

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-007

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

Filing as a: **DCM** **SEF** **DCO** **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 01/12/18 **Filing Description:** Initial Listing of Yen Denominated TOPIX Index Futures Contract

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input 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:

New Product

Please note only ONE product per Submission.

- | | | |
|-------------------------------------|---------------------------------------|------------|
| <input checked="" 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 |

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:

January 12, 2018

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street NW
Washington, DC 20581

**Re: CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of Yen
Denominated TOPIX Index Futures Contract.
CME Submission No. 18-007**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC”) that it is self-certifying terms and conditions for Yen Denominated TOPIX Index Futures contract (the “Contract”) to be listed for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing on CME ClearPort on Sunday, February 4, 2018, for trade date of Monday, February 5, 2018.

In what follows:

- Section 1 discusses contract terms and conditions.
- Section 2 describes administration and governance of the contract-grade TOPIX Index (“Index”).
- Section 3 establishes that the Index is not narrow-based by the standards set forth in Section 1a(35) of the Commodity Exchange Act (“CEA” or “Act”).
- Section 4 addresses compliance of contract terms and conditions with the applicable core principles for designated contract markets (“Core Principles”) set forth in the Act.

Contract terms and conditions are given in CME Rulebook Chapter 371, the text of which appears in Appendix A. Appendix B addresses the applicable position limits and reportable position levels pursuant to CME Rulebook Chapter 5. Appendix C presents the applicable CME Globex non-reviewable trading ranges as prescribed in CME Rule 588.H. Appendix D acknowledges the pertinent special price fluctuation limits pursuant to CME Rule 589. Appendix E sets forth the Exchange fees applicable to trading and clearing the Contract.

Section 1 – Contract Specifications for CME Yen Denominated TOPIX Index Futures

Exhibit 1 summarizes contract specifications, which closely resemble those for the Exchange's established Japanese equity price index futures products.¹

Unit of Trade

The contract unit of trade is the TOPIX Index multiplied by JPY 5,000. The TOPIX Index is a free-float-adjusted market-capitalization-weighted index of market prices of all Japanese domestic common stocks listed for trading on the Tokyo Stock Exchange ("TSE") First Section. At any given moment, the Index indicates the current aggregate market capitalization of eligible stock issues, normalized to an Index value of 100 Index points on January 4, 1968. Administered and published by the TSE, the Index is regarded as a gauge of overall trends in the Japanese domestic stock market, and is used as a benchmark for investment in Japanese stocks.

Delivery Months and Termination of Trading

Delivery months at initial listing will comprise the five March Quarterly months between March 2018 and March 2019, inclusive.

Price Basis and Minimum Price Increments

Contract prices are quoted and made in Index points. The contract minimum price increment is 0.5 Index points, equal to JPY 2,500 per contract, for outright transactions and intramarket calendar spread trades. For Basis Trade at Close ("BTIC") transactions, the contract minimum price increment is 0.1 Index points, equal to JPY 500 per contract.

Termination of Trading and Final Settlement

Trading in an expiring futures contract will terminate at the close of CME Globex trading on the first Exchange business day that precedes the second Friday of the expiring contract's delivery month.

Delivery will be by cash settlement, through a final mark-to-market made by reference to the contract final settlement price. The final settlement price will equal the TSE Special Quotation of the Index, rounded to the nearest 0.01 Index points. The TSE Special Quotation is based on opening prices of Index component stocks on the TSE on the second Friday of the expiring futures contract's delivery month.

Price Limits

Trading in the Contract shall be subject to price limits similar to those that apply to other CME futures products that reference broad-based indexes of Japanese equity share prices.

Block Trades

These futures will not be eligible for block trading.

Trading Venues and Hours

These futures shall be listed for trading on the CME Globex, for outright purchase or sale between the hours of 5:00 pm and 4:00 pm, Sunday through Friday, and for BTIC trading between the hours of 5:00 pm Chicago time and 3:00 pm Tokyo time (typically midnight Chicago time), Sunday through Friday.

Bilaterally negotiated EFRP transactions in these futures may be notified to the exchange via CME ClearPort between the hours of 5:00 pm and 4:00 pm, Sunday through Friday.

¹ These comprise Nikkei Stock Average futures (CME Rulebook Chapter 352), Yen Denominated Nikkei Stock Average futures (CME Rulebook Chapter 352B), and E-mini Yen Denominated Nikkei Stock Average Index futures (CME Rulebook Chapter 370).

Exhibit 1 – Contract Specifications for CME Yen Denominated TOPIX Index Futures

(Times refer to and indicate Chicago time, unless otherwise noted.)

<i>Trading Unit</i>	<i>Trading Unit</i>	<i>Contract Size (Oct 31, 2017)</i>
	JPY 5,000 x TOPIX Index	JPY 8,829,800 (approximately USD 77,707)
<i>Delivery Months</i>	Nearest five (5) consecutive months in March Quarterly cycle (March, June, September, December). Delivery months for initial listing: Mar 2018, Jun 2018, Sep 2018, Dec 2018, Mar 2019	
<i>Price Basis and Minimum Price Increment</i>	Prices are quoted and traded in Index points. Minimum price increment for outright purchases/sales and intramarket spread transactions: 0.5 Index points, equal to JPY 2,500 per contract. Minimum price increment for BTIC transactions: 0.1 Index points, equal to JPY 500 per contract.	
<i>Price Limits</i>	Price limits for any given Business Day are set by the Exchange and are based on (a) a Reference Price determined on the previous Business Day on the basis of trading activity between 2:59:30 pm and 3:00:00 pm Tokyo time in TOPIX futures listed on the Osaka Exchange and (b) the corresponding Offset. Daily price limits are set as Reference Price plus/minus 8% of Offset, 12% of Offset, and 16% of Offset.	
<i>Termination of Trading</i>	<i>Last Day of Trading:</i> First Business Day preceding 2 nd Friday of expiring contract's delivery month. <i>Termination of Trading:</i> Close of CME Globex trading (generally 4pm) on Last Day of Trading.	
<i>Delivery</i>	Delivery is by cash settlement by reference to Final Settlement Price, equal to the Index Special Quotation based on opening prices of Index component stocks on Tokyo Stock Exchange on 2 nd Friday of expiring contract's delivery month.	
<i>Position Limits and Reportability Thresholds</i>	<i>Position Reportability:</i> 50 contracts <i>All-Month Position Limit (Net Futures Contract Equivalents):</i> 20,000 contracts	
<i>Block Trades</i>	Futures are not eligible for block trading.	
<i>Trading Hours and Venue</i>	<i>CME Globex:</i> Outrights: 5pm to 4pm, Sun-Fri. BTIC: 5pm Chicago time to 3pm Tokyo time (generally midnight Chicago time), Sun-Fri. <i>CME ClearPort:</i> 5pm to 4pm, Sun-Fri. Futures shall trade on and according to the rules of Chicago Mercantile Exchange Inc., pending certification of contract terms and conditions with the US Commodity Futures Trading Commission and completion of all regulatory review periods.	
<i>CME Globex Matching Algorithm</i>	F: First In, First Out (FIFO)	
<i>Commodity Code</i>	<i>Futures:</i> TPY <i>BTIC:</i> TPB	

Section 2 – Index Administration and Governance

The TOPIX (Tokyo Stock Price) Index is a free-float-adjusted market-capitalization-weighted index of prices of all Japanese domestic common stocks listed for trading on the Tokyo Stock Exchange (“TSE”) First Section. The Index indicates the current aggregate market capitalization of eligible stock issues, normalized to an Index value of 100 on January 4, 1968. The Index is calculated and published by the TSE and is currently disseminated in real time at the rate of once per second through the TSE Market Information System.

In respect of Index governance, the TSE holds that, “[a]s a corporation, [it] has established an appropriate corporate governance structure which clearly separates business execution and oversight functions. Both calculation and publication of stock price indices are subject to an internal audit within the exchange’s internal control framework, and compliance with relevant rules and validity of business execution are both subject to regular verification.”

