

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-496

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 19, 2023 Filing Description: Modifications to the FX Options Large Trade 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:



Timothy Elliott
Managing Director and Chief Regulatory Counsel
Legal Department

December 19, 2023

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 FX Options Large Trade Discount Program
CME Submission No. 23-496**

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 FX Options Large Trade Discount Program (“Program”). The modifications to the Program will become effective on February 1, 2024.

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

CME reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). During the review, CME 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 impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the CEA. Exchange staff will monitor trading in the Program’s products in order to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants’ volume to ensure proper distribution of earned incentives. The Program does not impact the Exchange’s order execution. Participants in the Program will be selected by CME staff using criteria as set forth in Exhibit 1. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with CME in which each participant will expressly agree to comply with, and be subject to, applicable regulations and Exchange rules. Additionally, the Program is subject to the Exchange’s record retention policies, which comply with the CEA.

CME 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 CMESubmissionInquiry@cmegroup.com or contact Rachel Johnson at 312-466-4393 or via e-mail at Rachel.Johnson@cmegroup.com. Please reference our CME Submission No. 23-496 in any related correspondence.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

Enclosure: Exhibit 1

EXHIBIT 1

FX Options Large Trade Discount Program

Program Purpose

The purpose of this Program is to incentivize participants to build liquidity in foreign exchange options products. More liquid contracts benefit all participants in the marketplace.

Product Scope

All FX options (“Products”).

Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants ~~may~~ **must** be CME ~~members or~~ non-members. The incentives described below will be automatically applied to all applicable transactions in the Products.

Program Term

Start date is July 1, 2020. End date is July 31, 2024.

Hours

N/A

Incentives

Large Trade Discount: All ~~market participants~~ non-members will receive fee discounts in accordance with the table below for any single trade fill (excluding certain give-ups*) that is greater than or equal to the minimum quantity block threshold level for each of the Products.

Membership Type	All FX Options Excluding ZAR, MXN, & BRL		ZAR, MXN, & BRL	
	Block Discount	Globex Large Trade Discount	Block Discount	Globex Large Trade Discount
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	50%	30%	75%	75%
Rule 106.D Lessees Rule 106.F Employees	30%	30%	75%	75%
Rule 106.R Electronic Corporate Member	30%	30%	75%	75%
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	30%	30%	75%	75%

International Incentive Program (IIP) Participants	30%	30%	75%	75%
International Volume Incentive Program (IVIP) Participants	30%	30%	75%	75%
Central Bank Incentive Program (CBIP) Participants	30%	30%	75%	75%
Latin American Fund Manager Incentive Program (FMIP) Participants	30%	30%	75%	75%
CTA/Hedge Fund Incentive Program Participants	30%	30%	75%	75%
Members Trading Outside of Division	30%	30%	75%	75%
Non-Members	30%	30%	75% 50%	75% 50%

*Block give-ups are eligible for the discount. Other give-ups, including give-ups on outright, Globex spreads, and EOs are not eligible.