

24-452: Modifications to the OTC FX Options Fee Waiver Program



Timothy Elliott
Managing Director and Chief Regulatory Counsel
Legal Department

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VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Modifications to the OTC FX Options Fee Waiver Program
CME DCO Submission No. 24-452**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Clearing House") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the fee waiver program supporting certain cleared-only over-the-counter ("OTC") foreign exchange ("FX") options products ("Program"). The modifications to the Program will become effective on February 1, 2025.

Exhibit 1 sets forth the terms of the Program. Modifications appear below, with additions underlined and deletions ~~everstruck~~.

CME reviewed the derivatives clearing organization core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME staff concluded that the following Core Principle applies to this submission:

Financial Resources: The Program will have a non-material impact on the financial resources of the Clearing House. As such, it will not prevent the Clearing House from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as a derivatives clearing organization.

Pursuant to Section 5c(c) of the CEA and CFTC Regulation 40.6(a), the Exchange hereby certifies that this Program complies with the CEA, including regulations thereunder. There were no substantive opposing views to this proposal.

CME certifies that this submission has been concurrently posted on CME's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please e-mail CMESubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

OTC FX Options Fee Waiver Program

Program Purpose

The purpose of this Program is to incentivize market participants to submit transactions in the OTC FX Options products listed below to the Clearing House for clearing. The resulting increase in volume benefits all participant segments in the market.

Product Scope

All cleared-only OTC FX Options (collectively, the "Products").

Eligible Participants

The temporary reduction in fees will be open to all market participants and will automatically be applied to any transaction in the Products submitted to the Clearing House for clearing.

Program Term

Start date is November 1, 2017. End date is ~~January 31, 2025~~ January 31, 2026, or the date on which the Exchange determines to modify, extend, or terminate the Program. Participants will be given notice of any changes to the Program Term.

Hours

The Program will be applicable regardless of the transaction time.

Incentives

Fee Waivers: All market participants that submit transactions in the Products to the Clearing House will have their clearing fees waived.