

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-323

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): August 15, 2019 Filing Description: Implementation of the FX Calendar Spreads Volume Tier Discount Program

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: **Not Applicable**

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:

August 15, 2019

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: Implementation of the FX Calendar Spreads Volume Tier Discount Program
CME Submission No. 19-323**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) of plans to implement the FX Calendar Spreads Volume Tier Discount Program (“Program”). The proposed Program will become effective on September 1, 2019.

Exhibit 1 sets forth the terms of the Program.

CME reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). During the review, Exchange 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 will not incentivize manipulative trading or market abuse or impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange’s market regulation staff will monitor trading in the Program’s products to prevent manipulative trading and market abuse. The Program does not impact the Exchange’s order execution. Chapter 4 of the CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules and CME records retention policies that comply with the CEA.

The Exchange certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

CME 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. 19-323 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

FX Calendar Spreads Volume Tier Discount Program

Program Purpose

The purpose of this Program is to encourage participants to increase liquidity in foreign exchange (“FX”) calendar spreads products. A more liquid contract benefits all participants in the marketplace.

Product Scope

All FX futures calendar spreads traded on CME Globex, *with the exception of* Brazilian Real Futures (“BR”), Standard-Size USD/Offshore RMB (CNH) Futures (“CNH”), E-micro Size USD/Offshore RMB (CNH) Futures (“MNH”), Indian Rupee/USD Futures (“SIR”), and E-micro Indian Rupee/USD Futures (“MIR”) (“Products”).

Eligible Participants

There is no limit to the number of participants in the Program. Participants may be CME members or non-members. Participants are required to submit an application to the Exchange to enroll in this Program.

Program Term

Start date is September 1, 2019. End date is February 28, 2021.

Hours

N/A

Incentives*

Delivery Fee Waivers (Serial Months): Participants will receive fee waivers for exchange and clearing delivery fees during serial months.

Non-Front Quarterly Roll Spreads Fee Discounts: Participants will receive fee discounts on all FX futures calendar spreads, with the exception of the front quarterly roll spreads during roll months, in accordance with the following:

Volume Tier Thresholds (ADV)	Fee Discounts
0 – 1,500	50%
>1,500	75%

ADV Threshold Incentives: Participants that average more than 1,500 sides ADV across all FX futures calendar spreads, excluding the front quarterly roll spreads during roll months, in the prior quarter are eligible to receive the following incentives for the subsequent quarter:

- (i) Exchange delivery fee waivers during the quarterly roll months,
- (ii) Clearing delivery fees capped at \$25,000 per month, and

(iii) Fee discounts on front quarterly roll spreads during roll months, in accordance with the following:

Volume Tier Thresholds (ADV)	Fee Discounts
0 – 1,500	50%
>1,500	75%

*Participants enrolled in this Program are not eligible to receive the 50% discount for Globex Spread transactions as set forth in the CME Fee Schedule.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke participant status if it concludes from review that a participant has failed to meet the requirements of the Program.

If the Exchange determines that a participant has not met the ADV threshold during one (1) quarter over the course of the Program, but is within ten percent (10%) of the ADV threshold, the participant will be eligible to receive the incentives for the subsequent quarter.