

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 21-556

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 10, 2021 Filing Description: Modifications to the Secured Overnight Financing Rate ("SOFR") Block Discount Program

**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: **Not Applicable**

**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     |

**Official Product Name:**

**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:

December 10, 2021

**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 Secured Overnight Financing Rate (“SOFR”) Block Discount Program  
CME Submission No. 21-556**

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 SOFR Block Discount Program (“Program”). The modifications to the Program will become effective on January 1, 2022.

Exhibit 1 sets forth the terms of the 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”). During the review, Exchange 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 does not incentivize manipulative trading or market abuse or 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 Program’s products to prevent manipulative trading and market abuse. The Program does not impact the Exchange’s order execution. Chapter 4 of the Exchange’s rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to these rules and the Exchange’s records retention policies that comply with the CEA.

The Exchange 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. 21-556 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## SOFR Block Discount Program

### **Program Purpose**

The purpose of this Program is to encourage participants to support open interest development and increase liquidity in the products listed below. A more liquid contract benefits all participants in the marketplace.

### **Product Scope**

~~Three-Month SOFR Futures (“SR3”), One-Month SOFR Futures (“SR1”), and Options on Three-Month SOFR Futures (“SR3,” “S0,” “S01-05,” “S2,” “S21-25,” “S3,” “S31-35,” “S4,” “S5,” and “TS2-4”)~~ All SOFR Futures and Options (collectively, the “Products”).

### **Eligible Participants**

There is no limit to the number of participants in the Program. Participants may be members or non-members. The temporary reduction in fees will be open to all market participants and will automatically be applied to any transaction in the Products.

### **Program Term**

Start date is June 1, 2018. End date is ~~January 31, 2022~~ July 31, 2022.

### **Hours**

N/A

### **Incentives**

*Fee Discount.* Participants will have their all-in fees for block transactions reduced to match their Globex fees in the Products.