

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 18-289 (2 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):** 07/05/18     **Filing Description:** Amendments to Indian Rupee/U.S. Dollar (INR/USD) Futures, E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures and INR Interest Rate Swaps

**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     |

**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:**



July 5, 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 Amendments to Indian Rupee/U.S. Dollar (INR/USD) Futures, E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures and INR Interest Rate Swaps.  
CME Submission No. 18-289 (2 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 Indian Rupee/U.S. Dollar (INR/USD) Futures, E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures and the Non-Deliverable INR Interest Rate Swaps Contracts as noted in the table below (the “Contracts”) (collectively the “Rule Amendments”) effective Friday, July 20, 2018. The Indian Rupee/U.S. Dollar (INR/USD) and the E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures contracts are available for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort. The Non-Deliverable INR Interest Rate Swaps contract is available for submission for clearing via CME ClearPort.

<b>Contract Title</b>	<b>CME Rulebook Chapter</b>	<b>Commodity Code</b>
Indian Rupee/U.S. Dollar (INR/USD) Futures	279	SIR
E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures	296	MIR
Non-Deliverable INR Interest Rate Swaps	901	OISINR

Specifically, EMTA (the trade association for emerging markets) advised the Exchange that the calculation agent will change for the INR/USD NDF rate source from the Reserve Bank of India (“RBI”) to the Financial Benchmarks India Pvt. Ltd. (“FBIL”) in its “Recommended FX and Currency Derivatives Market Practice on Indian Rupee / US Dollar Rate Source.” CME is implementing the Rule Amendments to align with the OTC FX and IRS NDF markets in changing the calculation agent from the RBI to FBIL.

RBI previously announced, as administrator and sponsor, of changes to be made to certain of its Indian Rupee Reference Rates. These changes include the transfer of administration and sponsorship of such rates to FBIL, several administrative changes to the methodology underlying such rates and a new nomenclature for such rates of “FBIL Reference Rates.”

In addition, the SFEMC/EMTA/FXC Template Terms for INR/USD Non-Deliverable FX Transactions will be updated to refer to INR FBIL (INR01) as the primary settlement rate option in lieu of INR RBIB (INR01).

Exhibit 1 provides the Rule Amendments in blackline format.

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

- **DCM Core Principle 1 - Compliance with Rules:** The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules for the Contracts, including the amendments for the contracts.
- **DCM Core Principle 7 - 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.
- **DCM Core Principle 8 - Execution of Transactions:** The Rule Amendments will not impede the Exchange’s ability as a designated contract market to provide a competitive, open, and efficient market mechanism for executing transactions of the Contracts.
- **DCO Core Principle L – Public Information:** The Rule Amendments will be added to the publicly available CME Rulebook available on the CME Group website. In addition, CME will release notices to the marketplace regarding the amendments in advance of the effective date.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), CME hereby certifies that the Rule Amendments, 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 [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1: CME Rule Amendments (blackline format)

## Exhibit 1

### CME Rulebook

(additions underscored; deletions ~~struck through~~)

#### Chapter 279 Indian Rupee/U.S. Dollar (INR/USD) Futures

##### **27902. SETTLEMENT PROCEDURES**

###### **27902.A. [Reserved]**

###### **27902.B. Cash Settlement**

The Final Settlement Price shall be equal to the reciprocal of “INR ~~RBIB FBIL~~ (INR01),” which is the “Indian rupee per U.S. dollar” spot exchange rate published by the ~~Reserve Bank of India (RBI)~~ Financial Benchmarks India (Pvt) Limited (FBIL) at approximately 1:30 p.m. Mumbai time. This rate is widely used by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indian rupee versus U.S. dollars. ~~Reuters~~ The FBIL quotes this ~~RBI~~ USD/INR spot rate on its ~~page~~ website [www.fbil.org.in](http://www.fbil.org.in). The Final Settlement Price shall be rounded to two (2) decimal places. Open positions on the business day following the termination of trading day will be marked to the Final Settlement Price. For example, the Final Settlement Price based upon the reciprocal of a ~~RBI~~ FBIL INR/USD rate of 54.8473 Indian rupees per one U.S. dollar is 182.32 U.S. cents per 100 Indian rupees.

In the event that the “Indian rupee per U.S. dollar” fixing (or “midpoint”) rate as calculated by the ~~RBI~~ FBIL is not published on the CME Indian rupee futures contract Termination of Trading day, and therefore, CME cannot determine the CME Indian rupee Final Settlement Price, then final settlement of the CME Indian rupee/U.S. dollar futures contract may be deferred or postponed for up to 14 consecutive calendar days. This procedure is intended to correspond to the deferral or postponement procedure followed by the interbank non-deliverable forward (“NDF”) market to cash-settled NDF transactions, pursuant to recognized market practices as published by EMTA, Inc., the Foreign Exchange Committee and the Singapore Foreign Exchange Market Committee (“SFEMC”). Upon the publication of the “Indian rupee per U.S. dollar” fixing (or “midpoint”) rate as calculated by the ~~RBI~~ FBIL prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the reciprocal of such ~~RBI~~ FBIL rate and the CME Indian rupee/U.S. dollar futures contract shall be cash settled on such day. If however, 14 consecutive calendar days pass without publication of the ~~RBI~~ FBIL rate, CME shall otherwise determine the Final Settlement Price.

