

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-012

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:** Increase of Block Trade Minimum Thresholds for all Three-Month SOFR Futures and Options Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" 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: See filing.

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 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:

Rule Numbers:

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. Increase of Block Trade Minimum Thresholds for all Three-Month SOFR Futures and Options Contracts. CME Submission No. 23-012

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) an increase of the block trade minimum thresholds for all Three-Month SOFR Futures and Options contracts for trades submitted for clearing via CME ClearPort effective Sunday, January 22, 2023 for trade date Monday, January 23, 2023, as more specifically described in Table 1. below (the “Rule Amendments”).

Table 1.

Contract Title	CME ClearPort Code	Current Block Trade Minimum Threshold	Increased Block Trade Minimum Threshold
Three-Month SOFR Futures	SR3	RTH: 1000 ETH: 500 ATH: 250	RTH: 2000 ETH: 1000 ATH: 500
One-Year Mid-Curve Options on Three-Month SOFR Futures	S0	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Weekly One-Year Mid-Curve Options on Three-Month SOFR Futures - Week 1 - Week 5	S01-S05	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Two-Year Mid-Curve Options on Three-Month SOFR Futures	S2	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Weekly Two-Year Mid-Curve Options on Three-Month SOFR Futures - Week 1 - Week 5	S21-S25	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Three-Year Mid-Curve Options on Three-Month SOFR Futures	S3	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Weekly Three-Year Mid-Curve Options on Three-Month SOFR Futures - Week 1 - Week 5	S31-S35	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Four-Year Mid-Curve Options on Three-Month SOFR Futures	S4	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250

Five-Year Mid-Curve Options on Three-Month SOFR Futures	S5	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Options on Three-Month SOFR Futures	SR3	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Three-Month Mid-Curve Options on Three-Month SOFR Futures	TS2	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Six-Month Mid-Curve Options on Three-Month SOFR Futures	TS3	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250
Nine-Month Mid-Curve Options on Three-Month SOFR Futures	TS4	RTH: 2500 ETH: 1250 ATH: 625	RTH: 5000 ETH: 2500 ATH: 1250

Please note that the minimum block thresholds for the One-Month SOFR Futures and Options on One-Month SOFR Futures contracts shall remain unchanged as detailed in Table 2. below.

Table 2.

Contract Title	CME ClearPort Code	Current Block Trade Minimum Threshold (UNCHANGED)
One-Month SOFR Futures	SR1	RTH - 500 ETH - 250 ATH - 125
Options on One-Month SOFR Futures	SR1	RTH - 1,000 ETH - 500 ATH - 250

The Contracts have experienced significant growth since launch. In light of upcoming transition and the cessation of LIBOR in June 2023, CME believes it is appropriate at this time to increase the block levels from 25% to 50% of those of the related Eurodollar futures and options contracts. Market participants continue to manage multiple correlated positions across the related futures and options contracts and are generally in favor of the proposal. The Rule Amendments are designed to encourage liquidity on the central limit order book as well as assist in the transition and migration process from Eurodollars to SOFR.

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: Block trade volume and pricing information will continue to be published on the Exchange’s website and via quote vendors.

Execution of Transactions: A designated contract market may authorize transactions that are executed away from the DCM’s centralized marketplace for bona fide business purposes. Accordingly, the Exchange has long established block standards for a wide array of futures and options products. The Rule Amendments serve solely to improve the alignment of block trade standards for the pertinent futures and options products.

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 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.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel