

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-111

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): March 10, 2021 Filing Description: Implementation of the FEX Strip Option Expiration Fee Waiver Program

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: Not Applicable

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 |

Official Product Name:

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:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

March 10, 2021

VIA ELECTRONIC PORTAL

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

**RE: Implementation of the FEX Strip Option Expiration Fee Waiver Program
CME Submission No. 21-111**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), on behalf of its clearing house division ("CME Clearing"), hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to implement the FEX Strip Option Expiration Fee Waiver Program ("Program"). The proposed Program will become effective on March 25, 2021 or the date on which CME Clearing begins offering clearing services to FEX.

Exhibit 1 sets forth the terms of the Program.

CME reviewed the derivatives clearing organization ("DCO") core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME staff identified the following Core Principles as potentially being impacted: Financial Resources, Participant and Product Eligibility, Rule Enforcement, Recordkeeping, and Public Information.

The Program is a general fee waiver that applies to all market participants as further stated in Exhibit 1. CME will publish the Program on the CME website to ensure that the fees waived by the DCO are publicly available. The incentives in the Program have a non-material impact on the financial resources of CME. As such, the Program will not prevent CME from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as a DCO. Further, the incentives provided under the Program will not impact CME's ability to perform its monitoring or enforcement obligations under the CEA. Chapter 4 of the CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program will be subject to these rules. The Program is subject to CME's record retention policies which comply with the CEA.

CME certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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

If you require any additional information regarding this submission, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CME Submission No. 21-111 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

FEX Strip Option Expiration Fee Waiver Program

Program Purpose

The purpose of this Program is to support the launch and development of CME's clearing partnership with FEX Global.

Product Scope

FEX Base Load Quarter Strip Options ("Products").

Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants may be members or non-members. The incentives described below will be automatically applied to all option expiration fees in the Products for all market participants.

Program Term

Start date is March 25, 2021. End date is March 31, 2022.

Hours

N/A

Incentives

Fee Waivers: All market participants will receive fee waivers for option expiration fees in the Products.