

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 18-251

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 15, 2018 Filing Description: Modifications to the CME FX Futures Cross Currency Liquidity 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:



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

June 15, 2018

**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 CME FX Futures Cross Currency Liquidity Market Making Program  
CME Submission No. 18-251**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the CME FX Futures Cross Currency Liquidity Market Making Program ("Program"). The modifications to the Program will become effective on July 1, 2018.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions underscored and deletions ~~overstruck~~.

CME reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). 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, and Recordkeeping.

The Program does 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 under the Program 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 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](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com). Please reference our CME Submission No. 18-251 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## CME FX Futures Cross Currency Liquidity Market Maker Program

### Program Purpose

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

### Product Scope

The following CME FX futures products available for trading on the Globex® Platform (“Products”): EUR/AUD, EUR/CAD, EUR/CHF, EUR/GBP, EUR/JPY, GBP/JPY, AUD/JPY, BRL/USD, RUB/USD, ZAR/USD, PLN/USD, USD/TRY, NOK/USD, EUR/NOK, SEK/USD, EUR/SEK, AUD/CAD, AUD/NZD, CAD/JPY, CHF/JPY, CZK/USD, EUR/CZK, EUR/TRY, HUF/EUR, HUF/USD, GBP/CHF, ILS/USD, and PLN/EUR.

African Rand Futures	Euro Fx/Swedish Krona Futures
Austr. Dollar/Canad. Dollar Futures	Euro Renminbi Futures
Austr. Dollar/Japan. Yen Futures	Euro Turkish Lira Futures
Austr. Dollar/New Zealand Futures	Hungarian Forint (USD) Futures
Brazilian Real Futures	Hungarian Forint/Euro Fx Futures
British Pound/Japan. Yen Futures	Israeli Shekel Futures
British Pound/Swiss Franc Futures	Japanese Yen Renminbi Futures
Canadian Dollar/Jap. Yen Futures	Polish Zloty Futures
Czech Koruna Futures	Polish Zloty/Euro Fx Futures
Czech Koruna/Euro Futures	Russian Ruble Futures
DJ CME Fx Dollar Index Futures	Swiss Franc/Japanese Yen Futures
E-Mini Euro Fx Futures	U.S. Dollar/Norwegian Krone Futures
E-Mini J Yen Futures	U.S. Dollar/Swedish Krona Futures
Euro Fx/Austr Dollar Futures	U.S. Dollar Turkish Lira Futures
Euro Fx/BP Futures	U.S. Dollar/African Rand
Euro Fx/Canadian Dollar Futures	
Euro Fx/JY Futures	
Euro Fx/Norwegian Krone Futures	
Euro Fx/SF Futures	

### Eligible Participants

~~Up to twenty (20) participants may be selected into the Program. There is no limit to the number of participants in the Program. Participants can be CME members or non-members. Potential participants are required to submit an application/bid sheet to the Exchange which is used to determine eligibility. CME staff will use a variety of factors in determining whether a prospective participant is selected to participate in the Program, including but not limited to past performance in FX Futures and the ability to commit to and maintain at least the required quoting obligations.~~

### Program Term

Start date is September 1, 2008. End date is ~~June 30, 2018~~ June 30, 2019.

## **Hours**

The incentives will apply to all trades made in the Products by all participants regardless of the execution time.

## **Obligations**

### *Quoting Requirements:*

~~Participants will be required to provide two-sided electronic markets in the Products (low liquidity currency and cross currency futures contracts) with contracted spreads, bid/ask volume and time frame. All activity in the Products must be conducted through a proprietary account of the participant.~~

Participants must quote two-sided markets in applicable products, at predetermined average bid/ask spreads and minimum quote sizes, and/or must meet certain volume thresholds in order to be eligible to receive the Program incentives.

## **Program Incentives**

Upon satisfying all Program obligations, as determined by the Exchange, each Program participant shall be eligible for predetermined incentives. ~~the following incentive:~~

### *Fee Waivers:*

~~For each of the Products that an applicable participant meets the quoting requirements as described above, CME shall waive the participant's CME Globex® all-in fees for activity in the Products through the market-making account(s).~~

## **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.