

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 18-191

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

**Filing as a:**     **DCM**     **SEF**     **DCO**     **SDR**

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 05/24/2018

**Filing Description:** Establishment of Block Trades in Certain CME Equity Futures Contracts When the Futures Leg of a Futures/Options Spread or Combination and Reduction of Block Trade Minimum Quantity Threshold in the Options on S&P 500 Stock Price Index Futures Contract.

**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:** 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:**

May 24, 2018

**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 Establishment of Block Trades in Certain CME Equity Futures Contracts When the Futures Leg of a Futures/Options Spread or Combination and Reduction of Block Trade Minimum Quantity Threshold in the Options on S&P 500 Stock Price Index Futures Contract.  
CME Submission No. 18-191**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange, Inc. (“CME” or the “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying block trade eligibility in the E-mini S&P 500 Index futures (Commodity Code: ES; Rulebook Chapter: 358) and S&P 500 Index futures (Commodity Code: SP; Rulebook Chapter: 351) contracts (the “S&P Futures Contracts”) when such futures transactions are executed as part of a futures/options spread or combination and the reduction of the block trade minimum quantity threshold for Options on S&P 500 Stock Price Index Futures contract during European Trading Hours (“ETH”) (12:00 a.m. – 7:00 a.m. CT) and Asian Trading Hours (“ATH”) (4:00 p.m. – 12:00 a.m. CT) and reduce the minimum quantity threshold for the Options on S&P 500 Stock Price Index Futures contract (collectively, the “Rule Amendments”) effective Sunday, June 10, 2018, for trade date Monday, June 11, 2018.

More specifically, CME will begin to permit block trading in the S&P Futures Contracts when these futures transactions are part of a futures/options spread or combination with Options on S&P 500 Stock Price Index Futures. The options component of the spread or combination must meet the minimum quantity threshold for the outright option and the quantity of futures executed must be consistent with the delta of the options component of the spread. Such block trades will provide to market participants the ability to execute trades at a net delta zero exposure and, as a result, mitigate execution risk for the buyers and sellers of the transaction.

Currently, the block trade minimum quantity threshold for the Options on S&P 500 Stock Price Index Futures is 250 contracts during all trading times. CME will revise the minimum quantity threshold for this contract during ETH and ATH to 100 contracts. The revised block trade minimum quantity threshold during these hours would then more appropriately reflect the liquidity profile of Options on S&P 500 Stock Price Index Futures when the U.S. cash market is not open.

With the establishment of block trades in the S&P Futures Contracts the following Exchange fees will apply:

Continued on next page.

Transaction Type	Membership Type	Equity Index Futures	Equity Index Options	E-mini Equity Index Futures
<b>Covered F&amp;O Block</b>	Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	\$0.97		\$0.36
	Rule 106.D Lessees Rule 106.F Employees	\$1.20		\$0.48
	Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	\$1.35		\$0.61
	CBOE Members <i>(For S&amp;P Products Only; For All Other Products - See Non-Members)</i>	\$1.46		\$1.14
	Non-Members <i>(Including: CTA/Hedge Fund Incentive Program Participants)</i>	\$1.56		\$1.19

CME Submission No. 18-190 also dated May 24, 2018, which shall be effective concurrent with this submission, sets forth the issuance of CME Group Market Regulation Advisory Notice RA1806-5 regarding block trades in certain CME and The Board of Trade of the City of Chicago, Inc. equity products.

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

- **Availability of General Information:** As required by this Core Principle the Exchange published Special Executive Report (“SER”) to advise the marketplace of these amendments. The SER is also available on the CME Group website.
- **Daily Publication of Trading Information:** Trading volume, open interest and price information will continue to be published daily on the Exchange’s website and via quote vendors.
- **Execution of Transactions:** A designated contract market may authorize transactions that are executed away from the designated contract market’s centralized marketplace for bona fide business purposes. Accordingly, the Exchange has long established block standards for a wide array of futures and options products. The actions certified herein serve solely to improve the alignment of block trade standards for the pertinent futures and options on futures products.

There were no substantive opposing views to this proposal.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that these amendments comply with the Act and regulations thereunder.

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>

If you require any additional information regarding this submission, please contact the undersigned at 212.299.2200 or via email at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel