

SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 17-221

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

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

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 6/2/17

Filing Description: Amendments to Four (4) Daily Settlement Procedure Documents

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: See filing.

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:

June 2, 2017

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 Four
(4) Daily Settlement Procedure Documents.
CME Submission No. 17-221**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commission that it is self-certifying amendments to four (4) daily settlement procedure documents: (1) E-mini S&P Select Sector Futures Daily Settlement Procedure; (2) S&P Dividend Index Futures Daily Settlement Procedure; (3) MAC Swap Futures Daily Settlement Procedure; and (4) Euro MAC Swap Futures Daily Settlement Procedure (collectively, the “Daily Settlement Procedure Documents”), effective on Sunday, June 18, 2017 for trade date Monday, June 19, 2017.

Specifically, the E-mini S&P Select Sector Futures Daily Settlement Procedure document is being amended to reflect a change from settling to the midpoint of the low bid/high ask to the mean bid/mean ask in Tier 2 in an effort to lessen the impact of a market move during the settlement window.

The S&P Dividend Index Futures Daily Settlement Procedure document is being amended to better align the settlement methodology with the manner in which the contract is transacted.

The MAC Swap Futures Daily Settlement Procedure document and the Euro MAC Swap Futures Daily Settlement Procedure document are being amended to move to a Tier 2 validation method of current bid/current ask from low bid/high ask due to the market depth and liquidity of the underlying contracts.

Amendments to the Daily Settlement Procedure Documents are set forth in Exhibit A with additions underscored 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”) and identified that the amendments may have some bearing on the following Core Principles:

Availability of General Information: As required by this Core Principle, the Exchange will publicly issue a Special Executive Report (“SER”) to ensure that market participants have updated guidance and information attendant to the daily settlement procedures. The SER will also be available on the CME Group website.

Daily Publication of Trading Information: The daily settlement prices will continue to be made public in accordance with this Core Principle.

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 certifies that the amendments comply with the Act and regulations thereunder.

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 contact the undersigned at 212.299.2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A: Amendments to the Daily Settlement Procedure Documents (blackline format)

EXHIBIT A

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

E-mini S&P Select Sector Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

Daily settlement of E-mini S&P Select Consumer Discretionary (XAY), Consumer Staples (XAP), Energy (XAE), Financial (XAF), Health Care (XAV), Industrial (XAI), Materials (XAB), Technology (XAK), and Utilities (XAU) Sector futures is determined by CME Group staff based on trading activity on CME Globex.

Lead month

The lead month is the anchor leg for settlements and is the contract expected to be the most active.

Tier 1: If the lead month contract trades on Globex between 14:59:30 and 15:00:00 Central Time (CT), the settlement period, then the lead month settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 2: If no trades in the lead month occur on Globex between 14:59:30 and 15:00:00 CT, then the contract month settles to the midpoint of the Low Mean Bid/High Mean Ask of the closing range between 14:59:30 and 15:00:00 CT, the settlement period.

Tier 3: If a two sided market is not available on Globex during the closing period, then the net change of the cash index will be applied to the prior day settlement.

Second month

When the lead month is the expiry month, then the second month is defined as the calendar month immediately following the lead month. When the lead month is not the expiry month, then the second month is defined as the first expiring non-lead month.

Tier 1: If the lead month-second month spread trades on Globex between 14:59:30 and 15:00:00 CT, then the spread VWAP is calculated, rounded to the spread's nearest tradable tick and then applied to the lead month settle to derive the second month settle.

Tier 2: If there are no spread trades on Globex between 14:59:30 and 15:00:00 CT, then the last spread trade price is applied to the lead month settle to derive the second month settle.

If the last spread trade is outside of the spread's Low Mean Bid/High Mean Ask, then the bid or ask price that is closer to the last spread trade is applied to the lead month settle to derive the second month settle.

Tier 3: If there is no spread market information available, then the prior-day spread relationship is used.

In each of these cases, after the spread differential is applied, the result is rounded to the outright's nearest tradable tick to derive the second month settle.

Back months

For any back month contract that requires a settlement, outright and spread market information will be taken into consideration in deriving a daily settlement price. In the absence of any market activity, the lead month net change is applied to the back month contract's prior-day settlement to derive a daily settlement price.

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.

S&P Dividend Index Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

Daily settlement of S&P 500 Annual Dividend Index Future (SDA), the S&P 500 Quarterly Dividend Index Future (SDI) is determined by CME Group staff based on trading activity on CME Globex between 14:59:30 and 15:00:00.

All Months

Tier 1: If a trade(s) occurs on Globex between 14:59:30 and 15:00:00 Central Time (CT), the settlement period, the contract settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 2: If no trades occur on Globex between 14:59:30 and 15:00:00 CT, then the contract settles to the midpoint of the low bid and high ask.

Tier 3: If either or both the bid or ask are absent, then the last trade (or prior settle in the absence of a last trade price) is used to determine whether to settle the first chronological month to the low bid or the high ask if one exists. All subsequent months will inherit the net change of the first chronological month validated against any one-sided Globex markets.

~~The lead month is the anchor leg for settlements and is the contract expected to be the most active.~~

~~**Tier 1:** If the lead month contract trades on Globex between 14:59:30 and 15:00:00 Central Time (CT), the settlement period, then the lead month settles to the volume-weighted average price (VWAP) of the trade(s) during this period.~~

~~**Tier 2:** If no trades in the lead month occur on Globex between 14:59:30 and 15:00:00 CT, then the contract month settles to the midpoint of the Low Bid/High Ask between 14:59:30 and 15:00:00 CT, the settlement period.~~

~~**Tier 3:** If a two-sided market is not available on Globex during the closing period, then the net change of the index will be applied to the prior day settlement.~~

Second Month

~~When the lead month is the expiry month, then the second month is defined as the calendar month immediately following the lead month. When the lead month is not the expiry month, then the second month is defined as the first expiring non-lead month.~~

~~**Tier 1:** If the lead month second month spread trades on Globex between 14:59:30 and 15:00:00 CT, then the spread VWAP is calculated, rounded to the spread's nearest tradable tick and then applied to the lead month settle to derive the second month settle.~~

~~**Tier 2:** If there are no spread trades on Globex between 14:59:30 and 15:00:00 CT, then the last spread trade price is applied to the lead month settle to derive the second month settle.~~

~~If the last spread trade is outside of the spread's Low Bid/High Ask, then the bid or ask price that is closer to the last spread trade is applied to the lead month settle to derive the second month settle.~~

~~**Tier 3:** If there is no spread market information available, then the prior day spread relationship is used.~~

~~In each of these cases, after the spread differential is applied, the result is rounded to the outright's nearest tradable tick to derive the second month settle.~~

Back Months

~~To derive settlements for all remaining months, the preceding contract month's net change is applied to the next contract month's prior day settlement, provided that this value does not violate the low bid or high ask between 14:59:30 and 15:00:00 CT for the respective outrights.~~

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.

Deliverable Interest Rate MAC Swap Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

Daily settlements of the 2-Year (T1U), 5-Year (F1U), 7-Year (S1U), 10-Year (N1U), 20-Year (E1U) and 30-Year (B1U) ~~Deliverable Interest Rate~~ MAC Swap futures are determined by CME Group staff based on trading activity on CME Globex.

Lead Month

The lead month is the anchor leg for settlements and is the contract expected to be the most active.

Tier 1: If the lead month contract trades on Globex between 13:59:30 and 14:00:00 Central Time (CT), the settlement period, then the lead month settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 2: If no trades in the lead month occur on Globex between 13:59:30 and 14:00:00 CT, then the last trade (or prior settle in the absence of a last trade price) is used.

The lead month settles to the last trade/prior settle assuming that it does not violate the ~~low bid or the high ask~~ current bid or current ask in at the close of the settlement period. If the ~~low~~ current bid is higher than the last trade/prior settlement price, then the lead month settles to that bid. If the ~~high~~ current ask is lower than the last trade/prior settle, then the lead month settles to that ask.

