

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 22-237

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 07/20/22 Filing Description: Reduction in the Minimum Price Increment for Transactions Submitted for Clearing via CME ClearPort for all Options on E-mini Standard & Poor's 500 Stock Price Index Futures, Options on E-mini Nasdaq-100 Index Futures, and Options on E-mini Russell 2000 Index 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: See filing.

July 20, 2022

**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. Reduction in the Minimum Price Increment for Transactions Submitted for Clearing via CME ClearPort for all Options on E-mini Standard & Poor's 500 Stock Price Index Futures, Options on E-mini Nasdaq-100 Index Futures, and Options on E-mini Russell 2000 Index Futures Contracts. CME Submission No. 22-237**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") certifies to the Commodity Futures Trading Commission ("CFTC" or "Commission") a reduction in the minimum price increment for all Options on E-mini Standard & Poor's 500 Stock Price Index Futures, Options on E-mini Nasdaq-100 Index Futures, and Options on E-mini Russell 2000 Index Futures contracts (the "Contracts") for outright option and option spread transactions submitted for clearing via CME ClearPort regardless of the price level effective Sunday, August 7, 2022 for trade date Monday, August 8, 2022, as more specifically described in the table below.

Contract Title	CME Globex and CME ClearPort Code	Current CME Globex and CME ClearPort Minimum Price Increment (Price Level greater than 5 Index points)	Current CME Globex and CME ClearPort Minimum Price Increment (Price Level less than or equal to 5 Index points)	Reduced CME ClearPort ONLY Minimum Price Increment (All Price Levels)
Options on E-mini Standard and Poor's 500 Stock Price Index Futures	ES	0.25	0.05	<b><u>0.05</u></b>
Options on E-mini Standard and Poor's 500 Stock Price Index Futures - End-of-Month (European-Style)	EW			
Monday Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-5 (European-Style)	E1A-E5A			
Tuesday Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-5 (European-Style)	E1B-E5B			
Wednesday Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-5 (European-Style)	E1C-E5C			

Thursday Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-5 (European-Style)	E1D-E5D			
Weekly Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Week 1-4 (European-Style)	EW1-EW4			
Options on E-mini Standard and Poor's 500 Stock Price Index Futures - Quarterly PM (European-Style)	EYC			
Options on E-mini Nasdaq-100 Index Futures	NQ			
Options on E-mini Nasdaq-100 Index Futures - End-of-Month (European-Style)	QNE			
Monday Weekly Options on E-mini Nasdaq-100 Index Futures - Week 1-5 (European-Style)	Q1A-Q5A	0.25	0.05	<b><u>0.05</u></b>
Wednesday Weekly Options on E-mini Nasdaq-100 Index Futures - Week 1-5 (European-Style)	Q1C-Q5C			
Weekly Options on E-mini Nasdaq-100 Index Futures - Week 1-4 (European-Style)	QN1-QN4			
Options on E-mini® Russell 2000® Index Futures	RTO			
Options on E-mini® Russell 2000® Index Futures - End-of-Month	RTM			
Monday Weekly Options on E-mini® Russell 2000® Index Futures - Week 1-5 (European-Style)	R1A-R5A	0.10	0.05	<b><u>0.05</u></b>
Wednesday Weekly Options on E-mini® Russell 2000® Index Futures - Week 1-5 (European-Style)	R1C-R5C			
Weekly Options on E-mini® Russell 2000® Index Futures - Week 1-4	R1E-R4E			

Specifically, the Exchange is implementing amendments to CME Rule 358A01. (“Options Characteristics”) of CME Chapter 358A (“Options on E-mini® Standard and Poor's 500 Stock Price Index Futures”), CME Rule 359A01. (“Options Characteristics”) of CME Chapter 359A (“Options on E-mini Nasdaq-100 Index® Futures”), and CME Rule 393A01. (“Options Characteristics”) of CME Chapter 393A (“Options on E-mini® Russell 2000® Index Futures”) to implement the decreased minimum price fluctuation for the Contracts for transactions submitted for clearing via CME ClearPort *regardless* of the price level (collectively, the “Rule Amendments”).

Exhibit A below provides the Rule Amendments in blackline format.

