

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-172

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): April 5, 2024 Filing Description: Implementation of the E-mini S&P 500 Options Large Trade Discount Program

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: Not Applicable

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:



Timothy Elliott
Managing Director and Chief Regulatory Counsel
Legal Department

April 5, 2024

VIA ELECTRONIC PORTAL

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

**RE: Implementation of the E-mini S&P 500 Options Large Trade Discount Program
CME Submission No. 24-172**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to implement the E-mini S&P 500 Options Large Trade Discount Program ("Program"). The Program will become effective on May 1, 2024.

Exhibit 1 sets forth the terms of this Program.

CME reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME staff identified the following Core Principles as potentially being impacted: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, Availability of General Information, and Recordkeeping.

The Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. Exchange staff will monitor trading in the Program's products in order to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The Program does not impact the Exchange's order execution. Participants in the Program will be selected by CME staff using criteria as set forth in Exhibit 1. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with CME in which each participant will expressly agree to comply with, and be subject to, applicable regulations and Exchange rules. Additionally, the Program is subject to the Exchange's record retention policies, which comply with the CEA.

CME certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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

If you require any additional information regarding this submission, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CME Submission No. 24-172 in any related correspondence.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Enclosure: Exhibit 1

EXHIBIT 1

E-mini S&P 500 Options Large Trade Discount Program

Program Purpose

The purpose of this Program is to support participants that are executing large trades in the products listed below. More liquid contracts benefit all participants in the marketplace.

Product Scope

All E-mini S&P 500 Options (“Products”).

Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants may be CME members or non-members. Participants must have averaged at least 100 sides per day in E-mini S&P 500 Option blocks during the previous three (3) calendar months prior to enrollment in the Program.

Program Term

Start date is May 1, 2024. End date is September 30, 2024.

Hours

N/A

Incentives*

CME Member Fee Discounts: Upon meeting all eligibility requirements, as determined by the Exchange, CME members will receive the following fee discounts:

- i. *Block Fee Discounts:* Fee discount of \$0.17 per side for qualifying Large** Block Trades/Spreads in the Products.
- ii. *Globex Fee Discounts:* Members must choose between: (i) in-program fee discount of \$0.17 per side for qualifying Large** Globex Trades/Spreads in the Products, or (ii) opt out of in-program Globex fee discounts and retain volume tier fee discounts set forth in the CME Fee Schedule.

Non-Member Fee Discounts: Upon meeting all eligibility requirements, as determined by the Exchange, non-members will receive the following fee discounts:

- i. *Block Fee Discounts:* Fee discount of \$0.22 per side for qualifying Large** Block Trades/Spreads in the Products, with the exception of CBOE members who will receive a discount of \$0.18.
- ii. *Globex Fee Discounts:* Fee discount of \$0.18 per side for qualifying Large** Globex Trades/Spreads in the Products.

*For both members and non-members, there will be a monthly fee discount cap of \$125,000 per participant across both block and Globex fee discounts.

**Large Globex and Block Trades/Spreads are defined as follows: (1) *Globex:* outrights and legs greater than or equal to 1,500 contracts executed on Globex at the match event and side level, and (2) *Block:* outrights and legs greater than or equal to 250 contracts executed on Clearport.