Second Month

When the lead month is the expiry month, then the second month is defined as the calendar month immediately following the lead month. When the lead month is not the expiry month, then the second month is defined as the first expiring non-lead month.

Tier 1: If the lead month-second month spread trades on Globex between 13:59:30 and 14:00:00 CT, then the spread VWAP is calculated and rounded to the spread's nearest tradable tick. The spread differential is then applied to the lead month settlement price to derive the second month settlement, which is rounded to the outright's nearest tradable tick.

Tier 2: If a spread VWAP is not available due to an absence of trades, then the last spread trade is applied to the lead month settlement price to derive the second month settlement, which is rounded to the outright's nearest tradable tick.

If there is no last trade available, then the prior-day spread relationship is used, assuming that it does not result in a settlement that violates the ~~low~~ current bid or the ~~high~~ current ask in either the outright market for the second month or the lead month-second month calendar spread market during the settlement period. In either of the above scenarios, if the derived spread differential in the lead month-

second month spread is below the low current bid in the settlement period in that spread, then the spread settles to that bid. If the calculated spread differential in the lead month-second month spread is higher than the high current ask in the settlement period in that spread, then the spread settles to that ask. Additionally, if the derived second month settlement violates the low current bid or the high current ask in the outright market for the second month during the settlement period, then, the settlement will be adjusted to the nearest low bid or the high ask accordingly – provided the resulting price does not violate the low current bid / high current ask in the spread.

Back Months

To derive settlements for all remaining months, the lead month net change is applied to the back month contracts' prior-day settlements, provided that this value does not violate the low current bid or high current ask between 13:59:30 and 14:00:00 CT for either the respective outrights or the consecutive-month calendar spreads.

Note: In the event the aforementioned calculations described in this advisory cannot be made or if staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.

Euro ~~Deliverable Interest Rate~~ MAC Swap Futures Daily Settlement Procedure

Normal daily settlement procedure

Daily settlements of the 2-Year (T1E), 5-Year (F1E), and 10-Year (N1E) Euro ~~Deliverable Interest Rate~~ MAC Swap futures are determined by CME Group staff based on trading activity on CME Globex.

Lead month

The lead month is the anchor leg for settlements and is the contract expected to be the most active.

Tier 1: If the lead month contract trades on Globex between 17:14:30 and 17:15:00 Central European Time (CET), then the lead month settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 2: If no trades in the lead month occur on Globex between 17:14:30 and 17:15:00 Central European Time (CET), then the last trade (or prior settle in the absence of a last trade price) is used.

The lead month settles to the last trade/prior settle assuming that it does not violate the ~~low bid or the high ask~~ current bid or current ask in at the close of the settlement period. ~~in the closing range.~~ If the ~~low~~ current bid is higher than the last trade/prior settlement price, then the lead month settles to that bid. If the ~~high~~ current ask is lower than the last trade/prior settle, then the lead month settles to that ask.

Second month

When the lead month is the expiry month, then the second month is defined as the calendar month immediately following the lead month. When the lead month is not the expiry month, then the second month is defined as the first expiring non-lead month.

Tier 1: If the lead month-second month spread trades on Globex between 17:14:30 and 17:15:00 Central European Time (CET), then the spread VWAP is calculated and rounded to the spread's nearest tradable tick. The spread differential is then applied to the lead month settlement price to derive the second month settlement, which is rounded to the outright's nearest tradable tick.

Tier 2: If a spread VWAP is not available due to an absence of trades, then the last spread trade is applied to the lead month settlement price to derive the second month settlement, which is rounded to the outright's nearest tradable tick.

If there is no last trade available, then the prior-day spread relationship is used, assuming that it does not result in a settlement that violates the ~~low~~ current bid or the ~~high~~ current ask in either the outright market for the second month or the lead month-second month calendar spread market during the closing range.

Back months

To derive settlements for all remaining months, the lead month net change is applied to the back month contracts' prior-day settlements, provided that this value does not violate the low current bid or high current ask between 17:14:30 and 17:15:00 Central European Time (CET) for either the respective outrights or the consecutive-month calendar spreads.

Note: In the event the aforementioned calculations described in this advisory cannot be made or if staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.