

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-180

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 04/06/2020 Filing Description: Weekly Notification of Rule Amendments (Week of March 30, 2020)

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input checked="" 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: See filing.

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 |

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

April 6, 2020

VIA ELECTRONIC PORTAL

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

Re: CFTC Regulation 40.6(d) Notification. Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) Weekly Notification of Rule Amendments. CME Submission No. 20-180

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(d), the Exchange submits this weekly notification of the following rule amendments effective during the week of March 30, 2020.

Effective Tuesday, March 31, 2020 for trade date Wednesday, April 1, 2020, the Exchange amended the daily and final settlement rules and procedures for two (2) Crude Palm Oil futures and one (1) Crude Palm Oil swap contract. The marketplace was notified of the amendments via Special Executive Report (“SER”) 8538, which is attached hereto as Exhibit A.

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

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – SER 8538

Exhibit A



Special Executive Report

DATE: March 10, 2020

SER#: 8538

SUBJECT: Amendments to the Daily and Final Settlement Price Rules and Procedures for Two (2) Crude Palm Oil Futures and One (1) Crude Palm Oil Swap (Cleared Only) Contracts

Effective Tuesday, March 31, 2020 for trade date Wednesday, April 1, 2020, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will amend the daily and final settlement rules and procedures for two (2) Crude Palm Oil futures and one (1) Crude Palm Oil swap contracts (the “Contracts”) as noted below.

Contract Title	CME ClearPort Code	CME Globex Code	Rulebook Chapter
USD Malaysian Crude Palm Oil Calendar Futures	CPO	CPO	204
Bursa Malaysia Crude Palm Oil Gasoil Spread Futures	POG	POG	204E
USD Malaysian Crude Palm Oil Calendar Swap	CPC	N/A	204A

The amendments are intended to align the daily settlement methodology for the Contracts with CME ClearPort Clearing products. Currently the Contracts are mainly traded in privately negotiated markets and submitted for clearing through CME ClearPort. The Exchange shall determine daily settlement prices based on relevant market data including, but not limited to, cleared prices, pricing data from market participants, the settlement prices of related products and any other relevant and reliable pricing data from sources.

Furthermore, the Exchange will amend the final settlement rules of the Contracts to provide more clarity on the FX conversion used to generate final settlement price.

Lastly, the Exchange will delete references of the Contract’s daily settlement from the product chapters (collectively the “Rule Amendments”). Exchange daily settlement procedures are provided on the website.

<https://www.cmegroup.com/market-data/files/cme-group-settlement-procedures.pdf>

The amendments to the CME Rulebook chapters are provided below in Exhibit A with additions underscored and deletions ~~struck through~~.

Please refer questions on this subject to:

Nelson Low	nelson.low@cmegroup.com	(65) 6593 5570
Cameron Liao	kenghui.liao@cmegroup.com	(65) 6593 5588
Globex Command Center	gcc@cmegroup.com	(65) 6532 5010
		(44) 20 7623 4747
		(1) 800 438 8616

**EXHIBIT A
CME Rulebook**

(additions underscoring; deletions ~~struck through~~)

**Chapter 204
USD Malaysian Crude Palm Oil Calendar Futures**

* * *

20403. ~~FINAL SETTLEMENT PRICE AND DAILY SETTLEMENT DURING THE LAST MONTH OF TRADING~~

The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the contract month converted to USD and rounded to the nearest \$0.25 using the Kuala Lumpur USD/MYR Reference Rate spot rate which appears on Thomson Reuters Screen MYRFIX02 Page at approximately 3:30 p.m. Kuala Lumpur time.

For example, final settlement for a January contract month of the contract would be the cumulative average of the daily settlement prices for the third forward FCPO contract listed on the Bursa Malaysia Derivatives Berhad contract during the month of January, which in this example will comprise half of the March futures contract and half of the April futures contract, with the month roll determined by the Bursa Malaysia Derivatives Berhad listing and expiration cycle. These daily settlement prices are converted to USD and rounded to the nearest \$0.25 using the Kuala Lumpur USD/MYR Reference Rate spot rate. ~~Daily settlement during the last month of trade shall be the cumulative average of each settlement price of the corresponding Bursa Malaysia Derivatives Berhad FCPO futures contract and converted to USD and rounded to the nearest \$0.25 weighting the current day's settlement price across each remaining trading day.~~

~~Settlement prices shall be generated each CME business day using the most recent available values from Bursa Malaysia Derivatives Berhad and the most recent USD/MYR spot rate. However, any settlement prices generated on a CME business day that is not also a Bursa Malaysia Derivatives Berhad business day will not be counted toward final settlement. Additionally, there will be no daily settlement prices generated on non-CME business days that are Bursa Malaysia Derivatives Berhad business days, but the Bursa Malaysia Derivatives Berhad settlement prices generated on such days will count toward final settlement and daily settlement during the last month of trade.~~

20404. ~~DAILY SETTLEMENT PRICE RESERVED~~

~~Daily settlement other than settlement on the final settlement day or during the last month of trade (as described in Rule 20403.) shall be the settlement price of the Bursa Malaysia Derivatives Berhad FCPO futures contract that is the third forward month from the CME futures contract month converted to USD using USD/MYR forward rates and rounded to the nearest \$0.25. Daily settlement prices shall be generated each business day the CME is open using the most recent available Bursa Malaysia Derivatives Berhad FCPO futures prices and the latest available USD/MYR forward rates.~~

~~The Exchange may list the contract before corresponding Bursa Malaysia Derivatives Berhad FCPO futures contracts are listed. In such cases, daily settlements will be based on interpolation between contracts that are listed.~~

**Chapter 204A
USD Malaysian Crude Palm Oil Calendar Swap (Cleared Only)**

* * *

204A03. ~~FINAL SETTLEMENT PRICE AND DAILY SETTLEMENT DURING THE LAST MONTH OF TRADING~~

The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the swap contract month converted to USD and rounded to the nearest \$0.25 using the Kuala Lumpur REF USD/MYR Reference Rate spot rate, which appears on Thomson Reuters Screen MYRFIX02 Page at approximately 3:30 p.m. Kuala Lumpur time.

For example, final settlement for a January USD Malaysian Crude Palm Oil Calendar Swap would be the cumulative average of the daily settlement prices for the third forward FCPO contract listed on the Bursa Malaysia Derivatives Berhad contract during the month of January, which in this example will comprise half of the March futures contract and half of the April futures contract, with the month roll determined by the Bursa Malaysia Derivatives Berhad listing and expiration cycle. These daily settlement prices are converted to USD and rounded to the nearest \$0.25 using the Kuala Lumpur REF USD/MYR Reference Rate spot rate at approximately 3:30 p.m. Kuala Lumpur time.

~~Daily settlement during the last month of clearing shall be the cumulative average of each settlement price of the corresponding Bursa Malaysia Derivatives Berhad FCPO futures contract and converted to USD and rounded to the nearest \$0.25 weighting the current day's settlement price across each remaining clearing day.~~

~~Settlement prices shall be generated each CME business day using the most recent available values from Bursa Malaysia Derivatives Berhad and the most recent KL REF USD/MYR spot rate. However, any settlement prices generated on a CME business day that is not also a Bursa Malaysia Derivatives Berhad business day will not be counted toward final settlement.~~

~~Additionally, there will be no daily settlement prices generated on non-CME business days that are Bursa Malaysia Derivatives Berhad business days, but the Bursa Malaysia Derivatives Berhad settlement prices generated on such days will count toward final settlement and daily settlement during the last month of clearing.~~

204A04.

DAILY SETTLEMENT PRICE RESERVED
FOR ALL CONTRACT MONTHS BEGINNING WITH JULY 2017

~~Daily settlement other than settlement on the final settlement day or during the last month of clearing (as described in Rule 204A03) shall be the settlement price of the Bursa Malaysia Derivatives Berhad FCPO futures contract that is the third forward month from the swap month converted to USD using USD/MYR forward rates equating to and interpolating between the closest date(s) to the last business day of the contract's expiration month and published at contract settlement time and rounded to the nearest \$0.25. Daily settlement prices shall be generated each business day the CME is open using the most recent available Bursa Malaysia Derivatives Berhad FCPO futures prices and the latest available USD/MYR forward rates published at contract settlement time.~~

~~The Exchange may list USD Malaysian Crude Palm Oil Calendar Swaps before corresponding Bursa Malaysia Derivatives Berhad FCPO futures contracts are listed. In such cases, daily settlements will be based on interpolation between contracts that are listed.~~

Chapter 204E
Bursa Malaysia Crude Palm Oil – Gasoil Spread Futures

204E03. FINAL AND DAILY SETTLEMENT PRICES DURING THE LAST MONTH OF TRADING

The final settlement price shall be determined on the final settlement day. The final settlement price shall be equal to the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia Derivatives Berhad for each trading day in the contract month converted to USD and rounded to the nearest \$0.25 using the Kuala Lumpur USD/MYR Reference Rate spot rate which appears on Thomson Reuters Screen MYRFIX02 Page at approximately 3:30 p.m. Kuala Lumpur time, Minus the cumulative average of the settlement prices for the first nearby month ICE Low Sulphur Gasoil Futures contract for each trading day in the contract month rounded to the nearest \$0.001 (using non-common pricing). The settlement prices of the first nearby contract month will be used except on the last day of trading for the expiring ICE Low Sulphur Gasoil Futures contracts when the settlement prices of the second nearby contracts will be used.

For example, the palm oil component of final settlement for a January contract month of the contract would reference the cumulative average of the daily settlement prices for the third forward FCPO contract listed on the Bursa Malaysia Derivatives Berhad contract during the month of January, which in this example will comprise half of the March futures contract and half of the April futures contract, with the month roll determined by the Bursa Malaysia Derivatives Berhad listing and expiration cycle. These daily settlement prices for palm oil component are converted to USD and rounded to the nearest \$0.25 using the Kuala Lumpur USD/MYR Reference Rate spot rate. The gasoil component of final settlement for a January Malaysian Palm Oil – Gasoil Spread futures contract would reference the cumulative average of the daily settlement prices for the first nearby ICE Low Sulphur Gasoil futures contract during the month of January, which in this example will comprise half of the January futures contract and half of the February futures contract, with the month roll determined by the ICE Futures Europe listing and expiration cycle. These daily settlement prices for the gasoil component are rounded to the nearest \$0.001.

~~Daily settlement during the last month of trade shall be the cumulative average of each settlement price of the corresponding Bursa Malaysia Derivatives Berhad FCPO futures contract and converted to USD and rounded to the nearest \$0.25 weighting the current day's settlement price across each remaining trading day minus the cumulative average of each settlement prices of the corresponding ICE Low Sulphur Gasoil Futures contract and rounded to the nearest \$0.001 weighting the current day's settlement price across each remaining trading day. Then the daily settlement price for the spread shall be rounded to the nearest \$0.001.~~

~~Settlement prices shall be generated each CME business day using the most recent available values from ICE Futures Europe for Low Sulphur Gasoil futures and from Bursa Malaysia Derivatives Berhad and the most recent USD/MYR spot rate for Crude Palm Oil futures. However, any settlement prices generated on a CME business day that is not also a Bursa Malaysia Derivatives Berhad or ICE Futures Europe business day will not be counted toward final settlement. Additionally, there will be no daily settlement prices generated on non-CME business days that are Bursa Malaysia Derivatives Berhad or ICE Futures Europe business days, but the Bursa Malaysia Derivatives Berhad or ICE Futures Europe settlement prices generated on such days will count toward final settlement and daily settlement during the last month of trade.~~

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204E05. DAILY SETTLEMENT PRICE RESERVED

~~Daily settlement other than settlement on the final settlement day or during the last month of trade (as described in Rule 204E03.) shall be equal to the settlement price of the Bursa Malaysia Derivatives Berhad FCPO futures contract that is the third forward month from the contract month converted to USD using USD/MYR forward rates and rounded to the nearest \$0.25 minus the settlement price of the ICE Low Sulphur Gasoil futures contract that is the first nearby month from the contract month and rounded to the nearest \$0.001. Then the daily settlement price for the spread shall be rounded to the nearest \$0.001. Daily settlement prices shall be generated each business day the CME is open using the most recent available ICE Low Sulphur Gasoil futures prices and Bursa Malaysia Derivatives Berhad FCPO futures prices and the latest available USD/MYR forward rates.~~