

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-362

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 09/30/16 Filing Description: Amendments to the Globex Trade Matching Algorithm for Options on Three-Month Eurodollar Futures, Options on Two-Year Bundle Futures, Options on Three-Year Bundle Futures, and Options on Five-Year Bundle 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:

September 30, 2016

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Notification. Amendments to CME Rule 580. (“CME Globex Trade Matching Algorithms”) for the Options on Three-Month Eurodollar Futures, Options on Two-Year Bundle Futures, Options on Three-Year Bundle Futures, and Options on Five-Year Bundle Futures Contracts. CME Submission No. 16-362

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 CME Rule 580. (“CME Globex Trade Matching Algorithms”) to change the trade matching algorithm applicable to trading on the CME Globex electronic trading platform (“CME Globex”) in Options on Three-Month Eurodollar Futures (“ED Options”) (CME Rulebook Chapter 452A), Options on Two-Year Bundle Futures (“BU2 Options”) (CME Rulebook Chapter 454A), Options on Three-Year Bundle Futures (“BU3 Options”) (CME Rulebook Chapter 455A), and Options on Five-Year Bundle Futures (“BU5 Options”) (CME Rulebook Chapter 456A), effective on Sunday, 23 October 2016, for trade date Monday, 24 October 2016.

The products subject to such changes are as follows –

	<i>CME Globex</i>	<i>Open Outcry</i>	<i>CME ClearPort</i>	<i>Clearing</i>
<i>ED Option Products --</i>				
Quarterly and Serial	GE	ZE	ED	ED
1-Year Mid-Curve	GE0	E0	E0	E0
1-Year Weekly Mid-Curve	E01-E05	1K-5K	1K-5K	1K-5K
2-Year Mid-Curve	GE2	E2	E2	E2
2-Year Weekly Mid-Curve	E21-E25	EE1-EE5		EE1-EE5
3-Year Mid-Curve	GE3	E3	E3	E3
3-Year Weekly Mid-Curve	E31-E35	EF1-EF5		EF1-EF5
4-Year Mid-Curve	GE4	E4	E4	E4
5-Year Mid-Curve	GE5	E5	E5	E5
Calendar Spread	SPO	SP1	SPO	SPO
<i>BU2 Options</i>	BU2	BU2	BU2	BU2
<i>BU3 Options</i>	BU3	BU3	BU3	BU3
<i>BU5 Options</i>	BU5	BU5	BU5	BU5

The proposed amendments will:

- (1) apply Matching Algorithm Q (Threshold Pro-Rata with LMM) in place of the current Matching Algorithm Y (Eurodollar Option). One consequence of this action will be to make CME Globex trading in ED Options, BU2 Options, BU3 Options, and BU5 Options subject to the same trade matching protocol as currently applies to CME Globex trading in options on Treasury Note and Bond futures.
- (2) require any trade match allocation to a Top Order Allocation Maximum ("TOP order") to be subject to an upper bound of 1,500 contracts. (Currently, the maximum allowable trade match allocation to a TOP order is 24,999 contracts.)

The current minimum size requirement for an order to qualify for TOP status – 50 contracts – shall remain in effect. Additionally, the share of any aggressor order allocated to a TOP order shall remain at its current setting of 25 percent, the material difference that, pursuant to the amendments set forth here, the 25 percent share allotted to a TOP order shall apply to the entire aggressor order. (Currently, a TOP order's 25 percent share applies to the remainder of the aggressor order, after share allocations have been awarded to Lead Market Makers.)

The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has identified that the new product terms and conditions certified herein may bear upon the following Core Principles:

Core Principle 7 -- Availability of General Information

Market participants have been alerted to the actions certified herein via a Special Executive Report ("SER"). The Exchange shall amend the trade matching algorithm information ancillary to Rule 580. Amended Rule 580. and the SER will be available on the CME Group website.

Core Principle 9 -- Execution of Transactions

The actions certified herein should promote efficiency of the market mechanism, insofar as they achieve broad conformity of trade matching protocols for CME Globex trading in options on Eurodollar futures with established trade matching protocols for CME Globex trading in options on Treasury Note and Bond futures.

The Exchange certifies that these rule amendments comply with the Act and rules thereunder. There were no substantive opposing views to this 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 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

Attachment: Appendix A CME Rule 580. ("CME Globex Trade Matching Algorithms")
CME Globex Product Reference Table (attached under separate cover)

Appendix A

CME Globex Product Reference Table, CME Rule 580. (“CME Globex Trade Matching Algorithms”), in Chapter 5 of the CME Rulebook

(Attached under separate cover)