

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 21-263 (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):** 06/11/21 **Filing Description:** Administrative Amendments to Certain CME and CBOT Product Chapters in Connection with the Elimination of Most CME and All CBOT Open Outcry Trading Pits

**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:** See filing.



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

June 11, 2021

**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. Administrative Amendments to Certain CME and CBOT Product Chapters in Connection with the Elimination of Most CME and All CBOT Open Outcry Trading Pits.  
CME Submission No. 21-263 (1 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") are certifying to the Commodity Futures Trading Commission ("CFTC" or "Commission") various amendments to certain CME and CBOT product chapters effective on Sunday, June 27, 2021 for trade date Monday, June 28, 2021 as noted below with additions underscored and deletions ~~struck through~~ (collectively, the "Rule Amendments"). The Rule Amendments are in connection with the upcoming elimination of most CME and all CBOT open outcry trading pits.

**CME**

**Interest Rates:**

CME Chapter 461A will be amended to eliminate a reference to open outcry trading.

**CME Rulebook  
Chapter 461A  
Options on One-Month SOFR Futures**

**461A01. OPTIONS CHARACTERISTICS**

**461A01.C. Minimum Fluctuations**

The price of an option shall be quoted in IMM Index points corresponding to such option's underlying futures contract (Rule 461A01.D.). Pursuant to Rules 46102.C., each 0.01 IMM Index point signifies one (1) basis point per annum of interest rate exposure in such underlying futures contract's Trading Unit (Rule 46102.B.), and is equal to \$41.67 per option contract. For example, an option contract price of 0.35 IMM Index points represents \$1458.45 (equal to 35 basis points x \$41.67 per basis point per option contract).

The minimum price fluctuation shall be 0.0025 Index points, equal to \$10.4175 per contract. However, a position may be initiated or liquidated in options at a premium equal to any integer multiple of \$1.00 ranging from \$1.00 to \$10.00 per option contract traded via ~~open outcry or~~ CME ClearPort ("Cab1" to "Cab10"), or at a premium of \$5.00 per option contract traded via CME Globex ("Cab5").

**Agriculture:**

CME Chapter 101A (“Options on Live Cattle Futures”) will be amended to eliminate a reference to pit trading.

**CME Rulebook  
Chapter 101A  
Options on Live Cattle Futures**

**101A01.E. Exercise Prices**

[Section 1. is unchanged.]

**2. Options in the January Bi-Monthly Cycle**

~~Upon demand evidenced in the respective options pit,~~ The Exchange may shall list put and call options at any exercise price listed for trading in the next February bi-monthly cycle futures options that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading. The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market conditions.

New options may be listed for trading up to and including the termination of trading. The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate. The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market conditions.

**Foreign Exchange:**

Obsolete references to CME Globex, open outcry, and CME ClearPort will be eliminated from six CME FX options product chapters. There are no differences in the price increments for trading on CME Globex or via open outcry, or for submission for clearing via CME ClearPort.

**CME Rulebook  
Chapter 251A  
Options on British Pound Sterling/U.S. Dollar (GBP/USD) Futures**

**251A01. OPTION CHARACTERISTICS**

[Sections 251A01.A. and B. are unchanged.]

**251A01.C. Price Increments**

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort,~~ The price of an option shall be quoted in U.S. dollars per pound sterling. Each \$0.0001 per pound sterling (one point) shall represent \$6.25. For example, a quote of .0070 represents an option price of \$437.50 (70 points x \$6.25 per point) of premium. The minimum fluctuation shall be one point (also known as one tick).

In addition, for options that are quoted in volatility terms on CME Globex, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00002 per British pound sterling (equal to \$1.25).

[The remainder of the Rule is unchanged.]

**CME Rulebook  
Chapter 252A  
Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures**

**252A01. OPTIONS CHARACTERISTICS**

[Sections 252A01.A. and B. are unchanged.]

**252A01.C. Price Increments**

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort,~~ The price of an option shall be quoted in U.S. dollars per Canadian dollar. Each \$0.0001 per Canadian dollar (one point) shall represent \$10.00. For example, a quote of .0075 represents an option price of \$750.00 (75 points x \$10.00 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$5, also known as one-half tick), \$.00015 (\$15, also known as one and one-half ticks), \$.00025 (\$25, also known as two and one-half ticks), \$.00035 (\$35, also known as three and one-half ticks), and \$.00045 (\$45, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Canadian dollar (equal to \$1.00).

[The remainder of the Rule is unchanged.]

**CME Rulebook  
Chapter 253A  
Options on Japanese Yen/U.S. Dollar (JPY/USD) Futures**

**253A01. OPTIONS CHARACTERISTICS**

[Sections 253A01.A. and B. are unchanged.]

**253A01.C. Price Increments**

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort,~~ The price of an option shall be quoted in U.S. dollars per Japanese yen. Each \$0.000001 per Japanese yen (one point) shall represent \$12.50. For example, a quote of .000075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.0000005 (\$6.25, also known as one-half tick), \$.0000015 (\$18.75, also known as one and one-half ticks), \$.0000025 (\$31.25, also known as two and one-half ticks), \$.0000035 (\$43.75, also known as three and one-half ticks), and \$.0000045 (\$56.25, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.0000001 per Japanese yen (equal to \$1.25).

[The remainder of the Rule is unchanged.]

**CME Rulebook  
Chapter 254A  
Options on Swiss Franc/U.S. Dollar (CHF/USD) Futures**

**254A01. OPTIONS CHARACTERISTICS**

[Sections 254A01.A. and B. are unchanged.]

**254A01.C. Price Increments**

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort,~~ The price of an option shall be quoted in U.S. dollars per Swiss franc. Each \$0.0001 per Swiss franc (one point) shall represent \$12.50. For example, a quote of .0075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$6.25, also known as one-half tick), \$.00015 (\$18.75, also known as one and one-half ticks), \$.00025 (\$31.25, also known as two and one-half ticks), \$.00035 (\$43.75, also known as three and one-half ticks), and \$.00045 (\$56.25, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Swiss franc (equal to \$1.25).

[The remainder of the Rule is unchanged.]

**CME Rulebook  
Chapter 255A  
Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures**

**255A01. OPTIONS CHARACTERISTICS**

[Sections 255A01.A. and B. are unchanged.]

**255A01.C. Price Increments**

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort,~~ The price of an option shall be quoted in U.S. dollars per Australian dollar. Each \$0.0001 per Australian dollar (one point) shall represent \$10.00. For example, a quote of .0075 represents an option price of \$750.00 (75 points x \$10.00 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$5, also known as one-half tick), \$.00015 (\$15, also known as one and one-half ticks), \$.00025 (\$25, also known as two and one-half ticks), \$.00035 (\$35, also known as three and one-half ticks), and \$.00045 (\$45, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Australian dollar (equal to \$1.00).

[The remainder of the Rule is unchanged.]

**CME Rulebook**  
**Chapter 261A**  
**Options on Euro/U.S. Dollar (EUR/USD) Futures**

**261A01. OPTIONS CHARACTERISTICS**

[Sections 261A01.A. and B. are unchanged.]

**261A01.C. Price Increments**

~~For options trading on CME Globex and via open outcry and for submission for clearing via CME ClearPort, t~~ The price of an option shall be quoted in U.S. dollars per Euro. Each \$0.0001 per Euro (one point) shall represent \$12.50. For example, a quote of .0075 represents an option price of \$937.50 (75 points x \$12.50 per point) of premium. The minimum fluctuation shall be one point (also known as one tick). A trade may also occur at a price of \$.00005 (\$6.25, also known as one-half tick), \$.00015 (\$18.75, also known as one and one-half ticks), \$.00025 (\$31.25, also known as two and one-half ticks), \$.00035 (\$43.75, also known as three and one-half ticks), and \$.00045 (\$56.25, also known as four and one-half ticks).

In addition, for options that are quoted in volatility terms, the minimum fluctuation shall be 0.01 percent for the volatility quote. Also, following a volatility trade, when CME Globex converts the volatility-traded options position into a premium-based options position for clearing, the minimum price increment for the premium-based option position shall be \$0.00001 per Euro (equal to \$1.25).

[The remainder of the Rule is unchanged.]

**CBOT**

**Agriculture:**

An outdated reference in CBOT Chapter 11C (“Soybean Board Crush Spread Options”) will be eliminated.

**CBOT Rulebook**  
**Chapter 11C**  
**Soybean Board Crush Spread Options**

**11C02. EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise and assignment of Soybean Board Crush Spread Options.

**11C02.A. Exercise of Option**

The buyer of a Soybean Crush Spread option may exercise the option on any business day up to and including the day such option expires by giving notice of exercise to the Clearing House by 5:30 p.m. Chicago time, or by such other time designated by the Exchange, on such day. In-the-money options that have not been liquidated or exercised on the last day of trading in such option shall be automatically exercised in the absence of contrary instructions delivered to the Clearing House by 5:30 p.m. Chicago time, or by such other time designated by the Exchange, on the last day of trading by the clearing member representing the option buyer.

The Soybean Board Crush Spread is calculated using final settlement values for the underlying contracts in the following formula: [(Settlement Price of Soybean Meal in \$/short ton x .022) + Settlement Price of Soybean Oil in cents/pound x 11] – (Settlement Price of Soybeans in \$/bushel). The results of this calculation are rounded to the nearest quarter of one cent (\$0.0025). An option is in-the-money if the rounded settlement price of the underlying Soybean Board Crush Spread is less in the case of a put, or greater in the case of a call, than the exercise price of the option.

~~If a component contract month's settlement price is unavailable for any reason or a component contract month's settlement price is "close on the limit bid" or "close on the limit sellers", then the value for the Soybean Board Crush Spread shall be the midpoint of the last bid and ask of the Soybean Board Crush Spread unless extenuating circumstances exist under which the Pit Committee can justify setting the Soybean Board Crush Spread at a price different from the midpoint. If the Soybean Board Crush Spread differs from the midpoint of the last bid and ask of the Soybean Board Crush Spread, then the Pit Committee is required to document the basis for the deviation. Such documentation must be signed by two members of the Pit Committee.~~

[The remainder of the Rule is unchanged.]

The Exchanges reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act” or “CEA”) and identified that the following Core Principles may be impacted by the Rule Amendments as follows:

- **Availability of General Information:** The Exchanges will make publicly available the details of the Rule Amendments by publishing a Special Executive Report (“SER”) to the marketplace. The SER will be available on CME Group’s website.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.6(a), the Exchanges hereby certify that the Rule Amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchanges certify that this submission has been concurrently posted on the CME Group website at <http://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](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel