

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 21-478 (1 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):** 11/12/21 **Filing Description:** Amendments to the Bloomberg Commodity Index Swaps (Cleared OTC) and the Bloomberg Commodity Index Futures Contracts and Amendments to Related CBOT Transaction Fees.

**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     |

**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:**

November 12, 2021

**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. Amendments to the Bloomberg Commodity Index Swaps (Cleared OTC) and Bloomberg Commodity Index Futures and Contracts and Amendments to Related CBOT Transaction Fees.  
 CME Submission No. 21-478 (1 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”) certify to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the Bloomberg Commodity Index Swaps (Cleared OTC) and the Bloomberg Commodity Index Futures and contracts (the “Contracts”) effective Sunday, December 5, 2021 for trade date Monday, December 6, 2021 as more specifically described below (the “Rule Amendments”).

Specifically, CME will amend the Daily Settlement Procedure Document of the Bloomberg Commodity Index Swaps (Cleared OTC) contract as noted in Exhibit A below to more accurately describe CME’s existing settlement procedure.

Contract Title	CME ClearPort Code	Rulebook Chapter
Bloomberg Commodity Index Swaps (Cleared OTC)	DGS	CBOT* 29A

\*The product chapter of this CME cleared-only contract is housed in the CBOT rulebook.

Also, at this time, CBOT will implement several amendments to the Bloomberg Commodity Index Futures contract.

Contract Title	CME Globex Code	CME ClearPort Code	Rulebook Chapter	Current Minimum Price Increment	Decreased Minimum Price Increment
Bloomberg Commodity Index Futures	AW	70	CBOT 29	0.10 Index points (\$10.00)	0.01 Index points (\$1.00)

With regard to the Bloomberg Commodity Index Futures contract, CBOT will amend: (1) Rule 29102.C. (“price increments”) to decrease the minimum price fluctuation limit to 0.01 Index points; (2) Rule 588.H.

("Globex Non-Reviewable Trading Ranges") table ("the "Table") to conform with amendments to Rule 29012.C.; and (3) the Daily Settlement Procedure Document to transition from a VWAP settlement procedure to a settlement to the underlying Bloomberg Commodity Index. These CBOT amendments are provided in Exhibits B, C, D, and E below.

It should be noted that it has been requested that customers cancel all Good 'Till Cancel ("GTC") and Good 'Till Date ("GTD") orders of the Bloomberg Commodity Index Futures contract after the close on Friday, December 3, 2021. After 16:00 Central Time (CT) on Friday, December 3, 2021, all remaining Good 'Till ("GT") orders for this contract will be cancelled or deleted by the CME Global Command Center ("GCC").

In addition, effective on December 1, 2021, CBOT shall amend the related CBOT transaction fees as noted in Exhibit E below. CBOT is amending the related transaction fees from a nominal rate with an embedded fee component to a flat fee model.

Based on requests from market participants and subsequent customer validation, the Exchanges are implementing the Rule Amendments to further align the futures contract with the OTC market.

The Exchanges reviewed the derivatives clearing organization ("DCO") and designated contract market ("DCM") 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:

#### **DCO Core Principles:**

**Public Information:** CME shall disseminate a Special Executive Report ("SER") regarding the Rule Amendments. The SER will also be posted on the CME Group website.

#### **DCM Core Principles:**

**Compliance with Rules:** CBOT shall continue their normal practice to establish, monitor, and enforce compliance with the rules for the contract, including the Rule Amendments for the Contracts.

**Prevention of Market Disruption:** CBOT 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 they hold the authority to take remedial action as appropriate.

**Execution of Transactions:** The Rule Amendments will further enable CBOT to continue their current practice of providing a competitive, open, and efficient market mechanism for executing transactions.

**Availability of General Information:** CBOT shall disseminate 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:** Trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.

**Financial Resources:** The proposed modifications will not impact CBOT's ability to discharge its financial, operational, or managerial responsibilities as a DCM.

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

Should you have any questions concerning the above, please contact the undersigned 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 - Amendments to the Daily Settlement Procedure Document for Bloomberg Commodity Index Swaps (Cleared OTC) (blackline format)  
Exhibit B - Amendments to CBOT Rule 29012.C. ("Price Increments") (blackline format)  
Exhibit C - Amendments to CBOT Rule 588.H. ("Globex Non-Reviewable Trading Ranges") Table (blackline format)  
Exhibit D - Amendments to the Daily Settlement Procedure Document for Bloomberg Commodity Index Futures (blackline format)  
Exhibit E - CBOT Transaction Fees

## Exhibit A

### **Daily Settlement Procedure Document** (additions underscored; deletions ~~struckthrough~~)

#### **Bloomberg Commodity Index<sup>SM</sup> Swaps Daily Settlement Procedure**

##### **Normal Daily Settlement Procedure**

Bloomberg calculates and publishes official closing values for the Bloomberg Commodity Index<sup>SM</sup> (BCOM) based on the settlements of the index's component commodity futures contracts. CME BCOM Swaps (DGS) settle to the Bloomberg Commodity Index official closing value on a daily basis.

