

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-228

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/08/23 Filing Description: Amendments to the Special Price Fluctuation Limits Table and Rule 460A01.G. ("Special Price Fluctuation Limits") in Connection with all Options on Three-Month SOFR 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: Options on Three-Month SOFR Futures.

Rule Numbers: CME Rulebook Chapter 460A.

June 8, 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 the Special Price Fluctuation Limits and Price Limits Table and Rule 460A01.G. (“Special Price Fluctuation Limits”) in Connection with all Options on Three-Month SOFR Futures Contracts. CME Submission No. 23-228

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the Special Price Fluctuation Limits and Price Limits table (the “Table”) located in Chapter 5 and Rule 460A01.G. (“Special Price Fluctuation Limits”) of all Options on Three-Month SOFR Futures contracts (Rulebook Chapter 460A; Commodity Code: SR3) (the “Contracts”) to remove the Contracts from the Table (collectively, the “Rule Amendments”) effective on Sunday, June 25, 2023, for trade date Monday, June 26, 2023.

Specifically, the Exchange has determined that activity in Contracts is not concentrated in the lead month, as liquidity and volume is distributed across multiple expiration dates. In the event of a single contract month triggering a price fluctuation limit, halting the Contracts may result in an undesirable event. A halt in the Contracts may result in an unnecessary disconnect with the rest of the market and may lead to disruptive liquidity gaps.

By way of background, the Exchange applied special price fluctuation limits to the Contracts in 2021 (see CME Submission No. [21-204](#) dated June 18, 2021). It should be noted that a price fluctuation limit has never been triggered in the Contracts.

Appendix A provides amendments to the Table in blackline format. Appendix B provides amendments to Rule 4601.G. in blackline format.

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:

- **Compliance with Rules:** Changes to special price fluctuation limits constitute a change to a term and condition pursuant to Part 40 of the Regulations under the CEA. The Exchange is amending the special price fluctuation limit functionality attendant to the Contracts. As such, the Rule Amendments remain in compliance with this Core Principle.
- **Prevention of Market Disruption:** CME Rule 589. is expressly intended to prevent unwarranted price movements in products subject to the Rule. The Rule Amendments codify the manner in which the limits are applied and remain in compliance with the Core Principle.
- **Availability of General Information:** The Exchange will update the Rulebook Chapter 460A and the Table located on the CME Group website upon the effective date.

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

Attachments: Appendix A Amendments to Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table (blackline format)
Appendix B Amendments to CME Rule 460A01.G. ("Special Price Fluctuation Limits") (blackline format)

Appendix A

CME Rulebook

Chapter 5

("Trading Qualifications and Practices")

Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table

(deletions struck through)

Product	RULEBOOK CHAPTER	COMMODITY CODE	PRIMARY/ ASSOCIATED	ASSOCIATED WITH
Options on Three-Month SOFR Futures	460A	SR3, S0, S01, S02, S03, S04, S05, S2, S21, S22, S23, S24, S25, S3, S31, S32, S33, S34, S35, S4, S5, TS2, TS3, TS4	Associated	SR3

Appendix B

CME Rulebook

(deletions ~~struck through~~)

Chapter 460A Options on Three-Month SOFR Futures

460A01. OPTION CHARACTERISTICS

~~460A01.G. Special Price Fluctuation Limits~~

~~At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.~~

[Remainder of Chapter unchanged.]