

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-207

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/29/24 Filing Description: Amendments to Rules XXXL01.E. ("Termination of Trading"), XXXL02.A. ("Cash Settlement"), and XXXL03. ("Disclaimer") of the U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures and the Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures Contracts Commencing with the October 2024 Contract Month and Beyond

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:

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: See filing.

Rule Numbers: See filing.

August 29, 2024

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. Amendments to Rules XXXL01.E. (“Termination of Trading”), XXXL02.A. (“Cash Settlement”), and XXXL03. (“Disclaimer”) of the U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures and the Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures Contracts Commencing with the October 2024 Contract Month and Beyond.
CME Submission No. 24-207**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to Rules XXXL01.E. (“Termination of Trading”) and XXXL02.A. (“Cash Settlement”), and XXXL03. (“Disclaimer”) of the U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures and the Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures contracts as set out in the table below (the “Contracts”) effective on September 19, 2024 and commencing with the October 2024 contract month and beyond (collectively, the “Rule Amendments”).

| Contract Title | CME Globex and CME ClearPort Code | Rulebook Chapter |
|---|--|-------------------------|
| U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures | CNH | 284L |
| Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures | MNH | 344L |

Specifically, the Exchange will amend:

1. Rule XXXL01.E. of the Contracts to change the termination of trading time on the last trading day from 11:00 a.m. Hong Kong to 2:00 p.m. Hong Kong time to be aligned with the main options expiry time in Asian Over-the-Counter (“OTC”) foreign exchange (“FX”) markets;
2. Rule XXXL02.A. of the Contracts to change the final settlement price from the USD/CNY(HK) Spot Rate published by the Treasury Market Association of Hong Kong (“TMA”) to the mid-rate of the WMR Intraday Spot Rate for USD/CNH at 2:00 p.m. Hong Kong time due to the widespread use of WMR rates as benchmarks in FX markets; and
3. Rule XXXL03. as a result of the change to WMR Intraday Spot Rate as noted in number 2 above.

There is open interest in the Contracts and related options contracts. The Rule Amendments shall affect the final settlement price for open positions. Effecting this change for October contracts months and beyond

allows the Rule Amendments to be implemented in a timely manner in response to the consensus preference of the market, while avoiding impacts to holders of open interest in the nearest quarterly and monthly contracts. The Exchange conducted outreach regarding the Rule Amendments and received feedback that market participants are in favor of the Rule Amendments. In addition to the advanced notice of the Rule Amendments, the Exchange intends to issue a Special Executive Report (“SER”) in advance of the Rule Amendments.

Exhibit A provides the amendments for the Contracts in blackline format on September 19, 2024, i.e., following the expiry of the September 2024 contract month. Exhibit B provides the Deliverable Supply Analysis.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act” or “CEA”) and identified that the Rule Amendments may have some bearing on the following Core Principles:

- **Compliance with Rules**: The Exchange shall continue its normal practice to establish, monitor, and enforce compliance with the rules for the Contracts, including the amendments for the Contracts.
- **Availability of General Information**: The Exchange will amend the CME rulebook, accordingly on the effective date, which is publicly available on the CME Group website. In addition, the Exchange will publish an SER to advise the marketplace of the Rule Amendments. The SER will also be posted on the CME Group website.
- **Contract Not Readily Subject to Manipulation**: The Contracts are not and will not be readily subject to manipulation as a result of the Rule Amendments. Final settlement price for contracts is a price that is reflective of the underlying cash market that has deep liquidity and robustness.
- **Execution of Transactions**: 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 of the Contracts.
- **Position Limitations or Accountability**: The Contracts will continue to be subject to spot month and all month position limits, which continue to be consistent with the Commission’s guidance.

