

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-233

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): May 20, 2021 Filing Description: Implementation of the E-mini S&P 500 Options Market-Wide Block Discount 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

May 20, 2021

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: Implementation of the E-mini S&P 500 Options Market-Wide Block Discount Program
CME Submission No. 21-233**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to implement the E-mini S&P 500 Options Market-Wide Block Discount Program ("Program"). The proposed Program will become effective on June 7, 2021.

Exhibit 1 sets forth the terms of this Program.

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, CME 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 is a general fee discount that applies to all market participants. A general fee discount does not incentivize manipulative trading or market abuse. The Program does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange's market regulation staff will monitor trading in the products that are included in the Program to prevent manipulative trading and market abuse. The general fee discount in the Program does not impact the Exchange's order execution. The Exchange believes the fee discounts included in the Program will not adversely impact price discovery in the centralized market. The purpose of the Program is to help facilitate the transition of market participants from S&P 500 Options to E-mini S&P 500 Options in conjunction with the delisting of S&P 500 Options. The Exchange believes the incentives in the Program will temporarily alleviate fee disparities associated with this transition and will monitor the effects of the Program during its term to ensure there are no adverse price discovery impacts associated with it. All market participants that execute transactions in the products shall be entitled to participate. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair, or abusive practices. The Program is subject to these rules and CME records retention policies that comply with the CEA.

CME 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. 21-233 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

E-mini S&P 500 Options Market-Wide Block Discount Program

Program Purpose

The purpose of this Program is to support the transition of S&P 500 Options activity to E-mini S&P 500 Options. The resulting increase in liquidity benefits all participants in the marketplace.

Product Scope

All E-mini S&P 500 Options (“Products”).

Eligible Participants

There is no limit to the number of participants in the Program. Participants may be CME members or non-members. The incentives described below will be automatically applied to all block transactions in the Products made by market participants.

Program Term

Start date is June 7, 2021. End date is April 30, 2022.

Hours

N/A

Incentives

Member Block Fee Discounts: All market participants that are CME members will receive discounted fees of \$0.20 for all block transactions in the Products.

Non-Member Block Fee Discounts: All non-member market participants will receive discounted fees of \$0.36 for all block transactions in the Products.