

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): **18-015 (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, 2018** Filing Description: **Modifications to the International Cross-Asset Volume 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: **Not Applicable**

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, 2018

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 International Cross-Asset Volume Incentive Program
CME Submission No. 18-015 (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 International Cross-Asset Volume Incentive Program ("IVIP" or "Program"). The proposed modifications to the Program will become effective on February 1, 2018.

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, and Recordkeeping.

The Program and proposed modifications do 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 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 and proposed modifications will be subject to the Exchanges' record retention policies which comply with the CEA.

CME, CBOT, NYMEX, and COMEX certify that the Program and proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program and 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 or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CME Submission No. 18-015 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

INTERNATIONAL CROSS-ASSET INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to incentivize high volume proprietary trading arcades located outside North America 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, and NYMEX futures and options products and all COMEX futures products that are available for trading on the Globex Platform; all CME and CBOT Interest Rate futures and options products available for trading via open outcry (collectively, the "Products").

Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants must be distinct legal entities located outside of North America who have registered for and are in good standing with the IIP. Wholly owned (100%) subsidiaries may register together for the Program. Separate firms (unless wholly owned subsidiaries) must be registered separately.

Additional Arcade Firm Requirements:

- Teams of individuals with joint profits and losses under a participating arcade firm must be registered and approved by the Exchanges to be eligible for discounted rates under the arcade firm. Teams that adjust their legal status for the purpose of achieving lower combined rates may not be accepted into the Program. If firms have affiliates based in North America, they must apply for an exception.
- Individual traders under the participating arcade firm must either (i) be receiving less than eighty percent (80%) of profits and losses (as required under the IIP program); or (ii) be self-funded traders who:
 - Have primary income coming from trading;
 - Pay a desk fee;
 - Primarily trade from the physical location operated by the participating arcade firm;
 - Share risk with the participating arcade firm; and
 - Register with the Exchanges as "exempt traders" and the participant arcade firm makes the exempt trader available for product notices and education.

Program Term

Start date is November 1, 2012. End date is January 31, 2019.

Hours

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

Program Incentives

1. *Fee Discounts*: Participants in the Program that maintain an average daily volume (“ADV”) of 1,000 combined contract sides traded in CME, CBOT, and NYMEX futures and options traded on the Globex Platform and COMEX futures traded on the Globex Platform, will be eligible to receive the following fee discounts, in accordance with the tables below:

Product Category	IVIP All-in Fees (Per Side)
CME Globex Only	
CME Products	
Agricultural – Futures*	\$0.81
Agricultural – Options*	\$0.81
Weather Contracts	\$0.25
Full Size Foreign Exchange – Futures* (excluding FX Link)	\$0.54
Full Size Foreign Exchange – Futures via FX Link ¹	\$0.60
Foreign Exchange – Options*	\$0.54
E-mini Foreign Exchange Contracts*	\$0.54
E-micro Foreign Exchange Contracts	\$0.10
Full Size Equity Index – Futures (Other than Nikkei)	\$1.10
Nikkei Futures	\$1.10
Full Size Equity Index – Options	\$1.00
E-mini Equity Index – Futures* ²	\$0.54 \$0.60
E-mini Nifty 50 Index Futures	\$0.36
E-mini Equity Index – Options	\$0.45
USD Ibovespa - Futures	\$1.26
Interest Rate Futures Contracts*	\$0.50
Interest Rate-Options*	\$0.50
CBOT Products	
Full Size Agricultural Contracts	\$1.06
Mini Agricultural Contracts	\$0.90
ICS & CS Agricultural Options	\$2.06
Mini \$5 Dow Products	\$0.54
DJ U.S. Real Estate Index Futures	\$0.54
U.S. Treasury Futures	\$0.49
U.S. Treasury Options	\$0.49
Fed Fund Products	\$0.49
MAC Swap Futures	\$0.49

*The products denoted with an asterisk above will be eligible for the additional CME Products Progressive Volume Discount Incentives listed in #2 below.

1 – FX Link fees will be effective beginning on March 25, 2018.

