

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-396

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 10/08/24 Filing Description: Basis Trade at Index Close ("BTIC")
Transaction Eligibility for the Bitcoin Friday Futures Contract.

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: See filing.

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

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:

October 8, 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. Basis Trade at Index Close (“BTIC”) Eligibility for the Bitcoin Friday Futures Contract. CME Submission No. 24-396

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the eligibility of Basis Trade at Index Close (“BTIC”) transactions for the Bitcoin Friday Futures contract (the “Contract”) to the CME CF Bitcoin Reference Rate New York Variant (“BRRNY”) published at 4:00 p.m. New York time for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission of clearing via CME ClearPort effective Sunday, October 27, 2024, for trade date Monday October 28, 2024, as more specifically described below.

BTIC Transaction	BTIC on Bitcoin Friday Futures
BTIC Code	BFB
Rulebook Chapter	CME 451
Underlying Futures Contract / Commodity Code	Bitcoin Friday Futures / BFF
Underlying Reference Rate	CME CF Bitcoin Reference Rate New York Variant (BRRNY)
Trading and Clearing Hours	CME Globex Pre-Open: 4:45 p.m. - 5:00 p.m. Central Time (CT) CME Globex: Sunday - Friday 5:00 p.m. - 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT CME ClearPort: Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday 5:45 p.m. – 6:00 p.m. CT
Block Trade Minimum / Reporting Window	25 contracts / 15 minutes
CME Globex Matching Algorithm	F: First In First Out (FIFO)

Specifically, CME will adopt Rule 45106. (“Basis Trade at Index Close (“BTIC”) Transactions”) in Chapter 451 (“Bitcoin Friday Futures”) (see Exhibit A), amend the related Trading at Settlement (“TAS”), Basis Trade at Index Close (“BTIC”), Basis Trade at Cash Open (“TACO”) and Trade Marker at Close (“TMAC”) Table (the “Table”) (see Exhibit B). The related Exchange fees are provided in Exhibit C (collectively, the “Rule Amendments”).

By way of background, CME initially listed the Bitcoin Friday Futures contract (the “Underlying Futures Contracts”) for trading on CME Globex and for submission for clearing via CME ClearPort effective on September 30, 2024 (see CME Submission No. [24-349](#) dated September 10, 2024). Based on customer feedback, the Exchange is implementing the Rule Amendments to implement BTIC eligibility for the Bitcoin Friday Futures contract at this time

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.
- **Compliance with Rules:** The SER being issued provides information on the BTIC eligibility. The SER and the Table are intended to provide regulatory guidance to ensure that market participants are in compliance with CME Rule 524.
- **Daily Publication of Trading Information:** CME will continue to publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contracts.

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	Amendments to CME Rulebook Chapter 451 (blackline format)
	Exhibit B	CME Rule 524. Trading at Settlement (“TAS”), Basis Trade at Index Close (“BTIC”), Basis Trade at Cash Open (“TACO”) and Trade Marker at Close (“TMAC”) Table (blackline format)
	Exhibit C	Exchange Fees

Exhibit A

CME Rulebook

(additions underscored)

**Chapter 451
Bitcoin Friday Futures**

45104. RESERVED

45105. RESERVED

45106. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B. For the purpose of this section and Rule 524.B., BTIC enables market participants to execute a basis trade relative to the closing level of the underlying Index value, at the time prescribed in the table below.

<u>Index to Be Referenced</u>	<u>Index Publication Time</u>
<u>CME CF Bitcoin Reference Rate - New York Variant “BRRNY”</u>	<u>4:00 p.m. New York time</u>

45106.A. Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed prior to the publication of the Index value on a given Trading Day, the corresponding futures price shall be made by reference to the Index value for the current Trading Day.

For a BTIC or BTIC block trade executed on a given Trading Day after the publication of the Index value, the corresponding futures price shall be made by reference to the Index value for the next Trading Day.

45106.B. Price Assignment Procedures

The price assignment procedure for BTIC transactions shall follow Rule 524.B.3.

45106.C. Minimum Price Increments

The valid basis or price increment applied to the Index value to establish the BTIC futures price shall be an integer multiple of the contract minimum price increment, \$1.00 per bitcoin, equal to \$0.02 per contract.

45106.D. Market Disruption Events

In the event of disruption in the underlying market that precludes a valid Index value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion.

(End Chapter 451)

Exhibit B

CME Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

Rule 524. Trading at Settlement (“TAS”), Basis Trade at Index Close (“BTIC”), Basis Trade at Cash Open (“TACO”) and Trade Marker at Close (“TMAC”) Table

(additions underscored)

Cryptocurrency Futures	BTIC Symbol	Rulebook Chapter
CME		
<u>Bitcoin Friday (BRRNY 4:00 p.m. New York Fixing)</u>	<u>BFB</u>	<u>451</u>

Exhibit C

Exchange Fees

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	BTIC	\$0.27
Rule 106.D Lessees Rule 106.F Employees	BTIC	\$0.42
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex BTIC	\$0.44
Rule 106.H and 106.N Firms	BTIC	\$0.47
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - Non-Member rates apply)	BTIC	\$0.53
Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex - Non-Member rates apply)	BTIC	\$0.53
Non-Members	BTIC	\$0.53

Processing Fees	Fee
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40