

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-044 (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): January 11, 2023 Filing Description: Modifications to the Secured Overnight Financing Rate ("SOFR") Futures Market Maker Program

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: N/A

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 |

Official Product Name:

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 11, 2023

VIA ELECTRONIC PORTAL

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

**RE: Modifications to the Secured Overnight Financing Rate (“SOFR”) Futures Market
Maker Program
CME Submission No. 23-044 (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”) hereby notify the Commodity Futures Trading Commission (“CFTC” or “Commission”) of plans to modify the SOFR Futures Market Maker Program (“Program”). The modifications to the Program will become effective on February 1, 2023.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions underlined and deletions ~~everstruck~~.

The Exchanges reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). During the review, the staff identified the following Core Principles as potentially being impacted: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, Availability of General Information, and Recordkeeping.

The Program does not impact the Exchanges’ ability to perform their trade practice and market surveillance obligations under the CEA. The Exchanges’ market regulation staff will monitor trading in the Program’s products in order to prevent manipulative trading and market abuse. The Program does not impact the Exchanges’ order execution. Participants in the Program will be selected by the Exchanges’ staff using criteria as set forth in Exhibit 1. Chapter 4 of the Exchanges’ rules includes prohibitions against fraudulent, non-competitive, unfair, or abusive practices. All participants must execute a contractual agreement with the Exchanges in which each participant will expressly agree to comply with, and be subject to, applicable regulations and the Exchanges’ rules. Additionally, the Program is subject to the Exchanges’ record retention policies, which comply fully with the CEA.

The Exchanges certify that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to the Program.

The Exchanges certify that this submission has been concurrently posted on the Exchanges’ website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CME Submission No. 23-044 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

SOFR Futures Market Maker Program

Program Purpose

The purpose of the Program is to support the development of the products listed below. A more liquid contract on the central limit order book benefits all participants in the market.

Product Scope

Three-Month SOFR Futures (“SR3”), One-Month SOFR Futures (“SR1”), Eurodollar Futures (“ED”), and 30-Day Federal Funds Futures (“ZQ”) that are traded on the CME Globex Platform, with the exception of SR3 and ED legs resulting from SED intercommodity spread transactions (“Products”).

Eligible Participants

The Exchanges may designate up to thirty (30) participants in the Program. Participants may be members or non-members. Potential participants are required to submit an application/bid sheet to the Exchanges as part of a competitive application process which is used to determine eligibility. In determining whether or not a prospective participant is selected to participate in the Program, Exchange staff may take into account a variety of factors including the strength of the quoting obligations the prospective participant is willing to commit to provide and historical volume trading the Products and similar contracts. The Exchange may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

Program Term

Start date is May 7, 2018. End date is ~~January 31, 2023~~ July 31, 2023.

Hours

4:00AM – 4:00PM CT.

Obligations

Participants must quote continuous two-sided markets in the Products at maximum designated bid/ask spreads and minimum quote sizes during designated hours.

Incentives

Upon meeting all obligations, as determined by the Exchanges, participants may be eligible to receive predetermined incentives.

Monitoring and Termination of Status

The Exchanges shall monitor trading activity and participants’ performance and shall retain the right to revoke participant status if it concludes from review that a participant has failed to meet its obligations or no longer meets the eligibility requirements of the Program.