

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 22-167

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): April 12, 2022 Filing Description: Modifications to the Micro E-mini Options Market Maker Program

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Not Applicable

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

April 12, 2022

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 Micro E-mini Options Market Maker Program
CME Submission No. 22-167**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the Micro E-mini Options Market Maker Program ("Program"). The modifications to the Program will become effective on May 1, 2022.

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

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act"). During the review, Exchange 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 does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchange's rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to applicable regulations and the Exchange's rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

The Exchange certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

The Exchange certifies that this submission has been concurrently posted on the Exchange's 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. 22-167 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Micro E-mini Options Market Maker Program

Program Purpose

The purpose of this Program is to support development of the products listed below. The resulting increase in liquidity on the central limit order book benefits all participant segments in the market.

Product Scope

Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures ("MES"), End of Month Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures ("EX"), Weekly Options on Micro E-mini Standard and Poor's 500 Stock Price Index Futures ("EX1" – "EX4"), Options on Micro E-mini Nasdaq-100 Index Futures ("MNQ"), End of Month Options on Micro E-mini Nasdaq-100 Index Futures ("MQE"), and Weekly Options on Micro E-mini Nasdaq-100 Index Futures ("MQ1" – "MQ4") that are traded on the CME Globex Platform ("Products").

Eligible Participants

CME may designate up to seven (7) participants in the Program. Participants must be members or enrolled in the International Incentive Program ("IIP") or International Cross-Asset Volume Incentive Program ("IVIP"). In order to participate in the Program, eligible participants must have traded above 1,750 sides per day in E-Mini S&P 500 Options ("ES") (inclusive of Globex trades and spread transactions) between January 1, 2021 and June 30, 2021. Prospective participants are required to submit an application/bid sheet to the Exchange as part of a competitive selection process which is used to determine eligibility. In determining whether or not a prospective participant is selected to participate in the Program, Exchange staff may take into account a variety of factors including the strength of the quoting obligations the prospective participant is willing to commit to provide, whether Exchange staff believes that the prospective participant can maintain such obligations, and historical volume trading the Products. The Exchange may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

Program Term

Start date is August 31, 2020. End date is ~~April 30, 2022~~ October 31, 2022.

Hours

8:00AM – 3:00PM CT and 5:00PM – 8:00AM CT.

Obligations

In order to be eligible to receive incentives, participants must quote two-sided markets in the Products at predetermined average bid/ask spreads and minimum quote sizes during a certain percentage of trading hours.

Incentives

Upon meeting the obligations, as determined by the Exchange, participants will be eligible to receive predetermined incentives.

Monitoring and Termination of Status

The Exchange 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.