

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 17-359

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

**Filing as a:**  **DCM**  **SEF**  **DCO**  **SDR**

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 11/01/17 **Filing Description:** Notification Regarding New CME Rulebook Chapter 13 ("Spot FX Transactions")

**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:** New CME Rulebook Chapter 13 on Spot FX Transactions

**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     |

**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:**

November 1, 2017

**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 of CME Rulebook Chapter 13 (“Spot FX Transactions”)  
CME Submission No. 17-359**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby certifies new CME Rulebook Chapter 13 (“Spot FX Transactions”) with the Commodity Futures Trading Commission (“CFTC” or “Commission”). Chapter 13 establishes a rule framework for spread trading which involves a currently-listed futures contract, initially in one of six major currency pairs, and a spot FX transaction for the same currency pair. The currency pairs are the Australian Dollar/US Dollar, Euro/US Dollar, British Pound/US Dollar, US Dollar/Canadian Dollar, US Dollar/Mexican Peso, and US Dollar/Japanese Yen. The spot and futures executions will occur through a basis spread trade functionality on the CME Globex electronic trading platform. The Exchange intends to make the framework available on Sunday, February 25, 2018 for trade date Monday, February 26, 2018.

Spot FX transactions will only be executable on CME Globex through basis spread trades. CME will provide pre-trade credit control tools for these spot transactions. CME will not, however, clear or settle any spot trade. But for discrete exceptions specifically noted in Chapter 13, spot transactions will be governed by bilateral over-the-counter (“OTC”) contractual arrangements between institutional FX market participants.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the following Core Principles may be impacted by this initiative as follows:

- **Availability of General Information:** CME will make Chapter 13 publicly available on CME Group’s website and will also publish a Special Executive Report (“SER”) to notify the marketplace. The SER will also be available on CME Group’s website.
- **Execution of Transactions:** Spot FX transactions and FX futures will be executed openly and competitively through basis spread trades on CME Globex.
- **Protection of Market Participants:** Because spot FX transactions will be executed with CME FX futures through basis spread trades, actions taken during their execution will be subject to the Exchange’s trade practice requirements and any related CEA provision and Commission regulation.

- **Disciplinary Procedures:** CME will enforce Chapter 13 by applying the process and terms set forth in Chapter 4 of the Exchange’s rulebook (“Enforcement of Rules”).
- **Dispute Resolution:** Because spot FX transactions will be executed with CME FX futures through basis spread trades, actions taken during their execution will be subject to applicable Exchange arbitration requirements.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that these amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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>.

Should you have any questions concerning the above, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact the undersigned at (212) 299-2200.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit A – CME Rulebook Chapter 13 (“Spot FX Transactions”)  
(attached under separate cover)

**Exhibit A**

**CME Chapter 13  
Spot FX Transactions**

(attached under separate cover)