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 (312) 466-7478 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: CME Rulebook Chapters 284L and 344L (blackline format)
[effective September 19, 2024]
Exhibit B: Deliverable Supply Analysis

20 S Wacker Dr Chicago, IL 60606 † 312 466 7478 tim.elliott@cmegroup.com cmegroup.com

Exhibit A

CME Rulebook

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

[Effective September 19, 2024]

Chapter 284L

U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures

284L01. TRADING SPECIFICATIONS

284L01.E. Termination of Trading

~~Futures trading shall terminate at 11:00 a.m. Hong Kong time on the second Hong Kong business day immediately preceding the third Wednesday of the contract month.~~

Futures trading shall terminate at 2:00 p.m. Hong Kong time on the second Hong Kong business day immediately preceding the third Wednesday of the contract month.

284L02. SETTLEMENT PROCEDURES

~~284L02.A. Cash Settlement~~

~~All U.S. dollar/offshore Chinese renminbi futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price in CNH. The CME U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the "CNY CNHHK" (CNY03)," which is the "Offshore Chinese renminbi per U.S. Dollar" spot exchange rate, for settlement in two business days, reported by the Treasury Markets Association, Hong Kong (www.tma.org.hk) as its USD/CNY (HK) Spot Rate at approximately 11:30 a.m., Hong Kong time rounded to four decimal places.~~

~~1. Futures Final Settlement Price when the CNY CNHHK ("CNY03") Rate is Unavailable for a Given Day~~

~~In the event that the CNY CNHHK (CNY03) rate is determined in the sole discretion of the Exchange to be unavailable on the termination of trading day, then final settlement of the CME U.S. dollar/offshore Chinese renminbi futures contract may be deferred or postponed for up to (but not more than) 14 consecutive calendar days. Upon the publication of the CNY CNHHK (CNY03) rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the rate and the CME U.S. dollar/offshore Chinese renminbi futures contract shall be settled on such day. If however, 14 consecutive calendar days pass without publication of the CNY CNHHK (CNY03) rate, CME shall otherwise determine the Final Settlement Price.~~

~~2. Procedures after 14-Day Deferral Period~~

~~However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections, then Rule 812 shall apply to determine the Final Settlement Price.~~

284L02.A. Cash Settlement

All U.S. dollar/offshore Chinese renminbi futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price in CNH. The CME U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the mid-rate of the WMR Intraday Spot Rate for USD/CNH at 2:00 p.m. Hong Kong time, rounded to four decimal places.

1. Futures Final Settlement Price when the WMR Intraday Spot Rate is Unavailable for a Given Day

In the event that the WMR Intraday Spot Rate for USD/CNH rate is determined in the sole discretion of the Exchange to be unavailable on the termination of trading day, then final settlement of the CME U.S. dollar/offshore Chinese renminbi futures contract may be deferred or postponed for up to (but not more than) 14 consecutive calendar days. Upon the publication of the WMR Intraday Spot Rate for USD/CNH rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the rate and the CME U.S. dollar/offshore Chinese renminbi futures contract shall be settled on such day. If however, 14 consecutive calendar days pass without publication of the WMR Intraday Spot Rate for USD/CNH rate, CME shall otherwise determine the Final Settlement Price.

2. Procedures after 14-Day Deferral Period

However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections, then Rule 812 shall apply to determine the Final Settlement Price.

284L03. DISCLAIMER

~~The USD/CNY(HK) Spot Rate published by the Treasury Markets Association of Hong Kong on its website is subject to the disclaimer and copyright notice regarding information set out on its website which may be viewed HERE.~~

The WMR Intraday Spot Rates are provided by Refinitiv. Refinitiv shall not be liable for any errors in or delays in providing or making available the WMR Spot Rates, nor for any actions taken in reliance on the same. The Intraday Spot Rates cannot be used, reproduced, distributed, redistributed, licensed or disclosed in any way without a written agreement with Refinitiv.

Chapter 344L

Micro U.S. Dollar/Offshore Chinese Renminbi (USD/RMB) Futures

344L01. TRADING SPECIFICATIONS

344L01.E. Termination of Trading

~~Futures trading shall terminate at 11:00 a.m. Hong Kong time on the second Hong Kong business day immediately preceding the third Wednesday of the contract month.~~

Futures trading shall terminate at 2:00 p.m. Hong Kong time on the second Hong Kong business day immediately preceding the third Wednesday of the contract month.

344L02. SETTLEMENT PROCEDURES

~~Cash Settlement~~

~~All Micro U.S. dollar/offshore Chinese renminbi futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price in CNH. The CME Micro U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the “CNY CNH HK” (CNY03),” which is the “Offshore Chinese renminbi per U.S. Dollar” spot exchange rate, for settlement in two business days, reported by the Treasury Markets Association, Hong Kong (www.tma.org.hk) as its USD/CNY (HK) Spot Rate at approximately 11:30 a.m., Hong Kong time rounded to four decimal places.~~

~~1. Futures Final Settlement Price when the CNY CNH HK (“CNY03”) Rate is Unavailable for a Given Day~~

~~In the event that the CNY CNH HK (CNY03) rate is determined in the sole discretion of the Exchange to be unavailable on the termination of trading day, then final settlement of the CME Micro U.S. dollar/offshore Chinese renminbi futures contract may be deferred or postponed for up to (but not more than) 14 consecutive calendar days. Upon the publication of the CNY CNH HK (CNY03) rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the rate and the CME Micro U.S. dollar/offshore Chinese renminbi futures contract shall be settled on such day. If however, 14 consecutive calendar days pass without publication of the CNY CNH HK (CNY03) rate, CME shall otherwise determine the Final Settlement Price.~~

~~2. Procedures after 14-Day Deferral Period~~

~~However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections, then Rule 812 shall apply to determine the Final Settlement Price.~~

Cash Settlement

All Micro U.S. dollar/offshore Chinese renminbi futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price in CNH. The CME Micro U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the mid-rate of the WMR Intraday Spot Rate for USD/CNH at 2:00 p.m. Hong Kong time, rounded to four decimal places.

1. Futures Final Settlement Price when the WMR Intraday Spot Rate is Unavailable for a Given Day

In the event that the WMR Intraday Spot Rate is determined in the sole discretion of the Exchange to be unavailable on the termination of trading day, then final settlement of the CME Micro U.S. dollar/offshore Chinese renminbi futures contract may be deferred or postponed for up to (but not more than) 14 consecutive calendar days. Upon the publication of the WMR Intraday Spot Rate prior to the lapse of such 14-day period, CME shall determine the Final Settlement Price using the rate and the CME Micro U.S. dollar/offshore Chinese renminbi futures contract shall be settled on such day. If however, 14 consecutive calendar days pass without publication of the WMR Intraday Spot Rate, CME shall otherwise determine the Final Settlement Price.

2. Procedures after 14-Day Deferral Period

However, in the event that the Exchange determines that the Clearing House is not able to determine a Final Settlement Price pursuant to any of the preceding sections, then Rule 812 shall apply to determine the Final Settlement Price.

344L03. DISCLAIMER

~~The USD/CNY(HK) Spot Rate published by the Treasury Markets Association of Hong Kong on its website is subject to the disclaimer and copyright notice which may be viewed [HERE](#).~~

The WMR Intraday Spot Rates are provided by Refinitiv. Refinitiv shall not be liable for any errors in or delays in providing or making available the WMR Spot Rates, nor for any actions taken in reliance on the same. The Intraday Spot Rates cannot be used, reproduced, distributed, redistributed, licensed or disclosed in any way without a written agreement with Refinitiv.

Exhibit B

Deliverable Supply Analysis

Cash Market Overview

The Chinese renminbi is the national currency of China. According to the 2022 Triennial Central Bank Survey conducted by the Bank for International Settlements, the Chinese renminbi is the 5th most traded currency in the world.¹ Average daily volume in Chinese renminbi spot transactions, outright forwards, foreign exchange swaps, currency swaps, and FX options was 526 billion USD in 2022 (53 billion USD in options). The Chinese renminbi is not a convertible currency, and it is not part of the CLS Group global cash settlement system, an international payment versus payment settlement service that mitigates settlement risk for foreign currency transactions of its settlement members and their customers through central bank accounts. The offshore Chinese renminbi is traded outside China in places such as Hong Kong.

