

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-399 (2 of 2)

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/30/16 **Filing Description:** Amendments to CME Rule 855. ("Offsetting Different Sized Futures Positions")

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: 855.

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 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 Regarding Amendments to CME Rule 855.
 (“Offsetting Different Sized Futures Positions”).
 CME Submission No. 16-399 (2 of 2)**

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 855. (“Offsetting Different Sized Futures Positions”) to allow a clearing member to offset and liquidate long positions in options on E-Mini or E-Micro futures contracts (“E-Mini or E-Micro options”) against short positions in options on regular futures contracts (“regular options”) provided that such positions meet the specified criteria in CME Rule 855., effective Thursday, December 15, 2016.

Currently, Rule 855. allows for the offset and liquidation of certain E-mini or E-micro futures contracts versus their corresponding regular futures contracts. The amendments to Rule 855. expand this allowance to certain E-mini or E-micro options versus their corresponding regular options. The offset and liquidation of E-Mini or E-Micro options versus regular options under Rule 855. is restricted to options that: (a) correspond to futures combinations permitted for offset and liquidation pursuant to CME Rule 855., (b) are exclusively applied to European-style exercise, (c) expire on the same date, and (d) have the same exercise price. Amendments to CME Rule 855. specifically apply to Options on E-Mini S&P 500 futures versus Options on S&P 500 futures at a 5 to 1 ratio. Note that futures positions shall be offset at the previous day’s settlement price; options positions shall be offset at a premium of zero. Amendments to CME Rule 855. are provided in Exhibit A with additions underscored.

The affected S&P 500 option products upon effective date are provided in the table below:

S&P 500 Option Contracts	Full-Sized Option Contracts	E-Mini Option Contracts
End of Month Options	EV	EW
Friday weekly options	EV1, EV2, EV3, EV4	EW1, EW2, EW3, EW4
Wednesday weekly options	S1C, S2C, S3C, S4C, S5C	E1C, E2C, E3C, E4C, E5C

The Exchange has reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that amendments may have some bearing on the following Core Principles:

Compliance with Rules: CME Rule 855. provides the framework under which clearing members may offset and liquidate certain E-Mini or E-Micro futures positions and options positions and is therefore in compliance with the Core Principle.

Availability of General Information: The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information in regard to specifications, terms, and conditions of the rule change. The SER will also be posted on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange certifies that the amendments comply with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-fillings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A CME Rule 855. (blackline format)

Exhibit A

(Additions are underlined.)

CME

Chapter 8

Clearing House and Performance Bonds

855. OFFSETTING DIFFERENT SIZED FUTURES POSITIONS AND OPTIONS POSITIONS

With the consent of the account controller, a clearing member may offset and liquidate long E-Mini or E-Micro futures positions against short regular futures positions, or short E-Mini or E-Micro futures positions against long regular futures positions, held in the same account in the following ratios of E-Mini or E-Micro to regular futures contracts:

E-Mini S&P 500 to regular S&P 500: 5:1

E-Mini Currency to regular Currency: 2:1

E-Mini Nikkei 225 (Yen) to regular Nikkei 225 (Yen): 5:1

E-Micro GBP/USD, EUR/USD, AUD/USD, CAD/USD, JPY/USD, CHF/USD, USD/RMB or CNY, USD/Offshore RMB or CNH to regular Currency: 10:1

E-Micro INR/USD to regular INR/USD: 5:1

With the consent of the account controller, a clearing member may offset and liquidate long positions in options on E-Mini or E-Micro futures contracts ("E-Mini or E-Micro options") against short positions in options on regular futures contracts ("regular options"), or short positions in E-Mini or E-Micro options against long positions in regular options, held in the same account, provided that (a) any such offsetting and liquidating combination of E-Mini or E-Micro options and regular options corresponds to one of the offsetting and liquidating combinations of E-Mini or E-Micro futures and regular futures specified in this Rule, and provided that the options to be netted have (b) European exercise, (c) the same expiration date, and (d) the same exercise price. If all of the foregoing requirements are met, then the offsets will be in the following ratios of options on E-Mini or E-Micro futures contracts to options on regular futures contracts:

Options on E-Mini S&P 500 futures to Options on S&P 500 futures: 5:1

The clearing member shall notify the Clearing House of offsetting positions by submitting reports to the Clearing House in such form and manner as the Clearing House shall specify. The positions shall be offset at the previous day's settlement price for futures and at a price of zero for options. The positions being offset shall be transferred to a CME holding account. Long and short positions in the same contract and contract month held in the holding account shall be netted, thus reducing the number of open positions in such contract.