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the amendments may have some bearing on the following Core Principles:

- Availability of General Information: The Exchange will publish information on the contracts’ specification on its website, together with daily trading volume, open interest and price information. The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information with regard to the aforementioned amendments.
- Daily Publication of Trading Information: Trading volume, open interest and price information will be published daily on the Exchange’s website and via quote vendors.
- Compliance with Rules: The Market Regulation Advisory Notice issued provides additional guidance to the marketplace on the regulatory requirements attendant to block trades. This guidance is intended to assist market participants in remaining in compliance with CME Rule 526 and is therefore in compliance with this Core Principle.
- Execution of Transactions: The minimum block trade size certified herein for BTIC transactions in the contract is commensurate with minimum block trade sizes applicable to equity index

futures products listed for trading on the CME and on The Board of Trade of the City of Chicago, Inc.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange certifies that the amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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 action, please contact me at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A – Amendments to CME Chapter 358
Appendix B – Amendments to CME Chapter 359
Appendix C – Amendments to CME Chapter 5
Appendix D – Exchange Fee Schedule

Appendix A

Amendments to CME Rulebook Chapter 358 E-mini Standard and Poor's 500 Stock Price Index® Futures

(Additions are underlined; deletions are ~~struck through~~)

35806. ~~[[RESERVED]]~~ BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

For any BTIC transaction in futures on a given Trading Day, the price shall be based on the Index closing price on such Trading Day, adjusted by an admissible futures price increment (“basis adjustment”) above or below such Index closing price, in accordance with Rule 35806.C. The magnitude of such basis adjustment must be fair and reasonable in light of factors such as, but not limited to, financing rates, expected dividend income, and time remaining until futures contract expiration.

35806.A. BTIC Block Trade Requirements

A BTIC transaction in futures may be executed as a block trade, *provided that* such block trade is executed in accordance with CME Rule 526.

Both the size of such block trade and any applicable basis adjustment shall be reported to the Exchange within five (5) minutes after agreement by the parties to such trade.

For a BTIC block trade that is executed on a given Trading Day and reported to the Exchange at least 10 minutes prior to the scheduled close of the primary securities market, the corresponding futures price shall be made by reference to the Index closing price for the current Trading Day. For such BTIC block trade that is reported to the Exchange later than 10 minutes prior to the scheduled close of the primary securities market, the corresponding futures price shall be made by reference to the Index closing price for the next following Trading Day.

35806.B. Price Assignment Procedure for BTIC Futures

The price of a BTIC transaction shall be determined by the Exchange at 3:45 p.m. (or within 45 minutes after the close of the primary securities market in the case of an early scheduled close of the primary securities market). Such price determination shall be deemed final.

Where an order for a BTIC block trade would result in a futures price lower than the respective 20% Price Limit (Rule 35802.I.), such BTIC block trade order shall be cancelled.

35806.C. BTIC Order Minimum Price Increment

The minimum price increment shall be 0.05 Index points, equal to \$2.50 per contract, for any basis adjustment that is applied to an Index closing price to establish a BTIC transaction price.

35806.D. BTIC Orders Prohibited on Last Day of Trading

Orders for BTIC transactions in expiring futures may not be initiated on the last day of trading in such expiring futures (Rule 35802.G.).

35806.E. Market Disruption Events

In the event of disruption in the primary securities market, all orders for BTIC block trades in futures shall be cancelled. Such event of disruption shall be declared by the Exchange, in its sole discretion, and may include without limitation:

1. unscheduled early closure of the primary securities market, or
2. a NYSE Rule 80B trading halt declared in response to a Level 3 (20%) decline in the S&P 500 Index, necessitating early close of the primary securities market.

(End Chapter 358)

Appendix B

Amendments to CME Rulebook Chapter 359 E-mini NASDAQ 100 Index® Futures

(Additions are underlined; deletions are ~~struck through~~)

35905. [~~06.~~][Reserved]

35906. **BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS**

Futures shall be eligible for BTIC transactions.

