

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-420 (3 of 4)

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/04/17

Filing Description: Amendments to CME and CBOT Rule 539.C. ("Pre-Execution Communications Regarding Globex Trades"), Establishment of Block Trades in CME and CBOT Agricultural Products, Modifications to Block Trade Minimum Thresholds and Reporting Times in Certain CME and CBOT Agricultural Products and Issuance of Market Regulation Advisory Notices RA1718-5 and RA1719-5.

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: 526. and 539.C.

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:

December 4, 2017

VIA ELECTRONIC PORTAL

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

Re: CFTC Regulation 40.6(a) Certification. Amendments to CME and CBOT Rule 539.C. (“Pre-Execution Communications Regarding Globex Trades”), Establishment of Block Trades in CME and CBOT Agricultural Products, Modification to Block Trade Minimum Thresholds and Reporting Times of Certain CME and CBOT Agricultural Products and Issuance of CME/CBOT/NYMEX/COMEX Market Regulation Advisory Notices RA1718-5 and RA1719-5. NYMEX Submission No. 17-420 (3 of 4)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME”) and The Board of Trade of the City of Chicago, Inc. (“CBOT”) hereby notify the Commission that they are self-certifying amendments to CME and CBOT Rule 539.C. (“Pre-Execution Communications Regarding Globex Trades”) to enable the addition of the RFQ + RFC Cross (“R-Cross”) protocol to all CME and CBOT Agricultural futures trades that result from pre-execution communications (“pre-ex”) pursuant to the Rule, effective on Sunday, January 7, 2018, for trade date Monday, January 8, 2018. Additionally on that date, CME and CBOT will establish block trade minimum thresholds in all Agricultural futures and options contracts not currently block-eligible and modify the block trade minimum thresholds and reporting times of certain CME and CBOT block-eligible Agricultural futures and options contracts. As a result of these changes, CME, CBOT, New York Mercantile Exchange, Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”) (collectively, the “Exchanges”) will issue CME/CBOT/NYMEX/COMEX Market Regulation Advisory Notices RA1718-5 (“RA1718-5”) and RA1719-5 (“RA1719-5”) concerning, respectively, Rule 539. (“Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited”) and Rule 526. (“Block Trades”) (collectively, the “Rule Amendments”).

Amendments to CME and CBOT Rule 539.

In connection with the aforementioned amendments to CME and CBOT Rule 539.C., the following changes will become effective on trade date January 8, 2018:

- CME will add the R-Cross protocol for pre-ex trades in all CME Agricultural futures;
- CBOT will permit pre-ex in all CBOT Agricultural futures at all times that CME Globex is open for trading via the R-Cross or G-Cross protocol;
- CBOT will permit pre-ex in all CBOT Agricultural options at all times that CME Globex is open for trading via the R-Cross protocol; and
- CME and CBOT will require that the Request for Cross (“RFC”) be entered no earlier than five (5) seconds before and no more than thirty (30) seconds after entry of the Request for Quote (“RFC”) for all pre-ex trades utilizing the R-Cross protocol.

The amendments to CME and CBOT Rule 539.C. are set forth in Exhibit A, with additions underscored and deletions overstruck. Corresponding amendments to the Rule 539.C. Crossing Protocols Table, in addition to several other unrelated non-substantive changes, are set forth in Exhibit B, with additions underscored and deletions overstruck.

Establishment of Block Trade Minimum Thresholds in CME and CBOT Agricultural Futures and Options Contracts

CME and CBOT are establishing block trade minimum thresholds pursuant to CME and CBOT Rule 526. (“Block Trades”) in all CME and CBOT Agricultural products which are not currently block-eligible. The minimum thresholds have been established at conservative levels based on a review of the existing liquidity in the CME Globex central limit order book, with the levels representing quantities that would, if entered in their entirety into CME Globex, incur substantial price concessions.

Amendments to the Block Trade Minimum Thresholds in Certain CME and CBOT Agricultural Futures and Options Contracts

CME and CBOT are also making amendments to the block trade minimum thresholds and reporting times for several CME and CBOT Agricultural futures and options contracts in which block trade minimum thresholds have already been established.

The Rule Amendments will also change the block trade minimum quantity thresholds and reporting times for the following Agricultural contracts, Australian, Black Sea and EU Wheat, Cash Settled Cheese, Urea, and Crude Palm Oil products, which are currently block eligible. These amendments will harmonize block thresholds and reporting times across the Agricultural complex. Block transactions will be permitted in all CME and CBOT agricultural futures and options contracts as noted in Exhibit C, with additions underscored and deletions overstruck.

Addition of CME ClearPort Venue to CME and CBOT Agricultural Options Products

CME and CBOT are adding the CME ClearPort venue to a number of Agricultural options products in order to facilitate the submission of such products to CME Clearing when executed as block trades pursuant to CME and CBOT Rule 526. or Exchange for Related Position transactions pursuant to CME and CBOT Rule 538. (“Exchange for Related Position Transactions”).

A list of the CME and CBOT options products for which the CME ClearPort venue is being added appear in Exhibit D.

Issuance of CME/CBOT/NYMEX/COMEX RA1718-5 and RA1719-5

In connection with the aforementioned changes, the Exchanges are issuing RA1718-5 concerning Rule 539. and RA1719-5 concerning Rule 526., on December 5, 2017. RA1718-5 and RA1719-5 are set forth in Exhibit E.

Exchange Fee Schedules

The CME and CBOT Fee Schedules associated with transacting an agricultural block trade on either the CME or CBOT are set forth in Exhibit F.

The Exchanges reviewed the designated contract market 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:

Compliance with Rules: The amendments to Rule 539. are intended to enable pre-ex in all CME and CBOT Agricultural futures and options contracts, utilizing established crossing protocols. The amendments are in compliance with the Core Principle.

Availability of General Information: The Exchanges shall publish RA1718-5 and RA1719-5 on the CME Group website in addition to publicly disseminating them to our subscribers. Information on the amendments to CME and CBOT Rule 539.C. and the new and modified CME and CBOT Agricultural futures and options block trade minimum thresholds and reporting times was communicated via CME Group Special Executive Report, which is available on the CME Group website.

Execution of Transactions: A designated contract market may authorize transactions that are executed away from the designated contract market's centralized marketplace for bona fide business purposes. Accordingly, the Exchange has long established block standards for a wide array of futures and options products. The actions certified herein serve to establish and modify block trade minimum thresholds in all CME and CBOT Agricultural futures and options contracts, which serves to improve the alignment of block trade standards for the pertinent futures products with standards applicable to the majority of other products listed for trading by the Exchanges.

The amendments to permit pre-ex and block trading in all CME and CBOT Agricultural futures and options contracts was a result of numerous of requests from market participants and a review of the permissibility of pre-ex and block trading in the majority of all products offered by the Exchanges. Exchange staff conducted numerous calls with multiple CME and CBOT Agricultural futures and options market participants and discovered there was increasing customer support for adopting the Rule Amendments. While an overwhelming majority of market participants are in favor of the Rule Amendments, a small number of market participants expressed opposing views and cited lack of transparency in block trade executions as the primary issue.

The National Grain and Feed Association ("NGFA") expressed concerns to the Exchanges that the Rule Amendments could potentially negatively impact the markets. The NGFA posed a series of questions concerning the expected benefits, the Exchanges' analysis performed and the market participants consulted about the changes. The Exchanges responded to NGFA and advised that the Exchanges: (1) do not believe that the Rule Amendments will negatively affect the markets, rather they expect that the changes will offer additional methods of transacting in deferred contract months and in products that have less robust liquidity in the central limit order book; (2) believe the block trade minimum thresholds are being established at conservative levels which would result in substantial price concessions if that trading activity were to be entered as a single order directly into CME Globex; and (3) believe that pre-ex and blocks in the CME and CBOT Agricultural futures and options markets are expected to account for a small percentage of the overall trading activity and that there will be no degradation to the liquidity in the central limit order book.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges certify that the Rule Amendments comply with the Act and regulations thereunder.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact the undersigned at 212.299.2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: CME Rule and CBOT Rule 539.C. (blackline format) (attached under separate cover)
Exhibit B: Rule 539.C. Crossing Protocols Table (blackline format) (attached under separate cover)
Exhibit C: CME and CBOT Agricultural Products Block Trade Minimum Thresholds and Reporting Times (blackline format) (attached under separate cover)
Exhibit D: Addition of CME ClearPort Venue (attached under separate cover)
Exhibit E: RA1718-5 and RA1719-5 (attached under separate cover)
Exhibit F: CME and CBOT Exchange Fee Schedules

EXHIBIT A

CME Rule and CBOT Rule 539.C.

