

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 23-034 (1 of 4)

**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 17, 2023 **Filing Description:** Modifications to the Central Bank Incentive Program

**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:** 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:**



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

January 17, 2023

**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 Central Bank Incentive Program  
CME Submission No. 23-034 (1 of 4)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX"), and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") of modifications to the Central Bank Incentive Program ("CBIP" or "Program"). The modifications to the Program will become effective on February 1, 2023.

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

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, the Exchanges' 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's incentive structure 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 to prevent manipulative trading and market abuse. The incentives in the proposed Program do not impact the Exchanges' order execution. Participants in the Program will be selected by the Exchanges' staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules. The Program is subject to the Exchanges' record retention policies which comply with the CEA.

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

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](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com). Please reference our CME Submission No. 23-034 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## CENTRAL BANK INCENTIVE PROGRAM

### **Program Purpose**

The purpose of this Program is to incentivize Central Banks located outside of the United States 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**

Certain CME, CBOT, NYMEX, and COMEX products available for trading on the CME Globex Platform, and all CME Interest Rate Options traded via Open Outcry (“Products”).

### **Eligible Participants**

There is no limit to the number of participants that may participate in the Program. All non-U.S. central banks, multilateral development banks, multilateral financial institutions, sub-regional banks, aid coordination groups, and international organizations of central banks may apply for participation.

### **Program Term**

Start date is July 1, 2013. End date is ~~January 31, 2023~~ July 31, 2023.

### **Hours**

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

### **Incentives**

Once accepted into the Program, participants will be eligible to receive the following incentives:

Fee Discounts: Participants will be eligible to receive discounted fees for the Products in accordance with the following:

#### **GLOBEX**

Product Category (For executed trades on Globex only)	Central Bank Incentive Program Participant Fees (Per Side)
<b>CME Products</b>	
E-mini Equity Index Futures – Outrights	<del>\$1.02</del> <u>\$1.07</u>
E-mini Equity Index – Options	\$0.50
Micro E-Mini Equity Index Futures – Outrights	<del>\$0.17</del> <u>\$0.22</u>

Micro E-Mini Equity Index Futures – Spreads	\$0.14 <u>\$0.22</u>
Micro E-mini Equity Index Options – Outrights	\$0.14
Micro E-mini Equity Index Options – Spreads	\$0.11
Bitcoin Futures – Outrights, Spreads	\$5.50
Bitcoin Options	\$4.85
Interest Rate Futures	\$0.75
Interest Rate Options	\$0.60
Full Size Foreign Exchange – Futures (excluding FX Link)	\$1.00
Full Size Foreign Exchange – Options	\$1.00
<b>CBOT Products</b>	
<del>Mini \$5 Dow Contracts</del> <u>E-mini Dow/DJ U.S. Real Estate</u>	<del>\$1.02</del> <u>\$1.07</u>
Micro E-Mini Dow	<del>\$0.17</del> <u>\$0.22</u>
Micro Treasury Yield Futures	\$0.27
<u>TBA Futures</u>	<u>\$0.55</u>
Ultra U.S. Treasury Bond Futures	<del>\$0.70</del> <u>\$0.80</u>
U.S. Treasury Options	<del>\$0.50</del> <u>\$0.53</u>
2-Year & 3-Year U.S. Treasury Futures	<del>\$0.56</del> <u>\$0.61</u>
5-Year U.S. Treasury Futures	<del>\$0.58</del> <u>\$0.61</u>
10-Year & Ultra 10-Year U.S. Treasury Futures	<del>\$0.65</del> <u>\$0.70</u>
All other U.S. Treasury Bond Futures	<del>\$0.70</del> <u>\$0.77</u>

Fed Fund Contracts	\$0.60
Full Size Agricultural Contracts*	<del>\$1.67</del> <u>\$1.72</u>
<b>NYMEX Products</b>	
Energy Contracts (Physicals) on CME Globex (CL, LO, HO, OH, RB, OB, NG, LN, ON)*	\$1.27
NYMEX Metals (PL, PA)*	\$1.27
<b>COMEX Products</b>	
Metals Futures Contracts (Physicals) on CME Globex (GC, SI, HG)*	\$1.27
Gold (Enhanced Delivery) Futures	\$1.27

\*For the products denoted with an asterisk above, Globex TAS transactions will be excluded from the Program upon implementation by the Exchanges.

#### OPEN OUTCRY

Product Category (For executed trades via Open Outcry only)	Central Bank Incentive Program Participant Fees (Per Side)
<b>CME Products</b>	
Interest Rate Options	\$0.60

#### 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 no longer meets the eligibility requirements or fails to meet the obligations of the Program.