2 – The All-In Fees for E-Mini Nifty Futures will be \$0.36 per side. E-mini Nifty Futures will not be included in the Progressive Volume Discount for CME Equity Products.

Product Category	IVIP All-in Fees (Per Side)
NYMEX Products on CME Globex	
Core Energy (CL, LO, HO, OH, RB, OB, NG, LN, ON)	\$0.77

NYMEX Metals (PL, PA, PO, PAO)	\$0.77
All other Energy	Must be 10% greater than the highest member rate
All other Metals	Non-member rate must be at least 25% greater than the Member rate
COMEX Products on CME Globex - Futures Only	
Core Metal (GC, SI, HG)	\$0.88
Physical Metals (equal to or less than half of full size contract)	Non-member rate must be at least 25% greater than the Member rate
Financial Metals	Non-member rate must be at least 25% greater than the Member rate

Product Category	IVIP All-in Fees (per side)
Pit Trading	
CME Products	
Interest Rate Contracts	\$0.50
CBOT Products	
U.S. Treasury Futures	\$0.49
U.S. Treasury Options	\$0.49
Fed Fund Futures	\$0.36 \$0.49 ³
Fed Fund Options	\$0.49

Product Category	IVIP All-in Fees (Per Side)
Ex-Pit Trading	
CME Products	
Interest Rate Futures – EFP/EFR	\$0.66
Interest Rate Options – EFP/EFR	\$0.66
Interest Rate Futures – Block	\$0.66
Interest Rate Options – Block	\$0.66
CBOT Products	
All Treasury Futures	\$1.21
All Treasury Options	\$1.24
Fed Fund Futures and Options	\$1.24

3 – Fed Fund Futures fee change will be effective beginning on March 25, 2018.

2. *CME Products Progressive Volume Discount Incentives*: Subject to the restrictions set forth in #3 below, participants in the Program that maintain an average daily volume (“ADV”) of 1,000 combined contract sides traded in the respective CME Products on Globex denoted above (“Qualifying Participants”), measured over the applicable Qualifying Period may, during the corresponding Incentive Period (the Qualifying Periods and Corresponding Incentive Periods set forth in 1(a) below), receive progressive volume fee discounts for trades executed on Globex in the Products as set forth in 1 (b) below.
 - a. *Qualifying Periods/Incentive Periods*. For the purposes of the progressive volume discount incentives, the Program’s Qualifying Periods and corresponding Incentive Periods are as follows:

Qualifying Period	Corresponding Incentive Period
July 16, 2017 - October 15, 2017	November 1, 2017 - December 31, 2017
September 16, 2017 - December 15, 2017	January 1, 2018 - March 31, 2018
December 16, 2017 - March 15, 2018	April 1, 2018 - June 30, 2018
March 16, 2018 - June 15, 2018	July 1, 2018 - September 30, 2018
June 16, 2018 - September 15, 2018	October 1, 2018 - December 31, 2018

- b. *Progressive Volume Tiers.* During an applicable Incentive Period, Qualifying Participants may participate in the following progressive volume tiers to be calculated each respective calendar month over an Incentive Period. The progressive volume tier levels and corresponding ADV must be independently met for each of the respective product groups set forth in the table below (each a “Product Group”). ADV will not be combined across the Product Groups.

CME Products IVIP (Excluding Bundle Futures)				
Tier Structure	Interest Rates	FX	Equity	Ags
0 - 1000	\$0.50	\$0.54	\$0.54 <u>\$0.60</u>	\$0.81
1001 - 5000	\$0.35	\$0.41	\$0.41	\$0.55
5001+	\$0.25	\$0.36	\$0.36	

3. *Restrictions:* Participants may choose to participate in the Program on a Product Group by Product Group basis, but must select which Product Groups they want to include under the Program when submitting their initial application. Participants may not receive incentives under the IIP for volumes in Products counted toward this Program.

Monitoring and Termination of Status

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

If a participant does not meet the minimum volume requirements during one (1) calendar quarter of the Program, the participant will still be eligible to receive the incentives for that applicable quarter. In order to continue to receive the Program incentives, participants must meet the minimum volume requirements for all subsequent calendar quarters.