

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-268 (2 of 2)

Organization: The Board of Trade of the City of Chicago, Inc. ("CBOT")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/13/2019 Filing Description: Amendments to Price Specifications for Exchange for Related Position ("EFRP") Transactions and for Termination of Trading of Certain CME and CBOT Equity 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: CME Rulebook Chapters 357, 396, 397, and 398, and CBOT Rulebook Chapters 31.

August 13, 2019

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.6(a) Certification. Notification of Amendments to Price Specifications for Exchange for Related Position (“EFRP”) Transactions and for Termination of Trading of Certain CME and CBOT Equity Index Futures Contracts.
CBOT Submission No. 19-268 (2 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”) hereby notify the Commodity Futures Trading Commission (“CFTC” or “Commission”) that they shall amend the contract price specifications for Exchange for Related Position (“EFRP”) transactions and termination of trading rules for the CME and CBOT contracts listed in Exhibit 1 below (the “Contracts”) (collectively the “Rule Amendments”) effective Sunday, September 8, 2019, for trade date of Monday, September 9, 2019.

Currently, the Contracts’ rules restrict prices to be quoted and made only in Basis Trade at Index Close (“BTIC”) terms, as set forth in Rule 524.B. The Rule Amendments allow for Contract prices to be quoted and made also in standard full index terms, exclusively in EFRP transactions submitted for clearing via CME ClearPort (pursuant to Rule 538. of the relevant Exchange Rulebook) as displayed in Exhibit 1.

Additionally, the Contracts’ rules currently require trading in any contract month to terminate 10 minutes before the close of equity share trading on US Primary Listing Exchanges on the last day of trading in any such Contract. As amended, termination of trading in any such Contract shall coincide with the close of trading on US Primary Listing Exchanges on such Contract’s last day of trading.

Exhibit 1 -- Amendments to Price Standards for CME and CBOT Total Return Index Futures

(Each Contract’s minimum price increment (“MPI”) is expressed in contract-grade US equity total return index points.)

Futures Contract Name	Rulebook Chapter	Trading and Clearing Code / BTIC Code	Current MPI		Amended MPI		Current BTIC MPI
			Clearing MPI	Daily Settle MPI	Clearing MPI	Daily Settle MPI	
S&P 500 Total Return Index	CME 357	TRI / TRB	0.25	0.25	0.05	0.05	0.05
Nasdaq-100 Total Return Index	CME 396	N1R / N1T	1	1	0.1	0.1	0.1
Russell 1000 Total Return Index	CME 397	R1R / R1B	1	1	0.1	0.1	0.1
Russell 2000 Total Return Index	CME 398	R2R / R2T	1	1	0.1	0.1	0.1
Dow Jones Industrial Average Total Return Index	CBOT 31	DTR / DTT	5	5	0.5	0.5	0.5

The Exchanges reviewed the designated contracts market core principles (“DCM 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 DCM Core Principles:

Core Principle 4 – Prevention of Market Disruption

Trading in the Contracts, including bilaterally negotiated EFRP transactions in the Contracts, shall be subject to Exchange Rulebook Chapters 5 and 7, which include prohibitions on manipulation, price distortion, and disruption to the expiration process. As with any product listed for trading on a CME Group designated contract market, such trading activity shall be subject to monitoring and surveillance by the Exchange’s Market Regulation Department. The Exchange has the capacity to detect abnormal price movements and unusual trading volumes, including such abnormal price movements or trading volumes as may be associated with bilaterally negotiated trades, and it holds the authority to take remedial action as appropriate.

Core Principle 7 – Availability of General Information

The Exchanges shall publish the details of actions certified herein in a Special Executive Report, which shall be made timely and publicly available on the Exchange website.

Core Principle 9 – Execution of Transactions

The Contracts are available for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing through CME ClearPort. CME Globex provides for competitive and open execution of transactions and affords the benefits of reliability and global connectivity.

Core Principle 10 – Trade Information

All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

Core Principle 12 – Protection of Market Participants

The Exchanges’ Rulebook Chapters 4 and 5 set forth multiple strictures that preclude intermediaries from disadvantaging their customers.

Core Principle 13 – Disciplinary Procedures

The Exchanges’ Rulebook Chapter 4 provides for the Exchanges to discipline, suspend, or expel members or market participants who violate the rules of the Exchanges. Trading in the Contracts, including bilaterally negotiated EFRP transactions, shall be subject to these provisions. The Exchanges’ Market Regulation Department has the authority to exercise its powers of enforcement in the event that rule violations are identified.

Core Principle 14 – Dispute Resolution

Disputes in respect of trading in the Contracts shall be subject to the arbitration provisions set forth in Exchange Rulebook Chapter 6, which allow all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchanges. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchanges requires members to resolve via arbitration all disputes concerning transactions on the Exchanges.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 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 this proposal.

