

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-162

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

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

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 04/05/23 **Filing Description:** Amendments to Rule 48X02.C. ("Price Increments") of the Euro Short-Term Rate (€STR), RepoFunds Rate (Germany) and RepoFunds Rate (Italy) Futures Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input 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:

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 |

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|-------------------------------------|---|----------------------|
| <input checked="" 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: See filing.

Rule Numbers: CME Chapter 480, 482, and 484

April 5, 2023

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) Certification. Amendments to Rule 48X02.C. (“Price Increments”) of the Euro Short-Term Rate (€STR), RepoFunds Rate (Germany) and RepoFunds Rate (Italy) Futures Contracts.
CME Submission No. 23-162**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchanges”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to Rule 48X02.C. (“Price Increments”) of the Euro Short-Term Rate (€STR), RepoFunds Rate (Germany) and RepoFunds Rate (Italy) Futures contracts (“the Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort as noted in Table 1. below effective Sunday, April 23, 2023, for trade date Monday, April 24, 2023.

Table 1.

Contract Title	Commodity Code	Rulebook Chapter	Current Minimum Price Fluctuation Eligibility	Amended Minimum Price Fluctuation Eligibility
Euro Short-Term Rate (€STR) Futures	ESR	480	0.00125 Index points, equal to €3.125 per contract for any contract month with one (1) month or less until its termination of trading	0.00125 Index points, equal to €3.125 per contract for any contract month with one (1) month or less until its termination of trading
RepoFunds Rate (Germany) Futures	RFD	482	0.0025 Index points, equal to €6.25 per contract, for any contract month with two (2) months or less until its termination of trading	0.0025 Index points, equal to €6.25 per contract, for any contract month with four (4) months or less until its termination of trading
RepoFunds Rate (Italy) Futures	RFI	484	0.005 Index points for all other contract months, equal to €12.50 per contract	0.005 Index points for all other contract months, equal to €12.50 per contract

Specifically, effective for trade date Monday, April 24, 2023, the Exchange will:

- Amend the minimum price fluctuation for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort such that the Contracts’ minimum price fluctuation shall be reduced from 0.005 Index points to 0.0025 Index points for any listed contract month with four (4) months or less until such month’s termination of trading.

- Implement clarification amendments to Rule 48X02.C. of the Contracts to specify that the 0.005 Index points (“half tick”) to 0.0025 Index points (“quarter tick”) will occur on the Business Day following the Friday prior to the third Wednesday of the fourth month preceding the month in which trading in such contract terminates, and that the change from quarter tick to 0.00125 Index points (“eighth tick”) will occur on the Business Day following the Friday prior to the third Wednesday of the first month preceding the month in which trading in such contract terminates (collectively, the “Rule Amendments”).

As a result of the Rule Amendments and also effective on trade date April 24, 2023, the Exchange will enable implied trading functionality between the Contracts and Three-Month SOFR Futures contract (Commodity Code: SR3; Rulebook Chapter: 460) for contract months with aligned minimum price fluctuation increments for trading on CME Globex.

The Exchange 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:

- **Daily Publication of Trading Information:** CME will continue to publish contract trading volumes, open interest levels, and price information daily on its website.
- **Execution of Transactions:** The Exchange will continue to provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading the Contract.
- **Availability of General Information:** The Exchange will release a Special Executive Report (“SER”) regarding the Rule Amendments to ensure notification to market participants. The SER will also be posted on the CME Group website.
- **Prevention of Market Disruption:** Trading in the Contracts will continue to be subject to the rules of the Exchange, which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process.
- **Compliance with Rules:** The Exchange will continue its normal practice to establish, monitor, and enforce compliance with the rules of the Contracts, including the Rule Amendments.

Pursuant to Section 5c(c) of the Act and Regulation 40.6(a), the Exchange certifies that the Rule Amendments comply with the Act, including all 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: Appendix A - Amendments to CME Rulebook Chapters 480, 482, and 484 (blackline format)

Appendix A

CME Rulebook

(additions underscored; deletions ~~overstruck~~)

Chapter 480

Euro Short-Term Rate (€STR) Futures

48002. TRADING SPECIFICATIONS

48002.C. Price Increments

Contract prices shall be quoted in terms of the IMM Index, 100.0000 minus interest rate per annum correspondent to €STR during the contract delivery month, as specified in Rule 48002.B.

Example: If €STR is 2.0275 percent per annum, it shall be quoted as an IMM Index value of 97.9725.

~~The minimum price fluctuation shall be 0.00125 for the first nearby contract closest to final expiry, equal to €3.125 per contract; 0.0025 for the second nearby contract that is second closest to final expiry, equal to €6.25 per contract; and 0.005 for all other contracts, equal to €12.50 per contract.~~

The minimum price fluctuation shall be 0.005 Index points, equal to €12.50 per contract, provided that the minimum price fluctuation shall be 0.0025 Index points, equal to €6.25 per contract, for any contract month with four months or less until its termination of trading, where the applicable four-month interval shall be defined so as to begin on the Business Day following the Friday prior to the third Wednesday of the fourth month preceding the contract month in which trading in such contract terminates, provided that the minimum price fluctuation shall be 0.00125 Index points, equal to €3.125 per contract, for any contract month with one month or less until its termination of trading, where the applicable one month interval shall be defined so as to begin on the Business Day following the Friday prior to the third Wednesday of the first month preceding the contract month in which trading in such contract terminates.

[Remainder of Rule Unchanged.]

Chapter 482

RepoFunds Rate (Germany) Futures

48202. TRADING SPECIFICATIONS

48202.C. Price Increments

Contract prices shall be quoted in terms of the IMM Index, 100.0000 minus interest rate per annum correspondent to RFR Germany during the contract delivery month, as specified in Rule 48202.B.

Example: If RFR Germany is 2.0275 percent per annum, it shall be quoted as an IMM Index value of 97.9725.

~~The minimum price fluctuation shall be 0.00125 for the first nearby contract closest to final expiry, equal to €3.125 per contract; 0.0025 for the second nearby contract that is second closest to final expiry, equal to €6.25 per contract; and 0.005 for all other contracts, equal to €12.50 per contract.~~

The minimum price fluctuation shall be 0.005 Index points, equal to €12.50 per contract, provided that the minimum price fluctuation shall be 0.0025 Index points, equal to €6.25 per contract, for any contract month with four months or less until its termination of trading, where the applicable four-month interval shall be defined so as to begin on the Business Day following the Friday prior to the third Wednesday of the fourth month preceding the contract month in which trading in such contract terminates, provided that the minimum price fluctuation shall be 0.00125 Index points, equal to €3.125 per contract, for any contract month with one month or less until its termination of trading, where the applicable one month interval shall

be defined so as to begin on the Business Day following the Friday prior to the third Wednesday of the first month preceding the contract month in which trading in such contract terminates.

[Remainder of Rule Unchanged.]

Chapter 484 RepoFunds Rate (Italy) Futures

48402. TRADING SPECIFICATIONS

48402.C. Price Increments

Contract prices shall be quoted in terms of the IMM Index, 100.0000 minus interest rate per annum correspondent to RFR Italy during the contract delivery month, as specified in Rule 48402.B.

Example: If RFR Italy is 2.0275 percent per annum, it shall be quoted as an IMM Index value of 97.9725.

~~The minimum price fluctuation shall be 0.00125 for the first nearby contract closest to final expiry, equal to €3.125 per contract; 0.0025 for the second nearby contract that is second closest to final expiry, equal to €6.25 per contract; and 0.005 for all other contracts, equal to €12.50 per contract.~~

The minimum price fluctuation shall be 0.005 Index points, equal to €12.50 per contract, provided that the minimum price fluctuation shall be 0.0025 Index points, equal to €6.25 per contract, for any contract month with four months or less until its termination of trading, where the applicable four-month interval shall be defined so as to begin on the Business Day following the Friday prior to the third Wednesday of the fourth month preceding the contract month in which trading in such contract terminates, provided that the minimum price fluctuation shall be 0.00125 Index points, equal to €3.125 per contract, for any contract month with one month or less until its termination of trading, where the applicable one month interval shall be defined so as to begin on the Business Day following the Friday prior to the third Wednesday of the first month preceding the contract month in which trading in such contract terminates.

[Remainder of Rule Unchanged.]