

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 16-093

Organization: Chicago Mercantile Exchange Inc. (CME)

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): March 18, 2016 Filing Description: Listing of Existing Midsize Options on Class III Milk Futures Contract on CME Globex and CME ClearPort and the Listing of Existing Options on Cash-Settled Butter Futures and Options on Cheese Futures on CME ClearPort

**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: 52B, 56A, 60A

**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:**

March 18, 2016

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding the Listing of Existing Midsize Options on Class III Milk Futures Contract on CME Globex and CME ClearPort and the Listing of Existing Options on Cash-Settled Butter Futures and Options on Cheese Futures on CME ClearPort.  
CME Submission No. 16-093**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the Midsize Options on Class III Futures, Options on Cash-Settled Butter Futures, and Options on Cheese Futures contracts (the “Contracts”), effective on Sunday, April 3, 2016 for trade date Monday, April 4, 2016.

Specifically, the Exchange will list the existing Midsize Options on Class III Milk Futures contract for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort as noted in Table 1 below. Also at this time, CME will avail the existing Options on Cash-Settled Butter Futures and Options on Cheese Futures for submission for clearing via CME ClearPort platform as also noted in Table 1. below.

Table 1.

Contract Title	CME Rulebook Chapter	CME Globex and CME ClearPort Code	Current Venues	Venues as of April 4, 2016	CME Trading Floor/CME Globex/CME ClearPort Listing Schedule
Midsize Options on Class III Milk Futures	52B	JQ	CME Trading Floor	CME Trading Floor/CME Globex/CME ClearPort	24 Consecutive Months
Options on Cash-Settled Butter Futures	56A	CB	CME Trading Floor/CME Globex	CME Trading Floor/ CME Globex/CME ClearPort	24 Consecutive Months
Options on Cheese Futures	60A	CSC	CME Trading Floor/ CME Globex	CME Trading Floor/CME Globex/CME ClearPort	24 Consecutive Months

In addition, CME is notifying the Commission that it is self-certifying an amendment to CME Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) in connection with listing the Class III Midsize Milk Options contract for trading on CME Globex. Amendments to Rule 588.H. are provided in Table 2. below.

Table 2.

**CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”)**  
(additions are underscored)

Instrument	Globex Non-Reviewable Ranges (NRR)	Bid/Ask Reasonability
<u>Mid-Size Options on Class III Milk Futures</u>	The greater of delta times the underlying <u>futures non-reviewable range or 20% of premium up to 1/4 of the underlying futures' non-reviewable range with a minimum of 1 tick</u>	The greater of the delta times the underlying futures' non-reviewable range <u>or 20% of the fair value premium up to the underlying futures' non-reviewable range with a minimum reasonability of \$0.005</u>

The Exchange fees associated with the Contracts are provided in Table 3. below.

Table 3.

	Clearing	CME Globex/ CME ClearPort	EFP/EFR Surcharge
Individual Equity Members/Clearing Members/Rule 106.J Equity Member Firms/ Rule 106.I Members/Rule 106.S Member Approved Funds	\$0.15	\$0.36	\$1.75
Rule 106.D Lessees / Rule 106.F Employees	\$0.31	\$0.36	\$1.75
Rule 106.R Electronic Corporate Member			
<b>(Reduced rates for Globex Transactions Only)</b>	\$0.49	\$0.32	\$1.75
Rule 106.H and 106.N Firms	\$0.49	\$0.32	\$1.75
International Incentive Program (IIP) Participants			
International Volume Incentive Program (IVIP) Participants			
<b>(Reduced rates for Globex Transactions Only)</b>	\$0.49	\$0.32	\$1.75
Central Bank Incentive Program (CBIP) Participants			
Emerging Markets Bank Incentive Program (EMBIP) Participants			
Latin American Fund Manager Incentive Program (FMIP) Participants			
Latin American Proprietary Trading Incentive Program (LAPTIP) Participants			
<b>(Reduced rates for Globex Transactions Only)</b>	\$0.49	\$1.01	\$1.75
Latin American Commercial Incentive Program (LACIP) Participants			
<b>(Reduced rates for Globex Transactions for Agricultural Products)</b>	\$0.49	\$1.01	\$1.75

<b>Only)</b>			
CTA/Hedge Fund Incentive Program Participants	\$0.69	\$1.34	\$1.75
CBOE Members	\$0.69	\$1.34	\$1.75
Members Trading Outside of Division			
<b>(Reduced Globex Fee rates during ETH only)</b>	\$0.69	\$0.36	\$1.75
Customers of Member Firms (Non-Members)	\$0.69	\$1.34	\$1.75

The CME Globex and CME ClearPort hours for the Contracts will be as follows:

CME Globex hours: Sunday – Friday 5:00 p.m. – 1:55 p.m. Chicago Time/CT with a 60-minute break each day beginning at 4:00 p.m. CT.

CME ClearPort hours: Sunday - 5:00 p.m. - 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act” or “CEA”) and identified that the amendments to the Contracts may have some bearing on the following Core Principles:

- Availability of General Information: The Exchange will disseminate a Special Executive Report (“SER”) to the marketplace regarding the amendments. The SER will also be posted on the CME Group website.
- Daily Publication of Trading Information: The Exchange shall make public daily information on settlement prices, volume, open interest, and opening and closing ranges for actively traded contracts on the contract market.
- Execution of Transactions: The CME Globex electronic trading platform provides a transparent, open and efficient mechanism to electronically execute trades on screen. CME Globex provides a competitive and open execution of transactions.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the amendments to the Contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2200 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel