

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-461

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

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

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/17/2016 **Filing Description:** Amendments to CME Rule 588.H. ("Globex Non-Reviewable Trading Ranges") for Certain FX Option Contracts

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: 588.H.

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:

November 17, 2016

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 Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) for Certain FX Option Contracts.
CME Submission No. 16-461**

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying an amendment to CME Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) for certain FX option contracts (the “Contracts”) listed below effective on Monday, December 5, 2016.

- Options on Australian Dollar/U.S. Dollar Futures (“AUD/USD”)
- Options on British Pound/U.S. Dollar Futures (“GBP/USD”)
- Options on Canadian Dollar/U.S. Dollar Futures (“CAD/USD”)
- Options on Euro/U.S. Dollar Futures (“EUR/USD”)
- Options on Japanese Yen/U.S. Dollar Futures (“JPY/USD”)
- Options on Swiss Franc/U.S. Dollar Futures (“CHF/USD”)

CME is amending Rule 588.H. to afford the Globex Command Center appropriate authority to cancel trades in the event of improper allocation of futures. These amendments coincide with the Exchange’s implementation to enable volatility quoting functionality on CME Globex which became effective on November 14, 2016. Amendments to CME Rule 588.H. regarding the Contracts are summarized in Appendix A.

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 amendments may have some bearing on the following Core Principles:

- Compliance with the Rules: The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules of the contract markets for the FX option contracts including the terms and conditions of the contract’s newly revised rules for CME Globex non-reviewable trading ranges.
- Prevention of Market Disruption: Amending the CME Globex non-reviewable rules for the Contracts will not impede the Exchange’s capacity and responsibility to prevent manipulation, price distortion, and disruptions to this 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, to reflect the change that will be made to the rules pertaining to the CME Globex non-reviewable trading ranges for the Aluminum Futures Contract. In addition, the Exchange will publish a Special Executive Report (“SER”) to inform the marketplace of this amendment. The SER will also be posted on the CME Group website.
- Execution of Transactions: Amending CME Rule 588.H. for the Contracts will have no impact on the central limit order book for these Contracts. 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 cash settlement of these Contracts.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to the 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 contact the undersigned at (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A: CME Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table
(blackline format)

Appendix A

CME Chapter 5 Trading Qualifications and Practices

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

(Additions are underscored)

Instrument	Globex Non-Reviewable Ranges (NRR)	Bid/Ask Reasonability
<u>FX Products Options - Volatility Quoted</u>		
<u>AUD/USD (American) Options</u>		
<u>AUD/USD (European) Options</u>		
<u>AUD/USD (European) Weekly Options</u>		
<u>CAD/USD (American) Options</u>		
<u>CAD/USD (European) Options</u>		
<u>CAD/USD (European) Weekly Options</u>		
<u>CHF/USD (American) Options</u>	<u>The greater of delta times the underlying futures non-reviewable range or 20% of premium up to 1/4 of the underlying futures' non-reviewable range with a minimum of 1 tick or a delta allocation with a deviation greater than 5 from the appropriate theoretical delta.</u>	<u>The greater of the delta times the underlying futures' non-reviewable range or 5% of the fair value premium up to the underlying futures' non-reviewable range with a minimum reasonability of 10 ticks</u>
<u>CHF/USD (European) Options</u>		
<u>CHF/USD (European) Weekly Options</u>		
<u>EUR/USD (American) Options</u>		
<u>EUR/USD (European) Options</u>		
<u>EUR/USD (European) Weekly Options</u>		
<u>GBP/USD (American) Options</u>		
<u>GBP/USD (European) Options</u>		
<u>GBP/USD (European) Weekly Options</u>		
<u>JPY/USD (American) Options</u>		
<u>JPY/USD (European) Options</u>		
<u>JPY/USD (European) Weekly Options</u>		