Regarding TSE’s adherence to the IOSCO Principles for Financial Benchmarks in its administration of the Index, “TSE stipulates, documents, and publishes the calculation methodology for TOPIX and all other indices it calculates. The stock prices used for TSE’s indices are formed [on the basis of] fair trading conducted according to the fully disclosed and transparent rules of the exchange. In addition, TSE’s stock price indices are automatically calculated and published using the exchange’s index calculation system and market information system, respectively. As there is no room for arbitrariness or conflicts of interest in the process of calculation and disclosure, TSE is confident that it complies with the [IOSCO] Principles.”²

² Both passages are quoted from –

Tokyo Stock Exchange, Inc, *Compliance with IOSCO Principles for Financial Benchmarks*, July 29, 2016, which is available at: http://www.jpx.co.jp/english/markets/indices/line-up/tvdivq00000032sb-att/e_ref_2_IOSCO.pdf

Policies concerning review, evaluation, and revision of Index calculation methodology, implementation of re-calculations of or corrections to Index values, and management of conflicts of interest in connection with Index administration are set forth in --

Tokyo Stock Exchange, Inc, *Policies Concerning Calculation of TSE Indices*, March 31, 2017, which is available at: http://www.jpx.co.jp/english/markets/indices/line-up/tvdivq00000032sb-att/tse_indices_calculation_policies.pdf

Policies for handling complaints about the Index are set forth in --

Tokyo Stock Exchange, Inc, *Policies for Addressing Objections regarding TSE Indices*, March 31, 2017, which is available at: http://www.jpx.co.jp/english/markets/indices/line-up/tvdivq00000032sb-att/tse_indices_objection_addressing_policies.pdf

Index methodology is detailed in –

Tokyo Stock Exchange, Inc, *TSE Index Guidebook (Market Sector Indices)*, November 11, 2015, which is available at: http://www.jpx.co.jp/english/markets/indices/topix/tvdivq00000030ne-att/e_cal_3_topix.pdf

and

Tokyo Stock Exchange, Inc, *Free Float Weight Calculation Methodology*, July 16, 2013, which is available at: http://www.jpx.co.jp/english/markets/indices/line-up/tvdivq00000032sb-att/e_ref_1_FFW.pdf

Section 3 – Index Evaluation

The Index fails to meet any of the criteria for consideration as a narrow-based index. *The Exchange therefore shall list these futures for trading under the sole jurisdiction of the CFTC.*

The CEA requires that security futures products, defined to comprise single stock futures and futures on narrow-based security indexes, shall be subject to the joint jurisdiction of the CFTC and the Securities Exchange Commission (“SEC”). Futures products for which the underlying references are broad-based security indexes remain under the sole jurisdiction of the CFTC.

Section 1a(35) of the Act defines a narrow-based index to be an index

- (i) which has nine (9) or fewer component securities; or
- (ii) in which any component security comprises more than 30 percent of the index’s weighting; or
- (iii) in which the 5 highest weighted component securities in the aggregate represent more than 60 percent of the index’s weighting; or
- (iv) in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index’s weighting have an aggregate dollar value of average daily trading volume of less than \$50,000,000 (or in the case of an index with 15 or more component securities, less than \$30,000,000).

In respect of criterion (i), the number of Index component securities – 2,029 as of September 29, 2017 – far surpasses the 9-security minimum threshold.

In respect of criteria (ii), (iii), and (iv), Exhibit 2 displays summary statistics of daily data for the six-month interval from May 1 to October 31, 2017.

Exhibit 2 – CEA Section 1a(35) Narrow-Based Index Tests for the TOPIX Index

Quantiles of empirical distributions of daily measures of index characteristics, Mar 1, 2017, to Sep 30, 2017. JPY values are converted to USD values at the rate of JPY/USD 113.63 on Oct 31, 2017.

	<i>Criterion (ii)</i> <i>Index weight of largest Index component (pct)</i>	<i>Criterion (iii)</i> <i>Aggregate Index weight of largest 5 Index components (pct)</i>	<i>Criterion (iv)</i> <i>Trading volume of smallest Index components aggregating to 25 pct of Index weight (\$ billions / day)</i>
<i>Maximum</i>	3.449	10.560	13.032
<i>75 Pctl</i>	3.302	10.381	8.050
<i>Median</i>	3.204	10.304	7.206
<i>25 Pctl</i>	3.156	9.879	6.579
<i>Minimum</i>	2.993	6.243	5.449

Data Source: Bloomberg LLC, Federal Reserve Board

For criterion (ii), the share of Index weight occupied by the largest component stock, test results appear in the left-hand panel of Exhibit 2. The entire distribution of daily outcomes resides well below the 30 percent threshold that would signify a narrow-based index. At no point does the Index’s largest component stock account for more than 3.5 percent of Index weight.

Similar results obtain for criterion (iii), shown in the middle panel of Exhibit 2. The distribution of aggregate weight of the Index’s largest five component stocks lies far below 60 percent. At no point do its largest five members account for more than 11 percent of Index weight.

Finally, summary statistics for distributions of trading volume, shown in Exhibit 2's right-hand panel, demonstrate that the Index is not narrow-based in the sense of criterion (iv). That criterion's test procedure is to rank Index component stocks from smallest market capitalization to largest, then to identify Index components with smallest market capitalizations in sufficient number to account for 25 percent of Index weight. If the representative aggregate daily trading volume of such identified Index components were less than \$30 million, then the index would be considered narrow-based. For the Index, the entire empirical distribution of daily values of this trading volume measure exceeds \$5.4 billion per day, two orders of magnitude beyond the test threshold.

Section 4 -- Compliance with Core Principles

The Exchange has reviewed the core principles for designated contract markets ("Core Principles") as set forth in the Act and has identified that the new product terms and conditions certified herein may bear upon the following Core Principles:

Core Principle 2 – Compliance with Rules

Trading in these futures contracts shall be subject to:

- CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices;
- the Exchange's trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook; and
- monitoring and surveillance by CME Group's Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Core Principle 3 – Contracts Not Readily Subject to Manipulation

The specified contract-grade equity price index, the TOPIX Index, is sufficiently broad in definition and scope to deter attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlement of expiring contracts. As of October 31, 2017, the Index comprised 2,007 component stocks with approximate aggregate market capitalization of \$26.54 trillion.

The final settlement price of an expiring contract is based entirely upon a special quotation of the Index computed by the TSE on the basis of market clearing opening auctions conducted on the TSE for each of the Index component stocks.³

Core Principle 4 – Prevention of Market Disruption

Trading in these futures shall be subject to CME Rulebook Chapters 4 and 7, which include prohibitions on manipulation, price distortion, and disruption to the expiration process. As with any product listed for trading on a CME Group designated contract market, futures trading activity shall be subject to monitoring and surveillance by CME Group's Market Regulation Department.

Trading in these futures shall be subject to price limits similar to price limits that apply to all other futures products listed for trading on CME that reference broad-based indexes of Japanese equity share prices, such as Nikkei Stock Average Futures (CME Rulebook Chapter 352), Yen Denominated Nikkei Stock Average Futures (CME Rulebook Chapter 352B), and E-mini Yen Denominated Nikkei Stock Average Index Futures (CME Rulebook Chapter 370).⁴

³ See, eg, Tokyo Stock Exchange, *Guide to TSE Trading Methodology*, Sep 2015, available at: http://www.jpx.co.jp/english/equities/trading/domestic/tvdivq000000tpfi-att/Guide_to_TSE.pdf

⁴ See, respectively, CME Rules 35202.I., 352B02.I, and 37002.I.

Core Principle 5 – Position Limits or Accountability

These futures shall be subject to a Position Reporting Level of 50 contracts and to an All Month Position Limit of 20,000 net futures contract equivalents.

To appreciate the proportions of the All Month Position Limit, consider market conditions on October 31, 2017. The Index closing value was 1,765.96 points, making the notional value of the All Month Position Limit equivalent to approximately JPY 176.6 billion of Index exposure, or approximately USD 1.554 billion of Index exposure at that day's exchange rate of JPY/USD 113.63. With Index market capitalization at approximately USD 26.54 trillion, the All Month Position Limit signifies slightly less than 0.006 percent (ie, six tenths of 1/100th of one percent) of Index market capitalization.

Core Principle 7 – Availability of General Information

The Exchange shall disseminate a Special Executive Report (SER) that sets forth information regarding futures contract specifications, terms, and conditions.

