SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested ☐

Registered Entity Identifier Code (optional): 20-001 (1 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): 10/26/20 Filing Description: Amendments to CME Rules 25501.C. ("Price Increment") and 588.H. ("Globex Non-Reviewable Trading Ranges") Table for Australian Dollar/U.S. Dollar ("AUD/USD") Futures Contract to Reduce the Minimum Price Increment

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: See filing.

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:**

CME Group

October 26, 2020

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 CME Rules 25501.C. ("Price Increment") and 588.H. ("Globex Non-Reviewable Trading Ranges") Table for the Australian Dollar/U.S. Dollar ("AUD/USD") Futures Contract to Reduce the Minimum Price Increment.**
> **CME Submission No. 20-001 (1 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 CME Rules 25501.C. ("Price Increment") and 588.H. ("Globex Non-Reviewable Trading Ranges") table (the "Table") for the Australian Dollar/U.S. Dollar ("AUD/USD") futures contract (the "Contract") (collectively, the "Rule Amendments") effective Sunday, November 22, 2020 for trade date Monday, November 23, 2020.

Specifically, CME is amending CME Rule 25501.C. to reduce the price incremenet of the Contract from $0.0001 ($10.00) to $0.00005 ($5.00) per Australian dollar. The Exchange has received numerous requests from market participants to reduce the tick size of the Contract on the basis that market liquidity in the Contract has improved dramatically over the past few years. The Exchange believes that amending the Contract's current tick increment will allow market liquidity to improve further to match other competitive over-the-counter and exchange-traded venues for the Australian dollar. Appendix A summarizes amended Rule 25501.C. in blackline format.

Also effective at the same time, CME is implementing corresponding amendments to the Table to modify the non-reviewable trading range of the Contract on CME Globex from 40 to 80 ticks to accommodate the proposed half-tick reduction in the Contract. These amendments are shown in the Globex Non-Reviewable Trading Ranges Table to Rule 588.H. in blackline format as Appendix B.

CME reviewed the designated contract market core principles ("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:

- **Compliance with Rules**: The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules of the Contract, including the terms and conditions of the Contract's newly revised rules and procedures for price increments.

- **Contracts Not Readily Subject to Manipulation**: Reducing the tick size of the Contract will not make the Contract more susceptible to market manipulation. Reducing the tick size of the Contract will allow the Contract to match other competitive over-the-counter and futures markets in the Australian dollar with respect to this feature.

- **Prevention of Market Disruption**: Reducing the tick size of the Contract, and then applying it to existing open interest starting with the December 2020 futures expiration, will not impede the Exchange's capacity and responsibility to prevent manipulation, price distortion, and disruptions to the Contract through currently established market surveillance, compliance, and enforcement practices and procedures.

- **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.

- **Execution of Transactions**: Reducing the tick size of the Contract will have no impact on the central limit order book ("CLOB") for the Contract. This change will not impede the Exchange's ability as a designated contract market to provide a competitive, open, and efficient market mechanism for executing transactions that protects the price discovery and final physical delivery settlement processes of the Contract.

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.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Amendments to CME Rule 25501.C. (blackline format)

Appendix B: Amendments to the Globex Non-Reviewable Trading Ranges Table of CME Rule 588.H. (blackline format)

Appendix A

(Additions are <u>underlined</u>; deletions are ~~struck through~~.)

CME Rulebook

Chapter 255
Australian Dollar/U.S. Dollar (AUD/USD) Futures

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25501.   **TRADING SPECIFICATIONS**

>   ***
>   **25501.C.   Price Increments**
>   Minimum price fluctuations shall be in multiples of $.00005~~$.0001~~ per Australian dollar,
>   equivalent to $5.00~~$10.00~~ per contract. Trades may also occur in multiples of $.00001
>   per Australian dollar for Australian dollar/U.S. dollar futures consecutive calendar
>   month intra-currency spreads (i.e., January to February, February to March, March to
>   April, etc.) executed as simultaneous transactions pursuant to Rule 542. Trades may
>   also occur in multiples of $.00002 per Australian dollar for all other Australian
>   dollar/U.S. dollar futures intra-currency spreads executed as simultaneous transactions
>   pursuant to Rule 542.
>
>   [Remainder of Rule unchanged.]

Appendix B

(Additions are _underlined_; deletions are ~~struck through~~.)

CME Rulebook

**Chapter 5
Trading Qualifications and Practices**

Rule 588.H. ("Globex Non-Reviewable Trading Ranges") Table

G10 Currency Pairs (CME)	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	Globex Minimum Tick	NRR: Minimum Ticks	NRR: Globex	NRR: Minimum Ticks
AUD/USD Futures	6A	0.0040	0.00005 0.0001	80 40	0.0010	50

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