

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 17-226

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): June 8, 2017 Filing Description: Modifications to the E-mini S&P Select Sector Index Futures 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:

June 8, 2017

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 E-mini S&P Select Sector Index Futures Market Maker Program
CME Submission No. 17-226**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) of modifications to the E-mini S&P Select Sector Index Futures Market Maker Program (“Program”). The modifications to the Program will become effective on July 1, 2017.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, 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”). During the review, CME staff identified the following Core Principles as potentially being impacted: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program and proposed modifications will 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 CME 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 CME rules. The Program is subject to the Exchange’s record retention policies which comply with the CEA.

CME certifies that the Program and the modifications to the Program comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or the proposed modifications.

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. 17-226 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

E-MINI S&P SELECT SECTOR INDEX FUTURES MARKET MAKER PROGRAM

Program Purpose

The purpose of this Program is to incent market makers to enhance liquidity in the products listed below. The resulting increase in central limit order book liquidity on the CME Globex® Platform benefits all participants segments in the market.

Product Scope

CME E-Mini S&P Select Sector Index futures products traded on Globex® (“Products”).

Eligible Participants

Participants may be CME members or non-members. CME may designate, in its sole discretion, a limited number of Program participants. ~~CME may designate up to seven (7) participants in the Program five (5) Tier 1 Market Makers, with the total combined Tier 1 and Tier 2 Market Makers set at up to eight (8).~~ Potential participants are required to submit an application/bid sheet to the Exchange as part of a competitive application 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 and similar contracts. The Exchange may, from time to time, add or subtract from the aforementioned requirements as it deems necessary.

Program Term

Start date is March 14, 2011. End date is ~~June 30, 2017~~ June 30, 2018.

Hours

Regular Trading Hours (“RTH”) (8:15AM – 3:15PM CST)

Obligations

In order to be eligible to receive the Program incentives, participants must quote two-sided markets in the Products, at predetermined bid/ask spreads and minimum quote sizes.

Tier 1:

- ~~○ *Continuous Market Posting.* Each market maker will be required to post contracted two-sided markets in all nine sectors in the outright markets of the Products, with tighter bid/ask spreads obligations and bid/offer size requirements than Tier 2 Market Makers, under normal market conditions for designated hours between 8:15 a.m. and 3:15 p.m. Chicago time each business day.~~
- ~~○ *Volume Commitment.* CME may terminate a Tier 1 Market Maker if it fails to account for at least five percent (5%) of aggregate electronic volume in the Products on a monthly basis.~~

Tier 2:

- ~~Continuous Market Posting.~~ Each market maker will be required to post contracted two-sided markets in E-mini S&P Select Sector Index futures under normal market conditions for designated hours between 8:15 a.m. and 3:15 p.m. Chicago time each business day.

Incentives

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

Tier 1:

- ~~Fee Waivers.~~ All-in fees waived on Product volume for all Tier 1 Market Makers in the Program.
- ~~Performance Stipend.~~ Tier 1 Market Makers will receive a monthly stipend for performing their obligations.

Tier 2:

- ~~Fee Waivers.~~ All-in fees waived on Product volume for all Tier 2 Market Makers in the Program.

Tier 1 and 2:

- ~~Incentive Pool.~~ During each full month of participation in the Program, Tier 1 and Tier 2 participants may be eligible to participate in a predetermined incentive pool.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements or fails to meet the obligations of the Program.