The Rule Amendments for CME Rulebook Chapters 357, 396, 397, and 398, and CBOT Rulebook Chapter 31 are set forth in Appendixes A, B, C, D, and E, respectively.

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>.

If you require any additional information regarding this action, please contact me at 212-299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments:	Appendix A	Amendments to CME Rulebook Chapter 357
	Appendix B	Amendments to CME Rulebook Chapter 396
	Appendix C	Amendments to CME Rulebook Chapter 397
	Appendix D	Amendments to CME Rulebook Chapter 398
	Appendix E	Amendments to CBOT Rulebook Chapter 31

Appendix A

(additions underscored; deletions ~~struck through~~)

CME Rulebook Chapter 357 S&P 500 Total Return Index Futures

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35702. TRADING SPECIFICATIONS

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35702.C. Price Increments

~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 357.~~

Subject to the Interpretations & Special Notices Relating to Chapter 357, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0.05 Index points, equal to \$1.25 per contract.

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35702.G. Termination of Trading

Subject to the Interpretations & Special Notices Relating to Chapter 357, there shall be no trading of expiring futures contracts after the open of the Primary Listing Exchange on the day of Final Settlement Price determination for such contracts (Rule 35703.A.).

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 357

1. Trading Specifications

Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 35706, of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction, pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 35702. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 35706. of this Chapter.

~~Accordingly, pursuant to Rule 35706.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at 40 minutes prior to the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.

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Appendix B

(additions underscored; deletions ~~struck through~~)

CME Rulebook Chapter 396 Nasdaq-100 Total Return Index Futures

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39602. TRADING SPECIFICATIONS

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39602.C. Price Increments

~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 396.~~

Subject to the Interpretations & Special Notices Relating to Chapter 396, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0.10 Index points, equal to \$1.00 per contract.

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 396

1. Trading Specifications

Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 39606, of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 39602. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 39606. of this Chapter.

~~Accordingly, pursuant to Rule 39606.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at ~~40 minutes prior to~~ the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.

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Appendix C

(additions underscored; deletions ~~struck through~~)

CME Rulebook Chapter 397 Russell 1000 Total Return Index Futures

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39702. TRADING SPECIFICATIONS

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39702.C. Price Increments

~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 397.~~

Subject to the Interpretations & Special Notices Relating to Chapter 397, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0.10 Index points, equal to \$1.00 per contract.

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 397

1. Trading Specifications

Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 39706, of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 39702. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 39706. of this Chapter.

~~Accordingly, pursuant to Rule 39706.A. of this Chapter, tTrading in an expiring futures contract shall terminate at 40 minutes prior to the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.~~

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Appendix D

(additions underscored; deletions ~~struck through~~)

CME Rulebook Chapter 398 Russell 2000 Total Return Index Futures

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39802. TRADING SPECIFICATIONS

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39802.C. Price Increments

~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 398.~~

Subject to the Interpretations & Special Notices Relating to Chapter 398, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0.10 Index points, equal to \$1.00 per contract.

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 398

1. Trading Specifications

Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 39806, of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 39802. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 39806. of this Chapter.

~~Accordingly, pursuant to Rule 39806.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at ~~40 minutes prior to~~ the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.

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Appendix E

(additions underscored; deletions ~~struck through~~)

CBOT Rulebook Chapter 31 Dow Jones Industrial Average Total Return Index Futures

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31102. TRADING SPECIFICATIONS

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31102.C. Price Increments

~~Bids and offers shall be quoted in Index points, subject to the Interpretations & Special Notices Relating to Chapter 31.~~

Subject to the Interpretations & Special Notices Relating to Chapter 31, bids and offers shall be quoted in Index points, and the minimum price increment shall be 0.50 Index points, equal to \$1.00 per contract.

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INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 31

1. Trading Specifications

Until such time as the Exchange shall enable outright trading in futures contracts made under these Rules, trading shall be permitted only where such futures contracts are traded through Basis Trade at Index Close transactions, pursuant to ~~CME~~ Rules 524.B. (Basis Trade at Index Close ("BTIC") Transactions) and Rules 31106, of this Chapter, provided that in any instance where such futures contracts are traded as the futures component of an EFRP transaction, pursuant to Rule 538. (Exchange for Related Positions), the price of such futures contracts may be made either in Index terms outright, pursuant to Rules 31102. of this Chapter, or in BTIC terms, pursuant to Rules 524.B. and Rules 31106. of this Chapter.

~~Accordingly, pursuant to Rule 3106.A. of this Chapter, t~~Trading in an expiring futures contract shall terminate at 40 minutes prior to the scheduled close of the Primary Listing Exchange on the Exchange business day first preceding the day of Final Settlement Price determination for such futures contract.

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