Core Principle 8 – Daily Publication of Trading Information

The Exchange shall publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors.

Core Principle 9 – Execution of Transactions

These futures shall be listed for trading on CME Globex, which provides for efficient, competitive, and open execution of transactions. Additionally, CME Globex affords reliability and global connectivity. The applicable CME Globex non-reviewable trading ranges shall be as set forth in Appendix C.

Core Principle 10 – Trade Information

All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

Core Principle 11 – Financial Integrity of Contracts

Contracts shall be cleared by CME Clearing, which is registered with the Commission as a derivatives clearing organization, and which is subject to all CFTC regulations related thereto.

Core Principle 12 – Protection of Markets and Market Participants

CME Rulebook Chapters 4 and 5 set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in all of the Exchange's competitive trading venues and will apply to transactions in the futures certified herein.

Core Principle 13 – Disciplinary Procedures

CME Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in these futures shall be subject to these provisions. The Exchange's Market Regulation Department has the authority to exercise its powers of enforcement, in the event that rule violations in these futures are identified.

Core Principle 14 – Dispute Resolution

Disputes in respect of these futures shall be subject to the arbitration provisions set forth in CME Rulebook Chapter 6, which allow all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchange. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

The Exchange certifies that the Contract complies with the Act, including all regulations thereunder. There were no substantive opposing views to this proposal.

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

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or CMESubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments:	Appendix A	CME Rulebook Chapter 371
	Appendix B	Position Limit, Position Accountability, and Reportable Level Table, CME Rulebook Chapter 5 (attached under separate cover)
	Appendix C	CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
	Appendix D	Special Price Fluctuation Limits and Daily Price Limits Table, CME Rulebook Chapter 5
	Appendix E	Exchange Fees

Appendix A
CME Rulebook
Chapter 371
Yen Denominated TOPIX Index Futures

37100. SCOPE OF CHAPTER

This chapter is limited in application to Yen Denominated TOPIX Index futures (“futures”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.

37101. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at ¥5,000 times the TOPIX Index (“Index”).

37102. TRADING SPECIFICATIONS

37102.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.

37102.B. Trading Unit

The unit of trading shall be ¥5,000 times the Index.

37102.C. Price Increments

Bids and offers shall be quoted in Index points. Subject to Rule 37106.C., the minimum price increment shall be 0.5 Index points, equal to ¥2,500 per contract.

37102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

37102.E. [Reserved]

37102.F. [Reserved]

37102.G. Termination of Trading

Trading in expiring futures shall terminate at the close of trading on the Business Day immediately preceding the Business Day scheduled for determination of the Final Settlement Price of such futures (Rule 37103.A.).

37102.H. [Reserved]

37102.I. Price Limits and Trading Halts

Futures trading shall be subject to Price Limits as set forth in this Rule. For the purpose of this Rule the Exchange shall determine, in its sole discretion, the futures delivery month that represents the Primary Futures Contract Month and when such Primary Futures Contract is limit bid or limit offered.

Trading in a contract shall not be subject to Price Limits during the last day of trading in such contract.

1. Daily Determination of Price Limits

For a given Business Day, Price Limits applicable to a futures contract for a given delivery month shall be calculated on the basis of the corresponding Reference Price (Rule 37102.I.1.a.) and the corresponding Offsets (Rule 37102.I.1.b.), as follows:

8% Price Limits = Reference Price minus 8% Offset, and Reference Price plus 8% Offset

12% Price Limits = Reference Price minus 12% Offset, and Reference Price plus 12% Offset

16% Price Limits = Reference Price minus 16% Offset, and Reference Price plus 16% Offset

1.a. Reference Prices for Price Limits

For a given Business Day, for futures for a given delivery month, the Exchange shall set a contract Reference Price on the first preceding Business Day, as follows:

- Tier 1 Such Reference Price shall be based on the volume-weighted average price of transactions in TOPIX futures for the same delivery month, executed on the Osaka Stock Exchange ("OSE") either during the interval between 2:59:30 to 3:00:00 p.m. Tokyo time or, in the event of an early close of the OSE, during the last thirty (30) seconds of the OSE trading day ("Reference Interval").
- Tier 2 If no such transaction occurs during the Reference Interval, then such Reference Price shall be the average of midpoints of bid/ask spreads in TOPIX futures for the same delivery month, as quoted on the OSE during the Reference Interval, provided that the Reference Price calculation shall exclude the midpoint value for any such bid/ask spread that is wider than 1.5 Index points (equal to 3 minimum price increments).
- Tier 3 If such Reference Price cannot be determined pursuant to Tiers 1 and 2 above, then the Exchange, in its sole discretion, shall set such Reference Price by alternative means which may include, but are not limited to, derivation by reference to the basis relationship between such futures contract's price and the Index, or application of Tier 1 and Tier 2 calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained.

The resultant Reference Price value shall be rounded down to the nearest integer multiple of 0.5 Index points. Such Reference Price, so rounded, shall be used for determination of the corresponding Price Limits.

If, on any CME Business Day, the OSE TOPIX futures market is closed for trading, then the Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Reference Price.

For newly listed futures for a given delivery month, the Exchange shall set, in its sole discretion, a Reference Price value for the purpose of determining Price Limits for the first day of trading in such futures.

1.b. Offsets for Price Limits

Four times per year the Exchange shall determine an Offset value for the next following Quarterly Price Limit period, where such Quarterly Price Limit periods are defined as follows:

March 1 through May 31
June 1 through August 31
September 1 through November 30
December 1 through February 28 (or February 29 during a leap year)

Each such Offset shall be based upon the arithmetic average (“I”) of the daily closing levels of the Index during the interval of 20 consecutive TSE trading days that concludes on the TSE trading day immediately preceding the first day of the corresponding Quarterly Price Limit period. The closing level of the Index on any such TSE trading day shall be made on the basis of prices of Index constituent stocks determined in that day’s TSE closing auction.

Values of such Offsets shall be determined as:

8% Offset = 8% of I (0.08 x I)
12% Offset = 12% of I (0.12 x I)
16% Offset = 16% of I (0.16 x I)

Each resultant Offset value shall be rounded down to the nearest integer multiple of 0.5 Index points. Each such Offset, so rounded, shall be used in determination of the corresponding Price Limits, in accord with Rule 37102.1.1.

2.a. Downward Price Limits

At such time as the Primary Futures Contract becomes limit offered at the downward 8% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract is not limit offered at its downward 8% Price Limit, futures trading shall continue subject to the corresponding downward 12% Price Limit.

If the Primary Futures Contract remains limit offered at its downward 8% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding downward 12% Price Limit.

At such time as the Primary Futures Contract becomes limit offered at its downward 12% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract is not limit offered at its downward 12% Price Limit, futures trading shall continue subject to the corresponding 16% Price Limit.

If the Primary Futures Contract remains limit offered at its downward 12% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding downward 16% Price Limit.

There shall be no futures trading at any price strictly lower than the corresponding downward 16% Price Limit.

2.b. Upward Price Limits

At such time as the Primary Futures Contract becomes limit bid at the upward 8% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract is not limit bid at its upward 8% Price Limit, futures trading shall resume subject to the corresponding upward 12% Price Limit.

If the Primary Futures Contract remains limit bid at its upward 8% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding upward 12% Price Limit.

At such time as the Primary Futures Contract becomes limit bid at its upward 12% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract is not limit bid at its upward 12% Price Limit, futures trading shall resume subject to the corresponding upward 16% Price Limit.

If the Primary Futures Contract remains limit bid at its upward 12% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding upward 16% Price Limit.

There shall be no futures trading at any price strictly higher than the corresponding upward 16% Price Limit.

37103. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

37103.A. Final Settlement Price

For a futures contract for a given delivery month, the Final Settlement Price shall be based on the special quotation of the Index, determined by the TSE on the basis of opening prices on the TSE of each Index component stock. The Final Settlement Price shall be such special quotation of the Index rounded to the nearest 0.01 Index points.

Such special quotation of the Index and the corresponding Final Settlement Price typically shall be determined on the second Friday of such delivery month. When the second Friday of such delivery month is not a TSE business day, such special quotation of the Index and the corresponding Final Settlement Price shall be determined on the TSE business day immediately preceding the second Friday of such delivery month.