After the lapse of 14 consecutive calendar days without publication of the ~~RBI~~ FBIL “Indian rupee per U.S. dollar” fixing (or “midpoint”) rate, the Final Settlement Price may be calculated and published by CME on the next Business Day using the SFEMC INR Indicative Survey Rate (“INR Indicative Survey Rate”), if available. The INR Indicative Survey Rate is proposed to be published by SFEMC (or its designee) and posted on the public portion of SFEMC and EMTA’s website following the continuous unavailability of the ~~RBI~~ FBIL rate for 14 calendar days in order to provide the NDF market with a back-up rate source for valuation of certain outstanding non-deliverable foreign exchange transactions if the ~~RBI~~ FBIL rate cannot be published for an extended period of time. The procedures for the SFEMC INR Indicative Survey are defined in the Interpretation to this chapter.

However, if SFEMC fails to publish the INR Indicative Survey Rate on the first Business Day following the lapse of the valuation postponement or deferral period described above, and the INR rate is also unavailable, then SFEMC shall repeat efforts to obtain the INR Indicative Survey Rate each day for an additional two business days. If on either of these two Business Days the INR “Indian rupee per U.S. dollar” fixing (or “midpoint”) rate is published, then final settlement of the CME Indian rupee/U.S. dollar futures contracts shall be the reciprocal of the first of these rates published. However, if the ~~RBI~~ FBIL rate is unavailable and the SFEMC publishes the ~~RBI~~ FBIL Indicative Survey Rate on either of these two Business Days, then the final settlement of the CME Indian rupee/U.S. dollar futures contracts shall be the reciprocal of the first of these rates published. If the SFEMC does not publish the ~~RBI~~ FBIL Indicative Survey Rate on either of these two Business Days, then Rule 812 shall apply to determine the Final Settlement Price.

However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections and the Interpretation to this chapter, then Rule 812 shall apply to determine the Final Settlement Price.

###### **27903. [RESERVED]**

(End Chapter 279)

## **INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 279**

Effective, May 17, 2006, EMTA, Inc., the Foreign Exchange Committee (“FXC”) and the Singapore Foreign Exchange Market Committee (“SFEMC”) adopted amendments to the December 1, 2004 non-deliverable forward (“NDF”) template procedures for six Asian currencies, which included a “SFEMC INR Indicative Survey” (“INR Indicative Survey”) to be conducted in certain circumstances when the “Indian rupee per U.S. dollar” fixing (or “midpoint” or “INR ~~RBI~~ FBIL (INR01)”) rate as calculated by the ~~Reserve Bank of India (“RBI”)~~ Financial Benchmarks India (Pvt) Limited (FBIL) is unavailable for settlement of expiring non-deliverable forward (“NDF”) Indian rupee versus U.S. dollar transactions. The ~~RMB INR~~ Indicative Survey results in the calculation of the “SFEMC INR Indicative Survey Rate” (“INR Indicative Survey Rate”), which can be used by the NDF market to settle non-deliverable Indian rupee/U.S. dollar transactions in defined circumstances. In order to reduce basis risk for market participants trading both NDF Indian rupee transactions and CME Indian rupee/U.S. dollar futures and options on futures contracts, CME has also adopted procedures to settle terminated CME Indian rupee/U.S. dollar futures contracts to the reciprocal of the INR Indicative Survey Rate when the ~~RBI~~ FBIL rate has been unavailable for 14 consecutive calendar days. The following sets forth the EMTA, the Foreign Exchange Committee and SFEMC methodology for the INR Indicative Survey.

### **Chapter 296**

## **E-Micro Indian Rupee/U.S. Dollar (INR/USD) Futures**

### **29602. SETTLEMENT PROCEDURES**

#### **29602.A. [Reserved]**

#### **29602.B. Cash Settlement**

The Final Settlement Price shall be equal to the reciprocal of “INR ~~RBI~~ FBIL (INR01),” which is the “Indian rupee per U.S. dollar” spot exchange rate published by the ~~Reserve Bank of India (RBI)~~ Financial Benchmarks India (Pvt) Limited (FBIL) at approximately 1:30 p.m. Mumbai time. This rate is widely used by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Indian rupee versus U.S. dollars. ~~Reuters~~ The FBIL quotes this ~~RBI~~ USD/INR spot rate on its ~~page~~ website [www.fbil.org.in](http://www.fbil.org.in). The Final Settlement Price shall be rounded to two (2) decimal places. Open positions on the business day following the termination of trading day will be marked to the Final Settlement Price. For example, the Final Settlement Price based upon the reciprocal of a ~~RBI~~ FBIL INR/USD rate of 54.8473 Indian rupees per one U.S. dollar is 182.32 U.S. cents per 100 Indian rupees.

However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections or the Interpretation to Chapter 279, then Rule 812 shall apply to determine the Final Settlement Price.

#### **29603. [RESERVED]**

### **Chapter 901**

## **Interest Rate Swaps Contract Terms**

#### **90102.F. Settlement Rate Option**

With respect to NDIRSs listed in 90102.E.2., the Settlement Rate Option as applicable shall be:

- (a) BRL.PTAX/BRL09
- (b) KRW.KFTC18/KRW02
- (c) INR.~~RBI~~ FBIL/INR01
- (d) CNY.SAEC/CNY01
- (e) CLP.DOLAR.OBS/CLP10
- (f) COP.TRM/COP02