If Bloomberg does not provide a Bloomberg Commodity Index official closing value by 16:00 Central Time (CT), then the swaps will settle to the most recent index value available.

~~CME Group staff publishes daily settlements for all Bloomberg Commodity Index<sup>SM</sup> Swaps (Cleared OTC - DGS), Bloomberg Commodity Index<sup>SM</sup> 2-Month Forward Swaps (Cleared OTC - DG2) and Bloomberg Commodity Index<sup>SM</sup> 3-Month Forward Swaps (Cleared OTC - DG3) with open interest.~~

<b>Bloomberg Commodity Index Products</b>	<b>CME</b>	<b>Bloomberg</b>
<del>Bloomberg Commodity Index<sup>SM</sup> Swaps (Cleared OTC)</del>	<del>DGS</del>	<del>BCOM</del>
<del>Bloomberg Commodity Index<sup>SM</sup> 2-Month Forward Swaps (Cleared OTC)</del>	<del>DG2</del>	<del>BCOMF2</del>
<del>Bloomberg Commodity Index<sup>SM</sup> 3-Month Forward Swaps (Cleared OTC)</del>	<del>DG3</del>	<del>BCOMF3</del>

##### **~~Normal Daily Settlement Procedure~~**

~~Each business day, Bloomberg calculates and publishes daily settlement prices for the Bloomberg Commodity Index<sup>SM</sup> swaps based on the settlements of the index's component commodity futures contracts. CME Group staff then rounds this price and publishes it as the daily settlement for each Bloomberg Commodity Index<sup>SM</sup> swap with open interest.~~

~~If Bloomberg does not provide a cash price by 15:30 Central Time (CT), then the swaps with open interest settle to prior day settlement price.~~

**Exhibit B**

**CBOT Rulebook**

(additions underscored; deletions ~~struckthrough~~)

**Chapter 29**

**Bloomberg Commodity Index<sup>SM</sup> Futures**

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**29102. TRADING SPECIFICATIONS**

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**29102.C. Price Increments**

The price of the Bloomberg Commodity Index<sup>SM</sup> futures shall be quoted in points. One point equals \$100.00. The minimum price fluctuation shall be 0.010-4 (~~1/100~~)(~~1/40~~) points per contract (~~\$1.00~~~~\$10.00~~ per contract). Contracts shall not be made on any other price basis.

[The remainder of the Rule is unchanged.]

**Exhibit C**

**CBOT Rulebook**

(additions underscored; deletions ~~struckthrough~~)

**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
Bloomberg Commodity Index Futures	AW	2 index points	<del>20</del> <u>200</u>	<del>20</del> <u>200</u>	<del>5</del> <u>50</u>	<del>5</del> <u>50</u>

## Exhibit D

### **Daily Settlement Procedure Document** (additions underscoring; deletions ~~struckthrough~~)

#### **Bloomberg Commodity Index<sup>SM</sup> Futures Daily Settlement Procedure**

##### **Normal Daily Settlement Procedure**

Bloomberg calculates and publishes official closing values for the Bloomberg Commodity Index<sup>SM</sup> (BCOM) based on the settlements of the index's component commodity futures contracts. CME BCOM futures (AW) settle to the Bloomberg Commodity Index official closing value on a daily basis.

If Bloomberg does not provide a Bloomberg Commodity Index official closing value by 16:00 Central Time (CT), then the futures will settle to the most recent index value available.