(blackline format)

(attached under separate cover)

EXHIBIT B

Rule 539.C. Crossing Protocols Table

(blackline format)

(attached under separate cover)

EXHIBIT C

CME and CBOT Agricultural Products Block Trade Minimum Thresholds and Reporting Times

(blackline format)

(attached under separate cover)

EXHIBIT D

Addition of CME ClearPort Venue

(attached under separate cover)

EXHIBIT E

RA1718-5 and RA1719-5

(attached under separate cover)

EXHIBIT F CME and CBOT Exchange Fee Schedules

CME Group		CME Agricultural Product Fee Schedules		
Fees are charged per side (both buy and sell side) per contract.	Venue/Transaction Type	Agricultural	OTC Ag Swaps & Crude Palm Oil	Crude Palm Oil - Gasoil Spread
		Futures & Options	Futures & Options	Futures
Individual Members 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	Block	\$1.90	\$2.00	\$2.20
Rule 106.D Lessees Rule 106.F Employees	Block	\$2.06	\$2.25	\$2.45
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	Block	\$2.24	\$2.50	\$2.70
Non-Members	Block	\$3.03	\$2.50	\$2.70

CME Group		CBOT Agricultural Product Fee Schedules								
Type	Account Owner	Trading Rights of Individual Executing Trade	Venue/ Transaction Type	Agricultural Fut & Opt	Mini-sized Fut & Opt	Soybean Crush Options	ICSO Calendar Spread Options	Fertilizer Swaps	Urea (FOB) Middle East Future	Australian Wheat Calendar Future
1	Individual Members	Member Account Owner	Block	\$1.20	\$1.20	\$2.50	\$1.34	\$4.00	\$4.00	\$1.00
	Individual Delegates	Delegate Account Owner	Block	\$1.35	\$1.30	\$2.75	\$1.64	\$4.50	\$4.00	\$1.00
2	EQUITY MEMBERS (Individual Equity Members, Clearing Equity Member Firms and Equity Member Firms)									
	Rule 106.J Equity Member Firms Rule 106.I Affiliate Equity Member Firms Individual Equity Members (Other Member/Delegate executing trade)	Member or Delegate	Block	\$1.20	\$1.17	\$2.50	\$1.34	\$4.00	\$3.50	\$1.00
	Clearing Equity Member Firms Rule 106.I Affiliate Membership Umbrella - Qualified Affiliate	Non-Member	Block	\$1.20	\$1.17	\$2.50	\$1.34	\$4.00	\$3.50	\$1.00
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non-Member	Block	\$1.20	\$1.17	\$2.50	\$1.34	\$4.00	\$3.50	\$1.00
3	TRADING MEMBERS (Individual Non-Equity Members, Clearing Non-									
	Individual Non-Equity Members (Other Member/Delegate executing trade) 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	Block	\$1.81	\$1.66	\$2.91	\$2.56	\$4.50	\$4.00	\$1.00
	Individual Delegates (Other Member/Delegate executing trade) Rule 106.I Affiliate Trading Member Firms (w/ a leased seat)	Member, Delegate or Non-Member	Block	\$1.96	\$1.81	\$3.06	\$2.86	\$4.50	\$4.00	\$1.00
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	Block	\$1.81	\$1.66	\$2.91	\$2.56	\$4.50	\$4.00	\$1.00
5	Non-Members	N/A	Block	\$2.95	\$2.03	\$10.00	\$4.84	\$5.00	\$4.50	\$1.25
6	CMACE Permit Holders <i>(For Rough Rice & Mini-Sized Products Only; For All Other Products - See Non-Members)</i>	Member, Delegate or Non-Member	Block	\$1.41	\$1.66	N/A	N/A	N/A	N/A	N/A