

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-493 (2 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): 12/15/21 **Filing Description:** Decrease of the Contract Size of the Nasdaq-100[®] Volatility IndexSM Futures Contract

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: See filing.

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: See filing.

Rule Numbers:

December 15, 2021

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. Decrease of the Contract Size of the Nasdaq-100® Volatility IndexSM Futures Contract.
 CME Submission No. 21-493 (2 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange, Inc. (“CME” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) a decrease in the contract size of the Nasdaq-100® Volatility IndexSM Futures contract (the “Contract”) effective Sunday, January 9, 2022 for trade date Monday, January 10, 2022 as more specifically described below. Currently, there is no open interest in the Contract.

Contract Title	CME Rulebook Chapter	CME Globex and CME ClearPort Code	Current Contract Size	Decreased Contract Size	Current Minimum Price Increment	Decreased Minimum Price Increment
Nasdaq-100® Volatility Index SM Futures	379	VLQ	\$1,000	\$100	\$50	\$5

In order to decrease the contract size of the Contract to \$100 per contract, the Exchange will amend: (1) Rule 37901. (“Contract Specifications”); Rule 37902.B. (“Trading Unit”); and Rule 37902.C. (“Price Increments”) of the Contract’s product chapter (Exhibit A). In addition, CME will amend Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) table (“the “Table”) to conform with the aforementioned rule amendments (Exhibit B). The Exchange is also implementing confirming changes to the Position Limit, Position Accountability and Reportable Level table (Exhibit C under separate cover) Lastly, the Exchange will amend the related Exchange transaction fees (Exhibit D) (collectively, the “Rule Amendments”).

It should be noted that it is requested that customers cancel all Good ‘Till Cancel (“GTC”) and Good ‘Till Date (“GTD”) orders of the Contract after the close on Friday, January 7, 2022. After 16:00 Central Time (CT) on Friday, January 7, 2022, all remaining Good ‘Till (“GT”) orders for this contract will be cancelled or deleted by the CME Global Command Center (“GCC”).

Given the contract value factor reduction from \$1,000 to \$100, open interest holders in the Contract on the close of business on Friday, January 7, 2022 will be processed using Friday’s settlement which will clear on Monday, January 10, 2022. Details regarding the clearing process or positions open prior to the effective

date of the Rule Amendments are provided to market participants and may be viewed in [Clearing House Advisory Notice \(“CHAN”\) No. 21-470](#).

The Rule Amendments establish a contract size that is accessible to a broader set of market participants. The Rule Amendments also facilitate implementing hedging strategies and general trading activity in much more precise dollar increments.

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 Rule Amendments may have some bearing on the following Core Principles:

Availability of General Information: The Exchange will release a Special Executive Report (“SER”) regarding the Rule Amendments. The SER will also be posted on the CME Group website.

Daily Publication of Trading Information: The Exchange shall continue to make public daily information on settlement prices, volume, open interest, and opening and closing ranges for the Contract.

Prevention of Market Disruption: Trading in the Contract will continue to be subject to the rules of the Exchange, which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule 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 CME Group 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

Attachments: Exhibit A - Amendments to CME Rulebook Chapter 379 (blackline format)
Exhibit B - Amendments to CME Rule 588.H. “Globex Non-Reviewable Trading Ranges” Table (blackline format)
Exhibit C - Amendments to CME Position Limit, Position Accountability, and Reportable Level Table (blackline format) (attached under separate cover)
Exhibit D – Exchange Fees

**Exhibit A
CME Rulebook**

(additions underscored; deletions ~~struck through~~)

**Chapter 379
Nasdaq-100® Volatility IndexSM (VOLQSM) Futures**

37901. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at \$100.00times the Nasdaq-100 Volatility Index (“Index”).

37902. TRADING SPECIFICATIONS

37902.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.

37902.B. Trading Unit

The unit of trade shall be \$100.00times the Index.

37902.C. Price Increments

Bids and offers shall be quoted in Index points. Subject to Rule 37906.C., the minimum price increment shall be 0.05 Index points, equal to \$5.00 per contract, except for intermonth spreads executed pursuant to Rule 542.A., for which the minimum price increment shall be 0.01 Index points, equal to \$1.00per intermonth spread.

[Remainder of Rule unchanged.]

**Exhibit B
CME Rulebook**

(additions underscored; deletions ~~struck through~~)

**Chapter 5
 (“Trading Practices and Qualifications”)
Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table**

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Outright Minimum Ticks
Nasdaq-100 Volatility Index Futures	VLQ	<u>4.2</u> index points	400 <u>200</u>	20 <u>40</u>	25 <u>50</u>	5 <u>10</u>

Exhibit C
CME Rulebook
Chapter 5
(“Trading Qualifications and Practices”)
Position Limit, Position Accountability, and Reportable Level Table

(attached under separate cover)

Exhibit D
Exchange Fees

Fees are charged per side (both buy and sell side) per contract.	Venue/Transaction Type	CURRENT	NEW
		Futures	Futures
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	Delivery	\$0.09	\$0.01
	CME Globex	\$0.36	\$0.04
	EFP EFR BTIC TACO	\$1.84	\$0.19
	Block		
	Covered Futures	\$0.37	N/A
	Exercise Assign Future From	\$0.14	\$0.01
Rule 106.D Lessees Rule 106.F Employees	Delivery	\$0.21	\$0.03
	CME Globex	\$0.48	\$0.07
	EFP EFR BTIC TACO	\$1.96	\$0.20
	Block		
	Covered Futures	\$0.49	N/A
Exercise Assign Future From	\$0.26	\$0.03	
Rule 106.R Electronic Corporate Member (For other than CME Globex - See Non-Members)	CME Globex	\$0.51	\$0.08
	CME Globex - BTIC TACO	\$2.14	N/A
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	Delivery	\$0.39	\$0.04
	CME Globex	\$0.61	\$0.09
	EFP EFR BTIC TACO	\$2.14	\$0.22
	Block		
	Covered Futures	\$0.62	N/A
	Exercise Assign Future From	\$0.44	\$0.04
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - See Non-Members)	CME Globex	\$0.62	\$0.10
	CME Globex - BTIC TACO	\$2.15	N/A
Central Bank Incentive Program (CBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex and where N/A - See Non-Members)	CME Globex - Outrights	\$0.97	\$0.14
	CME Globex - Spreads	\$0.85	\$0.11
	CME Globex - BTIC TACO	\$2.15	N/A
CBOE Members (For S&P Products Only; N/A For All Other Products - See Non-Members)	Delivery	\$0.35	\$0.04
	CME Globex - Outrights	\$1.18	\$0.24
	CME Globex - Spreads	\$0.80	\$0.18
	EFP EFR BTIC TACO	\$2.10	\$0.27
	Block		
	Covered Futures	\$1.19	N/A
Exercise Assign Future From	\$0.40	\$0.04	
Members Trading Outside of Division (For other than CME Globex During ETH - See Non-Members)	CME Globex - During ETH Only	\$0.71	\$0.15
Non-Members (Including: CTA/Hedge Fund Incentive Program Participants and Emerging Markets Bank Incentive Program (EMBIP) Participants)	Delivery	\$0.40	\$0.05
	CME Globex - Outrights	\$1.23	\$0.25
	CME Globex - Spreads	\$0.85	\$0.19
	EFP EFR BTIC TACO	\$2.15	\$0.29
	Block		
	Covered Futures	\$1.24	N/A
Exercise Assign Future From	\$0.45	\$0.05	