~~Each Bloomberg Commodity Index Futures (AW) contract with open interest is settled by CME Group staff based on trading activity on CME Globex.~~

##### **Normal Daily Settlement**

~~If a trade(s) occurs on CME Globex in the one-minute window between 13:29:00 and 13:30:00 Central Time (CT), the settlement period, then the contract settles to the volume-weighted average price (VWAP) of the trade(s) during this period.~~

##### **Lead Month**

~~The lead month is the anchor leg for settlements and is the contract expected to be the most active. If no trades occur on CME Globex during the settlement window for the lead month contract, then the last trade (or prior settle in the absence of a last trade price) is used to determine whether to settle to the low bid or the high ask.~~

~~If the low bid is higher than the last trade/prior settlement price, then the lead month settles to that bid price. If the high ask is lower than the last trade/prior settle, then the lead month settles to that ask price. The lead month settles to the last trade/prior settle if it is equal to or between the low bid and the high ask.~~

##### **Deferred Months**

~~If a trade(s) occurs on CME Globex during the one-minute window between 13:29:00 and 13:30:00 Central Time (CT), then the contract settles to the volume-weighted average price (VWAP) of the trade(s) during this period.~~

~~If no trades occur on CME Globex during the settlement period then the settlement will be the net change of the preceding month applied to the prior settle and validated against low bid or high ask. If the non-lead month expires prior to the lead month then the net change will be cascaded upwards from the lead month.~~

**Exhibit E**  
**CBOT Fees**  
[Effective December 1, 2021]

Type	Account Owner	Trading Rights of Individual Executing Trade	Venue/ Transaction Type	Current		New	
				Bloomberg Commodity Index	Bloomberg Commodity Index	Bloomberg Commodity Index	Bloomberg Commodity Index
				Futures	Swaps	Futures	Swaps
<b>1</b>	Individual Members	Member Account Owner	CME Globex	\$0.06	n/a	\$0.20	n/a
			EFP EFR Block	\$1.31	\$1.31	\$0.25	\$0.25
			BTIC	\$1.31	\$1.31	\$0.25	\$0.25
	Individual Delegates	Delegate Account Owner	CME Globex	\$0.06	n/a	\$0.25	n/a
			EFP EFR Block	\$1.31	\$1.31	\$0.30	\$0.30
			BTIC	\$1.31	\$1.31	\$0.30	\$0.30
<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 the trade)	Member or Delegate	CME Globex	\$0.06	n/a	\$0.20	n/a
			EFP EFR Block	\$1.31	\$1.31	\$0.25	\$0.25
			BTIC	\$1.31	\$1.31	\$0.25	\$0.25
	Clearing Equity Member Firms Rule 106.I Affiliate Membership Umbrella - Qualified Affiliate	Non-Member	CME Globex	\$0.06	n/a	\$0.21	n/a
			EFP EFR Block	\$1.31	\$1.31	\$0.30	\$0.30
			BTIC	\$1.31	\$1.31	\$0.30	\$0.30
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.06	n/a	\$0.21	n/a
			EFP EFR Block	\$1.31	\$1.31	\$0.30	\$0.30
			BTIC	\$1.31	\$1.31	\$0.30	\$0.30
<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 Clearing Non-Equity Member Firms Rule 106.H Member Firms Rule 106.I Affiliate Trading Member Firms (w/ an owned seat)	Member, Delegate or Non-Member	CME Globex	\$0.06	n/a	\$0.32	n/a
			EFP EFR Block	\$1.31	\$1.31	\$0.42	\$0.42
			BTIC	\$1.31	\$1.31	\$0.42	\$0.42
	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	CME Globex	\$0.06	n/a	\$0.36	n/a
			EFP EFR Block	\$1.31	\$1.31	\$0.45	\$0.45
			BTIC	\$1.31	\$1.31	\$0.45	\$0.45
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.06	n/a	\$0.32	n/a
			EFP EFR Block	\$1.31	\$1.31	\$0.42	\$0.42
			BTIC	\$1.31	\$1.31	\$0.42	\$0.42
<b>4</b>	Rule 106.R Electronic Corporate Member Firms (For other than Globex - See Non-Members)	Member, Delegate or Non-Member	CME Globex	\$0.06	n/a	\$0.32	n/a
			BTIC	\$1.31	n/a	\$0.45	n/a
<b>5</b>	International Incentive Program (IIP) International Volume Incentive Program (IVIP) (For other than Globex - See Non-Members)	Member, Delegate or Non-Member	CME Globex	\$0.07	n/a	\$1.00	n/a
			BTIC	\$1.32	n/a	\$1.25	n/a
	Central Bank Incentive Program (CBIP) Latin American Fund Manager Incentive Program (FMIP) (For other than Globex - See Non-Members)	Member, Delegate or Non-Member	CME Globex	\$0.07	n/a	\$1.00	n/a
			CME Globex - BTIC	\$1.32	n/a	\$1.25	n/a
	Non-Members (Including: Emerging Markets Bank Incentive (EMBIP))	N/A	CME Globex	\$0.07	n/a	\$1.00	n/a
			EFP EFR Block	\$1.32	\$1.32	\$1.25	\$1.32
			BTIC	\$1.32	\$1.32	\$1.25	\$1.32