

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 15-516

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): December 2, 2015 Filing Description: Modifications to the Bundle Futures Market Maker 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: N/A

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

December 2, 2015

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: Modifications to the Bundle Futures Market Maker Program
CME Submission No. 15-516**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of modifications to the Bundle Futures Market Maker Program ("Program"). The modifications to the Program will become effective on January 1, 2016.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions underscored and deletions ~~overstruck~~.

CME reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will monitor trading under the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to, applicable regulations and CME rules. The Program is subject to the Exchange's record retention policies which 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 or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CME Submission No. 15-516 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Bundle Futures Market Maker Program

Program Purpose

The purpose of the Program is to incentivize participants to enhance liquidity in the products listed below. A more liquid contract benefits all participants in the market.

Product Scope

CME Two-Year, Three-Year, and Five-Year Bundle Futures (“Products”).

Eligible Participants

The Exchange may designate up to ten (10) participants in the Program. Participants must be CME members. Potential participants must submit a bid sheet/application to CME as part of a competitive selection process. CME, in its sole discretion, will use a variety of factors in determining whether or not a prospective participant is selected to participate in the Program, including the prospective participant’s ability to commit to and maintain at least the minimum required quoting obligations and the prospective participant’s historical performance in futures products. Notwithstanding the foregoing, CME may, from time to time, add or subtract from the aforementioned factors as it deems necessary.

Program Term

Start date is September 22, 2014. End date is ~~December 31, 2015~~ December 31, 2016.

Hours

7:00 AM to 4:00 PM CST (Regular Trading Hours “RTH”)

Obligations

Minimum Quoting Obligations: In order to be eligible to receive the Program incentives, participants must meet minimum contracted quoting obligations in the Products at designated monthly bid-ask spreads during a specified percentage of RTH, in accordance with the following:

	<u>Time in Market</u>	<u>Bid-Ask Spread</u>	<u>Number of Contract on Bid/Ask</u>	
			<u>Front Quarter</u>	<u>Deferred Quarter</u>
<u>2Y Bundle</u>	<u>65% of RTH</u>	<u>0.5 bps</u>	<u>25</u>	<u>15</u>
<u>3Y Bundle</u>	<u>65% of RTH</u>	<u>0.5 bps</u>	<u>20</u>	<u>10</u>
<u>5Y Bundle</u>	<u>65% of RTH</u>	<u>0.5 bps</u>	<u>10</u>	<u>5</u>

Incentives

Upon meeting all obligations, as determined by the Exchange, for each calendar month of participation in the Program, participants may be entitled to receive the following:

Fee Waivers: Participants shall receive ~~execution and clearing~~ full fee waivers on all Globex trading activity in the Products.

Fee Credits*: Participants shall receive ~~one (1) Globex execution~~ a fee credit for each passive lot traded in the Products. The value of each fee credit will be determined by which Product is traded (Two-Year, Three-Year, or Five-Year Bundle), in accordance with the following:

- (1) \$0.80 for Two-Year Bundle
- (2) \$1.20 for Three-Year Bundle
- (3) \$2.00 for Five-Year Bundle

*Fee credits may be applied to any ~~execution~~ fees incurred in any CME interest rate product but total fees may not go below zero.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements or fails to meet the obligations of the Program.

If a participant does not meet its quoting obligations during its first month of quoting, but is within twenty-five percent (25%) of its contracted quoting obligations, the participant will be eligible to receive the incentives for that applicable month.

Other than a participant's first month of quoting, if a participant does not meet its quoting obligations during one (1) calendar month, but is within twenty-five percent (25%) of its contracted quoting obligations, the participant will be eligible to receive the incentives for that applicable month. Participants must meet quoting obligations for all subsequent months in order to continue to receive the program incentives.

If a participant does not meet its quoting obligations in any three (3) months of participation in the Program, the participant will be removed from the Program. Participants that do not meet the quoting obligations in at least one (1) month per quarter will be removed from the Program.