

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-412

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): October 17, 2017 Filing Description: Implementation of the OTC FX Non-Deliverable Forwards Incentive Program

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: N/A

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:

Rule Numbers:

October 17, 2017

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 OTC FX Non-Deliverable Forwards Incentive Program
CME Submission No. 17-412**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Clearing House") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to implement the OTC FX Non-Deliverable Forwards Incentive Program ("Program"). The proposed Program will become effective on November 1, 2017.

Exhibit 1 sets forth the terms of this Program.

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

The incentives in the proposed Program will have a non-material impact on the financial resources of the Clearing House. As such, the Program will not prevent the Clearing House 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 the Clearing House's ability to perform its monitoring or enforcement obligations under the CEA. Participants in the Program are selected by CME staff using criteria as further stated in Exhibit 1. Chapter 4 of the CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program will be subject to these rules. All participants must expressly agree to comply with and be subject to, applicable regulations and CME rules. The proposed Program will be subject to the Clearing House'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. 17-412 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

OTC FX Non-Deliverable Forwards Incentive Program

Program Purpose

The purpose of the Program is to enhance and incentivize participants to support the development of CME's offering of over-the-counter ("OTC") foreign exchange ("FX") non-deliverable forwards ("NDFs"). The resulting liquidity benefits all participant segments of the market.

Product Scope

The following foreign exchange ("FX") non-deliverable forwards ("NDFs"): USDBRL, USDCNY, USDIDR, USDTWD, USDINR, USDKRW, USDMYR, USDPHP, USDRUB, USDPEN, USDCOP, and USDCLP ("Products").

Eligible Participants

CME will select participants based on their ability to support OTC FX NDFs. Participants may be members or non-members. There is no limit to the number of participants that may participate in the Program. Notwithstanding the foregoing, CME may add or subtract from the aforementioned criteria as it deems necessary.

Program Term

Start date is November 1, 2017. End date is December 31, 2022.

Incentives

Upon meeting all requirements, as determined by CME, participants will be eligible to receive predetermined incentives

Monitoring and Termination of Status

CME shall monitor activity and Program participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the requirements of the Program.