The Exchange is implementing the Rule Amendments to provide market participants with greater flexibility when executing complex and large transactions in the Contracts. The Rule Amendments will more accurately reflect current market practices and provide the marketplace with more relevant minimum price fluctuations.

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 will release a Special Executive Report (“SER”) regarding the Rule Amendments. The SER will also be posted on the CME Group website.

**Daily Publication of Trading Information:** The Exchange will continue to publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contracts.

**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 reduction of the minimum price increments for the Contracts.

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 the proposal.

The Exchange certifies 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

Attachment: Exhibit A - CME Rulebook Chapters 358A, 359A, and 393A (blackline format)

## Exhibit A

### **CME Rulebook**

(additions underscoring; deletions ~~everstruck~~)

#### **Chapter 358A**

### **Options on E-mini® Standard and Poor's 500 Stock Price Index Futures**

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#### **358A01. OPTIONS CHARACTERISTICS**

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##### **358A01.C. Minimum Fluctuations**

Option prices shall be quoted in Index points. Each Index point shall represent \$50.00 per option contract.

Subject to Rule 358A01.C.1., the minimum price fluctuation shall be 0.25 Index points (equal to \$12.50 per option contract), for trades executed on CME Globex electronic trading platform, provided that trades at price levels equal to or less than 5.00 Index points may occur at price levels that are integer multiples of 0.05 Index points (equal to \$2.50 per option contract), and provided that trade may occur at a price level of 0.05 Index points irrespective of whether such trade results in the liquidation of positions for both parties to such trade. For transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

##### **1. Option Spreads and Combinations**

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable CME Globex minimum price fluctuation as set forth in this Rule, *provided that* for any option spread or combination that trades at a net premium of 5.00 Index points or less, each option contract comprised within such spread or combination may trade in price increments of 0.05 Index points. For spread and combination transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

[End of Rule.]

#### **Chapter 359A**

### **Options on E-mini Nasdaq-100 Index® Futures**

#### **359A01. OPTIONS CHARACTERISTICS**

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##### **359A01.C. Minimum Fluctuations**

Option prices shall be quoted in Nasdaq-100 Index ("Index") points. Each Index point shall represent \$20.00 per option contract.

Subject to Rule 359A01.C.1., the minimum price fluctuation shall be 0.25 Index points (equal to \$5.00 per option contract), for trades executed on CME Globex electronic trading platform, provided that trades at price levels equal to or less than 5.00 Index points may occur at price levels that are integer multiples of 0.05 Index points (equal to \$1.00 per option contract), and provided that trade may occur at a price level of 0.05 Index points irrespective of whether such trade results in the liquidation of positions for both parties to such trade. For transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

##### **1. Option Spreads and Combinations**

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable CME Globex minimum price fluctuation as set forth in this Rule, *provided that* for any option spread or combination that trades at a net premium of 5.00 Index points or less, each option

contract comprised within such spread or combination may trade in price increments of 0.05 Index points. For spread and combination transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

[End of Rule.]

## Chapter 393A Options on E-mini® Russell 2000® Index Futures

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### 393A01. OPTIONS CHARACTERISTICS

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#### 393A01.C. Minimum Fluctuations

Option prices shall be quoted in Index points. Each Index point shall represent \$50.00 per option contract. Subject to Rule 393A01.C.1., the minimum price fluctuation shall be 0.1 Index points (equal to \$5.00 per option contract), for trades executed on CME Globex electronic trading platform, provided that trades at price levels equal to or less than five (5) Index points may occur at price levels that are integer multiples of 0.05 Index points (equal to \$2.50 per option contract), and *provided that* trade may occur at a price level of 0.05 Index points irrespective of whether such trade results in the liquidation of positions for both parties to such trade. For transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

#### 1. Option Spreads and Combinations

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable CME Globex minimum price fluctuation as set forth in this Rule, *provided that* for any option spread or combination that trades at a net premium of five (5) Index points or less, each option contract comprised within such spread or combination may trade in price increments of 0.05 Index points. For spread and combination transactions submitted for clearing via CME ClearPort, the minimum price increment shall be 0.05 Index points, regardless of the price level.

[End of Rule.]