

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-133 (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): 04/11/16 Filing Description: Amendments to Rule 588.
("Trade Cancellations and Price Adjustments")

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: 588

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:

April 11, 2016

VIA ELECTRONIC PORTAL

Mr. Christopher 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(a) Certification. Notification Regarding Amendments to CME/CBOT/NYMEX/COMEX Rule 588. ("Trade Cancellations and Price Adjustments").
CME Submission No. 16-133 (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") that they are self-certifying amendments to Rule 588. ("Trade Cancellations and Price Adjustments"). More specifically, the Exchanges will amend Subsection 588.G. ("Schedule of Administrative Fees") of Rule 588. to increase the administrative fee for parties responsible for entering an order into the electronic trading system that gave rise to a trade cancellation or price adjustment from \$500 to \$1,000, effective on trade date Tuesday, April 26, 2016.

In 2009 the Exchanges implemented a \$500 administrative fee to cancel or price adjust erroneous trades. The administrative fee was meant to emphasize the effect that canceled or price adjusted trades may have on market integrity and other market participants.

The Exchanges have seen a steady decrease in the number of erroneous trades canceled or price adjusted since the implementation of the administrative fee. However, options trade adjustments and cancellations are more complex than futures cancellations or adjustments. The transition from open outcry trading to the electronic platform in options products is expected to continue increasing. Therefore, to underscore the potentially disruptive effect of trade cancellations and price adjustments, and to emphasize the importance of due diligence with respect to trade entry into CME Globex, the Exchanges will increase the administrative fee from \$500 to \$1,000. Additionally, the Exchanges will amend CME/CBOT/NYMEX/COMEX Subsection Rule 588.H. Table ("Table") (attached under separate cover as Exhibit B) to include the aforementioned administrative fee to the Table for convenience of reference.

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that the amendments to Rule 588. may have some bearing on the following Core Principles:

Protection of Market Participants: The amendments to Rule 588.G. increase the fee for trade cancellations and price adjustments on CME Globex. This increase is the result of the complex nature of reviewing such transactions to prevent disruption and manipulation. As such, the amendments remain in compliance with this Core Principle.

Availability of General Information: As required by this Core Principle, the Exchanges will issue a Special Executive Report ("SER") to the marketplace regarding the amendments in advance of the effective date. The SER will also be publicly available on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchanges hereby certify that the amendments to Rule 588.G. comply with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

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

If you require any additional information, please e-mail CMEGSubmissionInquiry@cmegroup.com or contact the undersigned at 212.299.2200.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A - Amendments to CME/CBOT/NYMEX/COMEX Rule 588.G. (blackline format)
Exhibit B - Amendments to CME/CBOT/NYMEX/COMEX Rule 588.H. Table (blackline format) (attached under separate cover)

EXHIBIT A

CME/CBOT/NYMEX/COMEX RULEBOOK

Chapter 5

Trading Qualifications and Practices

(Additions are underscored; deletions are ~~struckthrough~~.)

588. TRADE CANCELLATIONS AND PRICE ADJUSTMENTS

[588.A.-F. are unchanged.]

588.G. Schedule of Administrative Fees

When GCC cancels or price adjusts a trade, the party responsible for entering the order into the electronic trading system that gave rise to the trade cancellation or price adjustment shall pay an administrative fee to the Exchange in the amount of ~~\$500~~\$1,000 for each such occurrence. If the party is not deemed a Member as defined in Rule 400 and fails to pay the fee, the clearing member through which the trade was placed shall be responsible for payment of the fee. Administrative fees for this Rule are set forth in the Rule 588.H. table.

[The remainder of the Rule is unchanged.]

EXHIBIT B

CME/CBOT/NYMEX/COMEX RULEBOOK

Chapter 5

Trading Qualifications and Practices

Rule 588.H. (“Non-Reviewable Trading Ranges”) Table

(Attached under separate cover)