

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 18-431 (2 of 3)

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

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

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 11/14/18 **Filing Description:** Basis Trade at Index Close (BTIC) Eligibility for Bloomberg Roll Select Commodity Index Futures, S&P GSCI Commodity Index Futures, S&P GSCI ER Index Futures, and S&P GSCI ER Index Swaps (Cleared OTC) 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:** CME Rulebook Chapters 401 & 415

**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

**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:**



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

November 14, 2018

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Basis Trade at Index Close (BTIC) Eligibility for the Bloomberg Roll Select Commodity Index Futures, S&P GSCI Commodity Index Futures, S&P GSCI ER Index Futures, and S&P GSCI ER Index Swaps (Cleared OTC) Contracts.  
CME Submission No. 18-431 (2 of 3)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME”) and The Board of Trade of the City of Chicago, Inc. (“CBOT”) (collectively, the “Exchanges”) hereby notify the Commodity Futures Trading Commission (“CFTC” or “Commission”) that they will permit Basis Trade at Index Close (“BTIC”) transactions for the contracts noted in the table below (the “Contracts”) effective Sunday, December 2, 2018, for trade date of Monday, December 3, 2018.

Contract Title	Rulebook Chapter	CME Globex Code	Clearing and CME ClearPort Code	BTIC Code
Bloomberg Roll Select Commodity Index Futures	CBOT Rulebook Chapter 29D	DRS	DRS	DRT
S&P GSCI Commodity Index Futures	CME Rulebook Chapter 401	GD	GI	GDT
S&P GSCI ER Index Futures	CME Rulebook Chapter 415	GIE	GA	GIT
S&P GSCI ER Index Swaps (Cleared OTC)	CME Rulebook Chapter 415A	N/A	SES	SET

The Bloomberg Roll Select Commodity Index Futures, S&P GSCI Commodity Index Futures, and S&P GSCI ER Index Futures contracts are listed for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort. The S&P GSCI ER Index Swaps (Cleared OTC) contract is available for submission for clearing via CME ClearPort. Effective on trade date Monday, December 3, 2018, BTIC eligibility will be permitted on the venues for which they are listed for trading and clearing.

The Exchanges are adopting new Rules 29D106. (“Basis Trade at Index Close (“BTIC”) Transactions”), 40104. (“Basis Trade at Index Close (“BTIC”) Transactions”), 41504. (“Basis Trade at Index Close (“BTIC”) Transactions”), and Rule 415A04. (“Basis Trade at Index Close (“BTIC”) Transactions”) to permit BTIC transactions on the Contracts. Rules 29D106., 40104., 41504., and 415A04. are set forth in blackline format in Exhibits A, B, C, and D respectively.

The Exchanges are amending Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) table (the “NRR Table”) to include the Bloomberg Roll Select Commodity Index Futures, S&P GSCI Commodity Index

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Futures, and S&P GSCI ER Index Futures contracts to the Table. The NRR Table is set forth in blackline format in Exhibit E.

Additionally, the Exchanges will amend the Trading at Settlement (“TAS”) table (the “TAS Table”) located in Chapter 5 (“Trading Qualifications and Practices”) to add the Contracts to the list of BTIC eligible products. The amendments to the TAS Table are set forth in blackline format in Exhibit F.

**Trading and Clearing BTIC Hours:**

**CME Globex:**

(Bloomberg Roll Select Commodity Index Futures, S&P GSCI Commodity Index Futures, and S&P GSCI ER Futures only):

Sunday-Friday 6:00 p.m.-2:30 p.m. Eastern Time/ET (5:00 p.m.-1:30 p.m. Central Time/CT).

**CME ClearPort:**

Sunday-Friday 6:00 p.m.-5:00 p.m. ET (5:00 p.m.-4:00 p.m. CT) with a 60-minute clearing halt each day beginning at 5:00 p.m. ET (4:00 p.m. CT).

## Exchange BTIC Fees:

### CME:

Membership Type	Venue/Fee Category	GSCI (GI)	GSCI ER (GA)	GSCI ER (SES)
		Futures	Futures	Swap
Individual Members (1) Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	EFP   EFR   Block   BTIC	\$2.05	\$1.50	\$1.80
Rule 106.D Lessees (1) Rule 106.F Employees	EFP   EFR   Block   BTIC	\$2.28	\$1.50	\$1.80
Rule 106.R Electronic Corporate Member (For other than Globex - See Non-Members)	EFP   EFR   Block   BTIC	\$2.43	\$1.50	\$1.80
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	EFP   EFR   Block   BTIC	\$2.43	\$1.50	\$1.80
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than Globex - See Non-Members)	EFP   EFR   Block   BTIC	\$2.65	\$1.50	\$1.80
CBOE Members (For S&P Products Only; For All Other Products - See Non-Members)	EFP   EFR   Block   BTIC	\$2.55	\$1.50	\$1.80
Non-Members (Including: Latin American Commercial Incentive Program (LACIP) Participants & CTA/Hedge Fund Incentive Program Participants)	EFP   EFR   Block   BTIC	\$2.65	\$1.50	\$1.80

