

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-066

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 14, 2020 Filing Description: Implementation of the CME Livestock Volume 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 14, 2020

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: Implementation of the CME Livestock Volume Incentive Program
CME Submission No. 20-066**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to implement the Livestock Volume Incentive Program ("Program"). The proposed Program will become effective on February 1, 2020.

Exhibit 1 sets forth the terms of this Program.

CME reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME 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 will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. Exchange staff will monitor trading in the Program's products in order to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The Program does not impact the Exchange's order execution. Participants in the Program will be selected by CME staff using criteria as set forth in Exhibit 1. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants agree to comply with, and be subject to, applicable regulations and Exchange rules. Additionally, the Program is subject to the Exchange's record retention policies, which comply with the CEA.

CME certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this 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. 20-066 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Enclosure: Exhibit 1

EXHIBIT 1

CME Livestock Volume Incentive Program

Program Purpose

The purpose of this Program is to incentivize participants to increase liquidity in the futures products listed below. More liquid contracts on the central limit order book benefit all participants in the marketplace.

Product Scope

Live Cattle Futures (“LE”), Lean Hog Futures (“HE”), and Feeder Cattle Futures (“GF”) traded on the CME Globex Platform (“Products”).

Eligible Participants

There is no limit to the number of participants that may participate in the Program. This Program is open to individual members, member firms who are clearing members, Rule 106.J. equity members, Rule 106.I. member firms, Rule 106.S. member approved funds, and Rule 106.D. lessees.

Program Term

Start date is February 1, 2020. End date is January 31, 2021.

Hours

N/A

Obligations

Participants must meet certain volume thresholds, as determined by the Exchange, in order to receive the incentives.

Incentives

Fee Discounts: Upon meeting all eligibility requirements and obligations, as determined by the Exchange, each participant is eligible to receive tiered fee discounts in accordance with the following:

Member Firms*

Tier	Monthly Average Daily Volume (“ADV”) Thresholds	Fee Discount
	0 – 1,000	N/A
1	1,001 – 2,500	\$0.16
2	2,501 – 7,500	\$0.21
3	7,501 +	\$0.26

*Accumulation is aggregated by account owner(s) across accounts within a single billing firm. Clearing members and their related Rule 106.I. member(s) will be treated as one (1) firm. Rule 106.S. member approved funds will be aggregated with their related Rule 106.J. equity member.

Individual Members**

Tier	Monthly ADV Thresholds	Fee Discount
	0 – 500	N/A
1	501 – 1,000	\$0.16
2	1,001 – 1,500	\$0.21
3	1,501 +	\$0.26

**Accumulation is per trading account under a single billing firm.

Monitoring and Termination of Status

The Exchange 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 the requirements of the Program.