

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-015 (1 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): 01/05/23 **Filing Description:** Basis Trade on Index Close ("BTIC") Transaction Eligibility for the Euro/U.S. Dollar (EUR/USD) Futures Contract and Related Amendments to the Decimal Point Locator

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: Euro/U.S. Dollar (EUR/USD) Futures

Rule Numbers: 261

January 5, 2023

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.6(a) Certification. Basis Trade on Index Close (“BTIC”) Transaction Eligibility for the Euro/U.S. Dollar (EUR/USD) Futures Contract and Related Amendments to the Decimal Point Locator.
CME Submission No. 23-015 (1 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) Basis Trade on Index Close (“BTIC”) transactions eligibility for the Euro/U.S. Dollar (EUR/USD) Futures contract (Chapter 261; Code: 6E; BTIC Code: 6EB; Clearing Code: EC); (the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective Sunday, February 5, 2023 for trade date Monday, February 6, 2023.

In order to accommodate enabling BTIC on the Contract, the Exchange is certifying to the Commission that it will expand the decimal point locator on the price format for the Contract from 5 decimal points to 6 decimal points effective on trade date January 23, 2022. The CME ClearPort minimum price increment for the Contract will be amended from 0.00001 to 0.000010 and the CME Globex minimum price increment will change from 0.00005 to 0.000050 (collectively, the “Rule Amendments”).

This submission shall become effective on January 23, 2023.

BTIC transactions in the Contract will be eligible for the nearby quarterly (i.e., March, June, September, December) contract month against the daily WM Refinitiv EUR/USD Closing Spot Rate, which is calculated at 4:00 p.m. London time. Following the publication of the current day’s Closing Spot Rate, BTIC transactions will be made available against the next Exchange Business Day’s value.

CME is also concurrently certifying the initial listing of the BTIC+ on Euro/U.S. Dollar (EUR/USD) Futures contract (See CME Submission No. 23-016 also dated January 5, 2023).

Amendments to CME Rulebook Chapter 261 are provided in Exhibit A in blackline format. Exhibit B contains amendments to Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table. Exhibit C provides amendments to Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table. Exhibit C provides the relevant Exchange fees.

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:

- **Availability of General Information:** The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information with regard to specifications, terms, and conditions of the Contracts. In addition to such SER, daily trading volume, open interest, and price information for the Contracts shall be published on the Exchanges’ website.
- **Daily Publication of Trading Information:** The Exchange shall publish trading volumes, open interest levels, and price information daily of the transactions on the CME Group website.
- **Prevention of Market Disruption:** Trading will continue to be subject to the rules of the Exchange, which include prohibitions on manipulation, price distortion, and disruption to the settlement process
- **Compliance with Rules:** The Exchange will continue its normal practice to establish, monitor, and enforce compliance with the rules of the transactions.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply with the Act, including regulations under the Act. 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 <https://www.cmegroup.com/market-regulation/rule-filings.html>

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

Sincerely,

/s/ Christopher K. Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – Amendments to CME Rulebook Chapter 261 (“Euro/U.S. Dollar (EUR/USD) Futures”) (blackline format)
Exhibit B - Amendments to CME Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table
Exhibit C - Amendments to CME Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table
Exhibit D – Exchange Fees
Exhibit E – Trading and Clearing Hours

Exhibit A

CME Rulebook (additions underscored)

Chapter 261 **Euro/U.S. Dollar (EUR/USD) Futures**

26103. [Reserved]

26104. [Reserved]

26105. [Reserved]

26106. **BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS**

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

In respect of BTIC transactions in Euro/U.S. Dollar (EUR/USD) Futures contracts, the reference index shall be the WM/Refinitiv London 4:00 p.m. Closing Spot Rate for EUR/USD (the “Index”).

26106.A. Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC or BTIC block trade executed on a given Trading Day on or before the commencement of the assessment period of the Index, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC or BTIC block trade executed on a given Trading Day after the commencement of the assessment period of the Index, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

26106.B. Price Assignment Procedures

The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.

26106.C. Minimum Price Increments

Bids and offers shall be quoted in U.S. dollars per Euro. For trades executed on CME Globex electronic trading platform, minimum price fluctuations shall be in multiples of \$0.000005 per Euro, equivalent to \$0.625 per contract. For transactions submitted through CME ClearPort, the minimum price fluctuation shall be \$0.000001 per Euro. For avoidance of doubt, a BTIC transaction may trade at positive or negative values, or at a value of zero, in accordance with Rules 524.B.

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 261

The WM/Refinitiv Closing Spot Rates are provided by Refinitiv. Refinitiv shall not be liable for any errors in or delays in providing or making available the WM/Refinitiv Spot Rates, nor for any actions taken in reliance on the same. The Closing Spot Rates cannot be used, reproduced, distributed, redistributed, licensed or disclosed in any way without a written agreement with Refinitiv.

Exhibit B

CME Rulebook

(additions underscored)

Chapter 5

(“Trading Qualifications and Practices”)

Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Outright Minimum Ticks
EUR/USD Futures	6E	0.00400 <u>0</u>	0.00005 <u>0</u>	80	0.00100 <u>0</u>	50
BTIC on Euro/U.S. Dollar (EUR/USD) Futures	<u>6EB</u>	<u>0.001000</u>	<u>0.000005</u>	<u>200</u>	<u>N/A</u>	<u>N/A</u>

Exhibit C

CME Rulebook

(additions underscored)

Chapter 5

(“Trading Qualifications and Practices”)

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

Product	Rulebook	Commodity Code	Primary/Associated	Associated With	Dynamically Calculated Variant – All Hours
BTIC on Euro/U.S. Dollar (EUR/USD) Futures	261	6EB	Associated	6E	Daily Price Limit Table

Exhibit D
Exchange Fees

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex BTIC	\$0.65
	Block BTIC	\$1.07
Rule 106.D Lessees Rule 106.F Employees	CME Globex BTIC	\$0.68
	Block BTIC	\$1.27
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex BTIC	\$0.70
	Block BTIC	\$1.60
Rule 106.H and 106.N Firms	CME Globex BTIC	\$0.70
	Block BTIC	\$1.45
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants Central Bank Incentive Program (CBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants	CME Globex BTIC	\$1.60
	Block BTIC	\$1.60
CTA/Hedge Fund Incentive Program Participants	CME Globex BTIC	\$1.60
	Block BTIC	\$1.60
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	CME Globex BTIC	\$1.60
	Block BTIC	\$1.60
Non-Members	CME Globex BTIC	\$1.60
	Block BTIC	\$1.60

Processing Fees	Fee
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40

Exhibit E

Trading and Clearing Hours

CME Globex Pre-Open:

- Sunday 4:00 p.m. – 5:00 p.m. Central Time (CT)
- Monday – Thursday 4:45 p.m. – 5:00 p.m. CT

CME Globex:

- Sunday - Friday 5:00 p.m. - 4:00 p.m. CT
- Daily maintenance period from 4:00 p.m. to 5:00 p.m. CT

CME ClearPort:

- Sunday - Friday 5:00 p.m. – 5:45 p.m. CT
- No reporting Monday - Thursday from 5:45 p.m. to 6:00 p.m. CT