

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 21-399

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): September 3, 2021 Filing Description: Modifications to the E-mini S&P 500 Options Market-Wide Block Discount 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

September 3, 2021

**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 500 Options Market-Wide Block Discount Program  
CME Submission No. 21-399**

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 E-mini S&P 500 Options Market-Wide Block Discount Program ("Program"). The modifications to the Program will become effective on September 21, 2021.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions underlined 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: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, Availability of General Information, and Recordkeeping.

The Program is a general fee discount that applies to all market participants. A general fee discount does not incentivize manipulative trading or market abuse. The Program does not 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 products that are included in the Program to prevent manipulative trading and market abuse. The general fee discount in the Program does not impact the Exchange's order execution. The Exchange believes the fee discounts included in the Program will not adversely impact price discovery in the centralized market. The purpose of the Program is to help facilitate the transition of market participants from S&P 500 Options to E-mini S&P 500 Options in conjunction with the delisting of S&P 500 Options. The Exchange believes the incentives in the Program will temporarily alleviate fee disparities associated with this transition and will monitor the effects of the Program during its term to ensure there are no adverse price discovery impacts associated with it. All market participants that execute transactions in the products shall be entitled to participate. Chapter 4 of the Exchange 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.

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. 21-399 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## E-mini S&P 500 Options Market-Wide Block Discount Program

### **Program Purpose**

The purpose of this Program is to support the transition of S&P 500 Options activity to E-mini S&P 500 Options. The resulting increase in liquidity benefits all participants in the marketplace.

### **Product Scope**

All E-mini S&P 500 Options and covered E-mini S&P 500 Futures executed as part of a covered E-mini S&P 500 Options block transaction ("Products").

### **Eligible Participants**

There is no limit to the number of participants in the Program. Participants may be CME members or non-members. The incentives described below will be automatically applied to all block transactions in the Products made by market participants.

### **Program Term**

Start date is June 7, 2021. End date is April 30, 2022.

### **Hours**

N/A

### **Incentives**

*Member Block Fee Discounts:* All market participants that are CME members will receive discounted fees of \$0.20 for all block transactions in the Products.

*Non-Member Block Fee Discounts:* All non-member market participants will receive discounted fees of \$0.36 for all block transactions in the Products.