For any BTIC transaction in futures on a given Trading Day, the price shall be based on the Index closing price on such Trading Day, adjusted by an admissible futures price increment (“basis adjustment”) above or below such Index closing price, in accordance with Rule 35906.C. The magnitude of such basis adjustment must be fair and reasonable in light of factors such as, but not limited to, financing rates, expected dividend income, and time remaining until futures contract expiration.

35906.A. BTIC Block Trade Requirements

A BTIC transaction in futures may be executed as a block trade, *provided that* such block trade is executed in accordance with CME Rule 526.

Both the size of such block trade and any applicable basis adjustment shall be reported to the Exchange within five (5) minutes after agreement by the parties to such trade.

For a BTIC block trade that is executed on a given Trading Day and reported to the Exchange at least 10 minutes prior to the scheduled close of the primary securities market, the corresponding futures price shall be made by reference to the Index closing price for the current Trading Day. For such BTIC block trade that is reported to the Exchange later than 10 minutes prior to the scheduled close of the primary securities market, the corresponding futures price shall be made by reference to the Index closing price for the next following Trading Day.

35906.B. Price Assignment Procedure for BTIC Futures

The price of a BTIC transaction shall be determined by the Exchange at 3:45 p.m. (or within 45 minutes after the close of the primary securities market in the case of an early scheduled close of the primary securities market). Such price determination shall be deemed final.

Where an order for a BTIC block trade would result in a futures price lower than the respective 20% Price Limit (Rule 35902.I.), such BTIC block trade order shall be cancelled.

35906.C. BTIC Order Minimum Price Increment

The minimum price increment shall be 0.05 Index points, equal to \$1.00 per contract, for any basis adjustment that is applied to an Index closing price to establish a BTIC transaction price.

35906.D. BTIC Orders Prohibited on Last Day of Trading

Orders for BTIC transactions in expiring futures may not be initiated on the last day of trading in such expiring futures (Rule 35902.G.).

35906.E. Market Disruption Events

In the event of disruption in the primary securities market, all orders for BTIC block trades in futures shall be cancelled. Such event of disruption shall be declared by the Exchange, in its sole discretion, and may include without limitation:

1. unscheduled early closure of the primary securities market, or
2. a NYSE Rule 80B trading halt declared in response to a Level 3 (20%) decline in the S&P 500 Index, necessitating early close of the primary securities market.

(End Chapter 359)

Appendix C

Amendments to CME Rulebook Chapter 5 Trading Qualifications and Practices

588.H. (“Globex Non-Reviewable Trading Ranges”)

Equity Index Futures				
	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks
<u>BTIC on E-mini Standard and Poor's 500 Stock Price Index® Futures</u>	<u>EST</u>	<u>6.00 Index Points</u>	<u>600</u>	<u>120</u>
<u>BTIC on E-mini NASDAQ 100 Index® Futures</u>	<u>NQT</u>	<u>12.00 Index Points</u>	<u>1200</u>	<u>240</u>

589. (“Special Price Fluctuation Limits”)

Product	Rulebook Chapter	Commodity Code	Primary/Associated	Associated With	Base in Real Economic Value	Level
<u>BTIC on E-mini Standard and Poor's 500 Stock Price Index® Futures</u>	<u>358</u>	<u>EST</u>	<u>Associated</u>	<u>ES</u>	<u>!</u>	<u>See Rulebook Chapter</u>
<u>BTIC on E-mini NASDAQ 100 Index® Futures</u>	<u>359</u>	<u>NQT</u>	<u>Associated</u>	<u>NQ</u>	<u>!</u>	<u>See Rulebook Chapter</u>

Appendix D

Exchange Fee Schedule

CME Exchange Fees:

BTIC on CME Globex	Globex Clearing Fee Rate (based on Membership status) + \$1.75
BTIC Block	Pit Clearing Fee Rate (based on Membership status) + \$1.75