The most recent FX market survey by the Bank of England² provided data for FX trading the London market. It found that in October 2023, the average daily turnover of USD/RMB in the spot market was \$38.0 billion. This currency pair was ranked 6th in terms of size of spot activity out of the 54 currency pairs reported on in the survey. Similarly, the most recent FX market survey by the Federal Reserve Bank of New York provided data for FX trading in the North America market.³ It found that in October 2023, the average daily turnover of USD/RMB in the spot market was \$11.2 billion. This currency pair was ranked 9th in terms of size of spot activity out of the 31 currency pairs reported on in the survey.

Cash Market Analysis⁴

Money supply data for the offshore renminbi is the amount of renminbi (RMB) deposits in Hong Kong. It should be noted that the renminbi is an important international currency, and significant deposits of RMB are held in Singapore and London, as well as other financial centres.⁵ Hong Kong based deposits of renminbi have expanded in recent years.

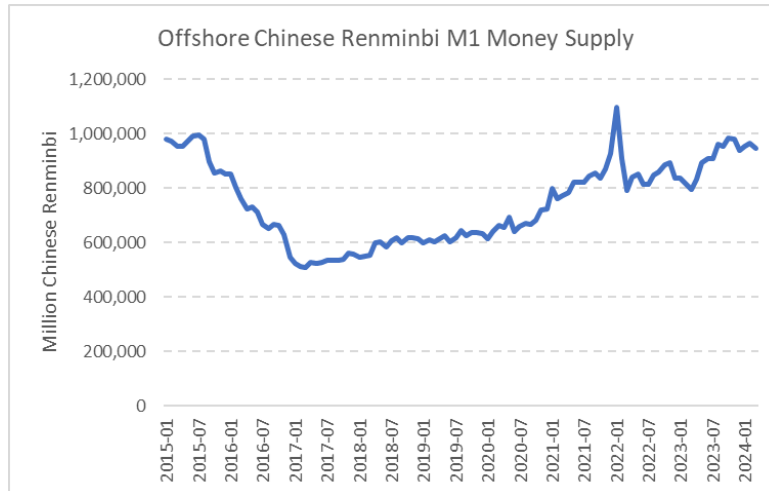
¹ See <https://www.bis.org/statistics/rfx22.htm>, Table 25.2

² See <https://www.bankofengland.co.uk/markets/london-foreign-exchange-joint-standing-committee/results-of-the-semi-annual-fx-turnover-survey-october-2023>

³ See <https://www.newyorkfed.org/fxc/fx-volume-survey>

⁴ Note that in CFTC filing [24-335](#), the spot month position limit for CNH futures of 5,000 contracts and the all month position limit of 10,000 contracts are being increased to 12,000 and 24,000 respectively and will be implemented before the change in CNH reference price comes into effect.

⁵ Latest data shows RMB deposits in Singapore of RMB 224bn, and in London of RMB 93bn.



Price Reporting Agency

All U.S. dollar/offshore Chinese renminbi futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price in CNH. The CME U.S. dollar/offshore Chinese renminbi futures contract Final Settlement Price shall be equal to the mid-rate of the WMR Intraday Spot Rate for USD/CNH at 2:00 p.m. Hong Kong time, rounded to four decimal places.

WMR, formerly WM Refinitiv and before that WM Reuters, are benchmark reference prices for spot, forward and non-deliverable forward FX markets. WMR rates are administered by Refinitiv Benchmark Services Limited (“RBSL”), which is owned by LSEG. The methodology for the WMR rates can be found on the LSEG website at <https://www.lseg.com/en/ftse-russell/benchmarks/wmr-fx-benchmarks>.⁶ WMR rates are administered in compliance with the UK’s Benchmark Regulation and in line with the IOSCO Principles for Financial Benchmarks.⁷ RBSL is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

⁶ See “Key Resources / Methodology”

⁷ See <https://www.lseg.com/en/ftse-russell/benchmarks/wmr-fx-benchmarks>, “Key Resources / Benchmark Resources” for the WMR IOSCO Principles Statement