**CBOT:**

Type	Account Owner	Trading Rights of Individual Executing Trade	Venue/Transaction Type	BCOM RS (DRS)
				Futures
<b>1</b>	Individual Members	Member Account Owner	BTIC	\$1.50
	Individual Delegates	Delegate Account Owner	BTIC	\$1.50
<b>EQUITY MEMBERS (Individual Equity Members, Clearing Equity Member Firms and Equity Member Firms)</b>				
<b>2</b>	Rule 106.J Equity Member Firms, Rule 106.I Affiliate Equity Member Firms, Individual Equity Members (Other Member/Delegate executing trade), Clearing Equity Member Firms, Rule 106.A Affiliate Membership Umbrella - Qualified Candidate	Member or Delegate	BTIC	\$1.50
		Non-Member	BTIC	\$1.50
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non-Member	BTIC	\$1.50
<b>TRADING MEMBERS (Individual Non-Equity Members, Clearing Non-Equity Member Firms and Non-Equity Member Firms)</b>				
<b>3</b>	Individual Non-Equity Members (Other Member/Delegate executing the trade), Clearing Non-Equity Member Firms, Rule 106.H Member Firms	Member, Delegate or Non-Member	BTIC	\$1.50
	Individual Delegates (Other Member or Delegate executing the trade), Rule 106.I Affiliate Trading Member Firms (w/ a leased seat)	Member, Delegate or Non-Member	BTIC	\$1.50
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	BTIC	\$1.50
<b>4</b>	Rule 106.R Electronic Corporate Member Firms (For other than Globex - See Non-Members )	Member, Delegate or Non-Member	Globex - BTIC	\$1.50
<b>5</b>	International Incentive Program (IIP), International Volume Incentive Program (IVIP), (For other than Globex - See Non-Members )	Member, Delegate or Non-Member	Globex - BTIC	\$1.51
	Central Bank Incentive Program (CBIP), Emerging Markets Bank Incentive Program (EMBIP), Latin American Fund Manager Incentive Program (FMIP), (For other than Globex - See Non-Members )	Member, Delegate or Non-Member	Globex - BTIC	\$1.51
	Non-Members	N/A	BTIC	\$1.51

The Exchanges reviewed the designated contract market core principles (“DCM Core Principles”) and the derivatives clearing organization core principles (“DCO Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified the following Core Principles as being potentially impacted:

- **DCM Core Principle 1 – Compliance with Rules:** CBOT & CME shall continue its normal practice to establish, monitor, and enforce compliance with the rules for the Contracts, including the amendments for the contracts.

- **DCM Core Principle 4 - Prevention of Market Disruption**: CBOT & CME has the capacity to detect abnormal price movements and unusual trading volumes, including such abnormal price movements or trading volumes as may be associated with bilaterally negotiated trades, and it holds the authority to take remedial action as appropriate.
- **DCM Core Principle 7 - Availability of General Information**: CBOT & CME shall publish the details of actions certified herein by issuing a Special Executive Report (“SER”), which shall be made timely and publicly available on the Exchange website.
- **DCM Core Principle 8 – Daily Publication of Trading Information**: Trading volume, open interest and price information will be published daily on the CME Group website and via quote vendors.
- **DCM Core Principle 9 - Execution of Transactions**: The minimum block trade size certified herein for BTIC transactions is commensurate with the minimum block trade size applicable to the Contracts listed for trading on the Exchanges.
- **DCO Core Principle L – Public Information**: The amendments will be added to the publicly available CME Rulebook available on the CME Group website. In addition, CME will release notices to the marketplace regarding the details certified herein in advance of the effective date.

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

The Exchanges certify that this submission has been concurrently posted on the CME Group 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](mailto:CMEGSubmissionInquiry@cmegroup.com)

Sincerely,

/s/ Christopher Bowen  
 Managing Director and Chief Regulatory Counsel

- Attachments: Exhibit A - CBOT Rule 29D. (“Basis Trade at Index Close (“BTIC”) Transactions”) (blackline format)  
 Exhibit B - CME Rule 401. (“Basis Trade at Index Close (“BTIC”) Transactions”) (blackline format)  
 Exhibit C – CME Rule 415. (“Basis Trade at Index Close (“BTIC”) Transactions”) (blackline format)  
 Exhibit D - CME Rule 415A. (“Basis Trade at Index Close (“BTIC”) Transactions”) (blackline format)  
 Exhibit E - CBOT Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table (blackline format)  
 Exhibit F - Amendments to Trading at Settlement (“TAS”) Table (blackline)

## **Exhibit A**

### **CBOT Rulebook Chapter 29D Bloomberg Roll Select Commodity Index Futures**

(additions are underlined)

#### **29D106. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS**

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

##### **29D106.A. BTIC Block Trade Requirements**

BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC block trade executed on a given Trading Day on or before the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC block trade executed on a given Trading Day after the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

##### **29D106.B. BTIC Price Assignment Procedures**

The futures price of a BTIC transaction shall be determined by the Exchange at 3:30 p.m. Chicago time (4:30 p.m. Eastern time) (or according to the requirements of Rule 29D104 in the case of final settlement). Such price determination shall be deemed final.

##### **29D106.C. BTIC Minimum Price Increment**

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 0.010 index points.

## **Exhibit B**

### **CME Rulebook Chapter 401 S&P GSCI™ Commodity Index Futures**

(additions are underlined)

#### **40104. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS**

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

##### **40104.A. BTIC Block Trade Requirements**

BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC block trade executed on a given Trading Day on or before the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC block trade executed on a given Trading Day after the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

##### **40104.B. BTIC Price Assignment Procedures**

The futures price of a BTIC transaction shall be determined by the Exchange at 3:30 p.m. Chicago time (4:30 p.m. Eastern time) (or according to the requirements of Rule 40103 in the case of final settlement). Such price determination shall be deemed final.

##### **40104.C. BTIC Minimum Price Increment**

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 0.010 index points.

### **Exhibit C**

#### **CME Rulebook Chapter 415 S&P GSCI™ ER Index Futures**

(additions are underlined)

##### 41504. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

###### 41504.A. BTIC Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC block trade executed on a given Trading Day on or before the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC block trade executed on a given Trading Day after the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

###### 41504.B. BTIC Price Assignment Procedures

The futures price of a BTIC transaction shall be determined by the Exchange at 3:30 p.m. Chicago time (4:30 p.m. Eastern time) (or according to the requirements of Rule 41503 in the case of final settlement). Such price determination shall be deemed final.

###### 410504.C. BTIC Minimum Price Increment

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 0.0010 index points.

### **Exhibit D**

#### **CME Rulebook Chapter 415A S&P GSCI™ ER Index Swaps (Cleared OTC)**

(additions are underlined)

##### 415A04. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

###### 415A04.A. BTIC Price Assignment Procedures

The cleared swap price of a BTIC transaction shall be determined by the Exchange at 3:30 p.m. Chicago time (4:30 p.m. Eastern time) (or according to the requirements of Rule 415A03 in the case of final settlement). Such price determination shall be deemed final.

###### 415A04.B. BTIC Minimum Price Increment

The valid basis or price increment applied to the Index closing value to establish the BTIC swap price must be stated in full tick increments of 0.0001 index points.



**Exhibit E**

**CBOT Rulebook  
Chapter 5  
("Trading Qualifications and Practices")**

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

(additions are underlined)

Instrument Name	Globex Symbol	Outright			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks	NRR: Globex Format	NRR: Minimum Outright Ticks
<u>BTIC on S&amp;P-GSCI ER Index Futures</u>	<u>GIT</u>	<u>1.25 index points</u>	<u>1250</u>	<u>1250</u>	<u>N/A</u>	<u>N/A</u>
<u>BTIC on S&amp;P-GSCI Commodity Index Futures</u>	<u>GDT</u>	<u>0.63 index points</u>	<u>63</u>	<u>63</u>	<u>N/A</u>	<u>N/A</u>
<u>BTIC on Bloomberg Roll Select Commodity Index Futures</u>	<u>DRT</u>	<u>1 index point</u>	<u>100</u>	<u>100</u>	<u>N/A</u>	<u>N/A</u>

**Exhibit F**

**CME/CBOT Rulebook  
Chapter 5  
("Trading Qualifications and Practices")**

**Trading at Settlement ("TAS") Table**

(additions are underlined)

<b>Index Futures Products</b>	<b>BTIC Ticker</b>	<b>Product Chapter</b>	<b>Minimum Tick Increment</b>
<b>CBOT</b>			
<u>Bloomberg Roll Select Commodity Index Futures*</u>	<u>DRT</u>	<u>29A</u>	<u>0.01</u>
<b>CME</b>			
<u>S&amp;P-GSCI Index Futures*</u>	<u>GDT</u>	<u>401</u>	<u>0.01</u>
<u>S&amp;P-GSCI ER Index Futures*</u>	<u>GIT</u>	<u>415</u>	<u>0.001</u>
<b>Index Swaps Products</b>	<b>BTIC Ticker</b>	<b>Product Chapter</b>	<b>Minimum Tick Increment</b>
<b>CME</b>			
<u>S&amp;P-GSCI ER Index Swaps (Cleared OTC)</u>	<u>DGT</u>	<u>415A</u>	<u>0.0001</u>

\* BTIC on CME Globex available