

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 15-191 (1 of 2)

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/05/2015 Filing Description: Amendments to CME Rules 25301.C. ("Price Increment") and 588.H. ("Globex Non-Reviewable Trading Ranges") for Japanese Yen/U.S. Dollar (JPY/USD) 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: CME Rules 25301.C. and 588.H.

**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:

June 5, 2015

**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(a) Certification. Notification Regarding Amendments to CME Rules 25301.C. ("Price Increment") and 588.H. ("Globex Non-Reviewable Trading Ranges") for Japanese Yen/U.S. Dollar (JPY/USD) Futures Contract. CME Submission No. 15-191 (1 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying amendments to CME Rules 25301.C. ("Price Increment") and 588.H. ("Globex Non-Reviewable Trading Ranges") for the Japanese Yen/U.S. Dollar (JPY/USD) futures contract, effective Sunday, June 21, 2015 for trade date Monday, June 22, 2015.

Specifically, CME is amending CME Rule 25301.C. to reduce the tick size of the JPY/USD futures contract from \$.000001 (\$12.50) to \$.0000005 (\$6.25) per Japanese yen. The Exchange has received numerous requests from market participants to reduce the tick size of JPY/USD futures on the basis that market liquidity in the futures has improved dramatically over the past few years. The Exchange believes that amending the contract's current tick increment will allow market liquidity to improve further to match other competitive over-the-counter and exchange-traded venues for the yen. Appendix A summarizes amended Rule 25301.C. in blackline format.

Also effective at the same time, CME is amending the Globex Non-Reviewable Trading Ranges Table to CME Rule 588.H. to modify the non-reviewable trading range of JPY/USD futures on CME Globex from 40 to 40.0 ticks to accommodate the proposed half-tick reduction in JPY/USD futures. These amendments are shown in the Globex Non-Reviewable Trading Ranges Table to Rule 588.H. in blackline format as Appendix B.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act" or "CEA") and identified that the rule amendments to CME Rules 25301.C. and 588.H. may have some bearing on the following Core Principles:

- **Compliance with Rules:** The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules of the contract markets for JPY/USD futures, including the terms and conditions of the contracts' newly revised rules and procedures for price increments.
- **Contracts Not Readily Subject to Manipulation:** Reducing the tick size of JPY/USD futures will not make this contract more susceptible to market manipulation. Reducing the tick size of this contract will allow this contract to match other competitive over-the-counter and futures markets in the Japanese yen with respect to this feature.

- Prevention of Market Disruption: Reducing the tick size of JPY/USD futures, and then applying it to existing open interest starting with the September 2015 futures expiration, will not impede the Exchange's capacity and responsibility to prevent manipulation, price distortion, and disruptions to this contract through currently established market surveillance, compliance, and enforcement practices and procedures.
- Availability of General Information: The Exchange will amend the CME rulebook accordingly on the effective date which is publically available on the CME Group website. In addition, the Exchange will publish a Special Executive Report ("SER") to advise the marketplace of these amendments. The SER will also be posted on the CME Group website.
- Execution of Transactions: Reducing the tick size of JPY/USD futures will have no impact on the central limit order book for this contract. This change will not impede the Exchange's ability as a designated contract market to provide a competitive, open, and efficient market mechanism for executing transactions that protects the price discovery and final cash settlement processes of these contracts.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), CME hereby certifies that the amendments to CME Rules 25301.C. and 588.H., comply with the Act, including all regulations under the Act. There were no substantive opposing views to this proposal.

CME certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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

Sincerely,

/s/ Christopher Bowen  
 Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Amendments to CME Rule 25301.C. (blackline format)  
 Appendix B: Amendments to the Globex Non-Reviewable Trading Ranges Table of CME Rule 588.H. (blackline format)

## **Appendix A**

(Additions are underlined; deletions are ~~struck through~~.)

### **CME Rulebook**

#### **Chapter 253**

#### **Japanese Yen/U.S. Dollar (JPY/USD) Futures**

**25301.**

#### **TRADING SPECIFICATIONS**

##### **25301.C. Price Increments**

Minimum price fluctuations shall be in multiples of **\$0.0000005**~~\$0.000004~~ per Japanese yen, **commonly referred to as one-half tick, which is** equivalent to **\$6.25**~~\$12.50~~ per contract. ~~Trades may also occur in multiples of \$0.000005 per Japanese yen, commonly referred to as one-half tick, for Japanese yen/U.S. dollar futures intra-currency spreads, executed as simultaneous transactions on the trading floor pursuant to Rule 542.A, and on GLOBEX® pursuant to Rule 542.F.; and for Japanese yen/U.S. dollar futures All Or None (AON) transactions executed pursuant to section "All Or None Transactions" of Rule 521.~~

## **Appendix B**

(Additions are underlined.)

### **CME Rulebook**

#### **Chapter 5**

#### **Trading Qualifications and Practices**

##### **588.H. Globex Non-Reviewable Trading Ranges (Table)**

<b>FX Products Futures</b>	<b>Globex Symbol</b>	<b>Globex Non-Reviewable Ranges (NRR)</b>	<b>NRR: Globex Format</b>	<b>NRR: Ticks</b>
JPY/USD Futures	6J	40 <u>.0</u> ticks	40 <u>.0</u>	40 <u>.0</u>