

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-073 (1 of 2)

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

Filing as a: **DCM** **SEF** **DCO** **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 02/23/23 **Filing Description:** Addition of the CME Globex Electronic Trading Platform Venue for Basis Trade at Index Close ("BTIC") Transactions and Administrative Amendments for Various Equity Index Futures Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: See filing.

New Product

Please note only ONE product per Submission.

- | | | |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

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

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

Official Name(s) of Product(s) Affected:

Rule Numbers:

February 23, 2023

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. Addition of the CME Globex Electronic Trading Platform Venue for Basis Trade at Index Close (“BTIC”) Transactions and Administrative Amendments for Various Equity Index Futures Contracts.
CME Submission No. 23-073 (1 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or the “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) (1) the addition of the CME Globex electronic trading platform (“CME Globex”) for Basis Trade at Index Close (“BTIC”) transactions currently eligible for certain equity index futures contracts for submission for clearing via CME ClearPort listed in Table 1. below, and (2) administrative amendments to the equity index futures contracts listed in Table 1. below effective Sunday, March 12, 2023 for trade date Monday, March 13, 2023.

Table 1.

| Contract Title | Rulebook Chapter | CME Globex and CME ClearPort Code | BTIC Code |
|---------------------------------------|-------------------------|--|------------------|
| S&P 500 Value Index Futures | 356 | SU | SUT |
| S&P 500 Growth Index Futures | 355 | SG | SGT |
| E-mini S&P Smallcap 600 Index Futures | 368 | SMC | SMT |

Specifically, the Exchange will:

1. Amend Rules 35502.G. and 35602.G. (“Termination of Trading”) for the S&P Growth Index Futures and S&P Value Index Futures contracts to correct the termination of trading time from the Business Day before the 3rd Friday of the contract month to the 3rd Friday of the contract month; and
2. Amend Rules 35506.C. and 35606.C. (“BTIC Minimum Price Increments”) for the S&P Growth Index Futures and S&P Value Index Futures contracts to decrease the BTIC minimum price increment from 0.10 index points to 0.05 index points on both CME Globex and CME ClearPort. and
3. Implement conforming amendments to Rules 588.H. (“Globex Non-Reviewable Trading Ranges”) Table and 589. Special Price Fluctuation Limits and Daily Price Limits Table; and
4. Amend the last trade date (“LTD”) rule for BTIC transactions on E-mini S&P Smallcap 600 Index Futures contract from the 3rd Friday of the contract month to the Business Day before the 3rd Friday of the contract month; and

5. Implement an operational correction to the BTIC minimum price increment for the E-mini S&P Smallcap 600 Index Futures contract to reflect 0.05 index points to appropriately mirror Rule 36806.C. (“BTIC Minimum Price Increments”) (collectively, the “Rule Amendments”).

The addition of the CME Globex venue will align these contracts with other equity index futures contracts. The administrative amendments are corrections to the Exchange’s current practice.

Appendix A provides Rulebook Chapters 355 and 356 in blackline format. Appendices B and C provide CME Rule 588.H. and CME Rule 589. in blackline format, respectively. Appendix D provides the Exchange Fees.

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 Rule Amendments may have some bearing on the following Core Principles:

Availability of General Information: The Exchange will release a Special Executive Report (“SER”) regarding the Rule Amendments. The SER will also be posted on the CME Group website.

Daily Publication of Trading Information: The Exchange will continue to publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contracts.

Prevention of Market Disruption: Trading in the Contracts will continue to be subject to the rules of the Exchange, which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process.

Compliance with Rules: The Exchange will continue its normal practice to establish, monitor, and enforce compliance with the rules of the Contracts.

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

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned 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 Rulebook Chapters 355 and 356 (blackline format)
Appendix B CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
Appendix C CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits
Table
Appendix D Exchange Fees

Appendix A

(additions underscored; deletions ~~struck through~~)

CME Rulebook Chapter 355 S&P 500 Growth Index Futures

35502. TRADING SPECIFICATIONS

35502.G. Termination of Trading

Trading in expiring futures shall terminate at the regularly scheduled start of trading on the New York Stock Exchange on the Business Day scheduled for determination of the Final Settlement Price (Rule 35503.A.) for such futures.

~~Trading in expiring futures shall terminate at 3:15 p.m. on the Business Day immediately preceding the Business Day scheduled for determination of the Final Settlement Price (Rule 35503.A.) for such futures.~~

35506. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

35506.C. BTIC Minimum Price Increments

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.10-0.05 Index points.

[End of Rule changes.]

Chapter 356 S&P 500 Value Index Futures

35602. TRADING SPECIFICATIONS

35602.G. Termination of Trading

Trading in expiring futures shall terminate at the regularly scheduled start of trading on the New York Stock Exchange on the Business Day scheduled for determination of the Final Settlement Price (Rule 35603.A.) for such futures.

~~Trading in expiring futures shall terminate at 3:15 p.m. on the Business Day immediately preceding the Business Day scheduled for determination of the Final Settlement Price (Rule 35603.A.) for such futures.~~

35606. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

35606.C. BTIC Minimum Price Increments

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.10-0.05 index points.

[End of Rule changes.]

Appendix B

(additions underscored)

CME Rulebook Chapter 5 ("Trading Qualifications and Practices")

CME Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table

| Instrument | Globex Symbol | Outrights | | | Spreads | |
|--|---------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | | Globex Non-Reviewable Ranges (NRR) | NRR: Globex Format | NRR: Minimum Ticks | NRR: Globex Format | NRR: Minimum Ticks |
| <u>BTIC on S&P 500 Value Index Futures</u> | <u>SUT</u> | <u>1 index points</u> | <u>100</u> | <u>20</u> | <u>N/A</u> | <u>N/A</u> |
| <u>BTIC on E-mini S&P Smallcap 600 Index Futures</u> | <u>SMT</u> | <u>1 index points</u> | <u>100</u> | <u>20</u> | <u>N/A</u> | <u>N/A</u> |
| <u>BTIC on S&P 500 Growth Index Futures</u> | <u>SGT</u> | <u>1 index points</u> | <u>100</u> | <u>20</u> | <u>N/A</u> | <u>N/A</u> |

Appendix C

(additions underscored)

CME Rulebook Chapter 5 ("Trading Qualifications and Practices")

CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table

| Product | Rulebook Chapter | Commodity Code | Primary/Associated | Associated With | Daily Price Limit | Dynamically Calculated Variant (Excluding Regular Trading Hours) |
|--|------------------|----------------|--------------------|-----------------|--------------------------------|--|
| <u>BTIC on S&P 500 Value Index Futures</u> | <u>356</u> | <u>SUT</u> | <u>Associated</u> | <u>SU</u> | <u>Daily Price Limit Table</u> | |
| <u>BTIC on E-mini S&P Smallcap 600 Index Futures</u> | <u>368</u> | <u>SMT</u> | <u>Associated</u> | <u>SMC</u> | <u>Daily Price Limit Table</u> | |
| <u>BTIC on S&P 500 Growth Index Futures</u> | <u>355</u> | <u>SGT</u> | <u>Associated</u> | <u>SG</u> | <u>Daily Price Limit Table</u> | |

Appendix D

Exchange Fees

| Membership Type | Venue/Transaction Type | Equity Index Futures | E-mini Equity Index Futures |
|--|------------------------|----------------------|-----------------------------|
| Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds | CME Globex BTIC | \$2.05 | \$1.90 |
| Rule 106.D Lessees Rule 106.F Employees | CME Globex BTIC | \$2.28 | \$2.02 |
| Rule 106.H and 106.N Firms | CME Globex BTIC | \$2.43 | \$2.20 |
| International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - See Non-Members) | CME Globex BTIC | \$2.65 | \$2.25 |
| Central Bank Incentive Program (CBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex and where N/A - See Non-Members) | CME Globex BTIC | \$2.65 | \$2.25 |
| CBOE Members (For S&P products only; for all other products - Non-Member rates apply) | CME Globex BTIC | \$2.55 | \$2.20 |
| Non-Members | CME Globex BTIC | \$2.65 | \$2.25 |

| Processing Fees | Fee |
|---------------------------------------|--------|
| Position Adjustment/Position Transfer | \$0.10 |
| Give-Up Surcharge | \$0.05 |
| Facilitation Fee | \$0.40 |