

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-049

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 12, 2021 Filing Description: Modifications to the Emerging Markets Bank Incentive Program

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Not Applicable

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

January 12, 2021

VIA ELECTRONIC PORTAL

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

**RE: Modifications to the Emerging Markets Bank Incentive Program
CME Submission No. 21-049**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the Emerging Markets Bank Incentive Program ("EMBIP" or "Program"). The modifications to the Program will become effective on February 1, 2021.

Exhibit 1 sets forth the terms of the Program. Modifications appear below, with additions underscored and deletions ~~overstruck~~.

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

The Program's incentive structure does not incentivize manipulative trading or market abuse and does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange's market regulation staff will monitor trading in the products in order to prevent manipulative trading and market abuse. The incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchange's rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

The Exchange certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or the modifications to the Program.

The Exchange certifies that this submission has been concurrently posted on the Exchange's 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. 21-049 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Emerging Markets Bank Incentive Program

Program Purpose

The purpose of this Program is to incentivize banks in emerging markets in Eastern Europe, Asia, Africa, and Latin American countries to trade the products listed below. The resulting increase in liquidity in the products listed below benefits all participant segments in the market.

Product Scope

All ~~CME, CBOT, NYMEX, and COMEX~~ CME Foreign Exchange ("FX") products available for trading on the Globex Platform, and all U.S. Treasury Options and Interest Rate Options traded via Open Outcry ("Products").

Eligible Participants

There is no limit to the number of participants that may be selected in the Program. All approved ~~CME, CBOT, NYMEX and COMEX~~ non-members banks may participate. Additionally, participants must meet the following criteria:

To qualify for EMBIP, a bank must:

- Be located in an emerging market in Eastern Europe, Asia, Africa, or Latin American country, as determined by the Exchanges.
- Complete an EMBIP application, pay an application fee, and be approved by the Exchanges.
- Execute all trades in the EMBIP participant's name.
- Register all participating traders who must be owners, bona fide employees or independent contractors of the EMBIP participant.
- Have a relationship with an Exchange clearing member.

Program Term

Start date is December 4, 2011. End date is ~~January 31, 2024~~ January 31, 2022.

Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

Obligations

~~Beginning February 1, 2020,~~ Participants must maintain a minimum average daily volume ("ADV") of ~~400~~ 25 sides in the Products, measured on a quarterly basis. All Micro contracts will be excluded from this ADV requirement.

Program Incentives

Fee Discounts: Upon meeting all obligations, as determined by the Exchanges, participants will be eligible to receive fee discounts for the Products in accordance with the following:

GLOBEX

| Product Category (For executed trades on Globex only) | EMBIP Fees (per side) |
|--|----------------------------------|
| CME Products | |
| E-mini Equity Index Futures — Outrights | \$0.97* |
| E-mini Equity Index Options | \$0.50 |
| Micro E-Mini Equity Index Futures — Outrights | \$0.14 |
| Micro E-Mini Equity Index Futures — Spreads | \$0.11 |
| Bitcoin Futures — Outrights, Spreads | \$4.85 |
| Bitcoin Options | \$4.85 |
| Interest Rate Futures | \$0.75* |
| Interest Rate Options | \$0.60 |
| Foreign Exchange – Full Size Futures (excluding FX Link) | \$1.00 |
| Foreign Exchange – Full Size Options | \$1.00 |
| CBOT Products | |
| Mini \$5 Dow Equity Contracts | \$0.97* |
| Micro E-Mini Dow | \$0.14 |
| 2-Year & 3-Year U.S. Treasury Futures | \$0.56 |
| 5-Year U.S. Treasury Futures | \$0.58 |

| | |
|---|--------|
| 10-Year & Ultra 10-Year U.S. Treasury Futures | \$0.65 |
| U.S. Treasury Bond Futures | \$0.70 |
| Ultra U.S. Treasury Bond Futures | \$0.70 |
| U.S. Treasury Options | \$0.50 |
| Fed Fund Contracts | \$0.60 |
| Full-Size Agricultural Contracts | \$1.67 |
| NYMEX Products | |
| Energy Contracts (Physicals) on CME Globex (CL, LO, HO, OH, RB, OB, NG, LN, ON) | \$1.27 |
| NYMEX Metals (PL, PA) | \$1.27 |
| COMEX Products | |
| Metals Futures Contracts (Physicals) on CME Globex (GC, SI, HG) | \$1.27 |

~~*These fees will become effective on February 1, 2020.~~

OPEN OUTCRY**

| Product Category (For executed trades via Open Outcry only) | EMBIP Fees (per side) |
|--|--------------------------|
| CME Products | |
| Interest Rate Options | \$0.60 |
| CBOT Products | |
| U.S. Treasury Options | \$0.50 |

~~**These fees will become effective on February 1, 2020.~~

Monitoring and Termination of Status

The Exchanges shall monitor trading activity and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the requirements of the Program.