37103.B. Final Settlement

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 37102.G.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 37103.A.).

37104. [RESERVED]

37105 [RESERVED]

37106. BASIS TRADE AT INDEX CLOSE (“BTIC”) TRANSACTIONS

Futures shall be eligible for BTIC transactions. All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

37106.A. [Reserved]

37106.B. Price Assignment Procedure for BTIC Futures

The futures price of a BTIC transaction shall be determined by the Exchange no later than 3:45 p.m. Such price determination shall be deemed final.

37106.C. BTIC Order Minimum Price Increment

The minimum price increment shall be 0.1 Index points, equal to ¥500 per contract, for any basis adjustment that is applied to the Index closing level to establish the futures price of a BTIC transaction.

37106.D. BTIC Orders Prohibited on Last Day of Trading

Orders for BTIC transactions in expiring futures may not be initiated on the last day of trading in such expiring futures.

37106.E. Market Disruption Events

In the event of disruption to the TSE, all pending and executed BTIC transactions in futures shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early closure for the day of the TSE or a regulatory trading halt necessitating an early closure of the TSE.

(End Chapter 371)

Appendix B

**CME Rulebook Chapter 5
Interpretations and Special Notices Relating to Chapter 5 –
Position Limit, Position Accountability, and Reportable Level Table**

(attached under separate cover)

Appendix C

CME Rulebook Chapter 5 Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table

Outright					Spreads	
Instrument Name	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks	NRR: Globex Format	NRR: Minimum Outright Ticks
<u>Yen Denominated TOPIX Futures</u>	<u>TPY</u>	<u>8.00 index points</u>	<u>800</u>	<u>16</u>	<u>2.50 index points</u>	<u>5</u>
<u>BTIC on Yen Denominated TOPIX Futures</u>	<u>TPB</u>	<u>2.00 index points</u>	<u>200</u>	<u>4</u>	<u>N/A</u>	<u>N/A</u>

Appendix D

CME Rulebook Chapter 5 Interpretations and Special Notices Relating to Chapter 5 – Special Price Fluctuation Limits and Daily Price Limits Table

Equity Indexes					
CME	Rulebook Chapter	Commodity Code	Primary/Associated	Associated with	Daily Price Limit
<u>Yen Denominated TOPIX Index Futures</u>	<u>371</u>	<u>TPY</u>	<u>Primary</u>	<u>Primary</u>	<u>Daily Price Limit Table</u>
<u>BTIC on Yen Denominated TOPIX Index Futures</u>	<u>371</u>	<u>TPB</u>	<u>Associated</u>	<u>TPY</u>	<u>Daily Price Limit Table</u>

Appendix E

Exchange Fees Yen Denominated TOPIX Index Futures

Fees are charged per side (both buy and sell side) per contract.	Venue/Transaction Type	
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	\$0.30
	CME Globex	\$0.80
	EFP EFR BTIC	\$2.05
Rule 106.D Lessees Rule 106.F Employees	Delivery	\$0.53
	CME Globex	\$1.03
	EFP EFR BTIC	\$2.28
Rule 106.R Electronic Corporate Member <i>(For other than CME Globex - See Non-Members)</i>	CME Globex	\$1.08
	CME Globex - BTIC	\$2.43
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	Delivery	\$0.68
	CME Globex	\$1.08
	EFP EFR BTIC	\$2.43
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants <i>(For other than CME Globex - See Non-Members)</i>	CME Globex	\$1.10
	CME Globex - BTIC	\$2.65
Central Bank Incentive Program (CBIP) Participants Emerging Markets Bank Incentive Program (EMBIP) Participants Latin American Fund Manager Incentive Program (FMIP) Participants <i>(For other than CME Globex - See Non-Members)</i>	CME Globex	\$1.60
	CME Globex - BTIC	\$2.65
Members Trading Outside of Division <i>(For other than CME Globex During ETH - See Non-Members)</i>	CME Globex - During ETH Only	\$1.40
Non-Members <i>(Including: CTA/Hedge Fund Incentive Program Participants)</i>	Delivery	\$0.90
	CME Globex - Outrights	\$2.15
	CME Globex - Spreads	\$1.90
	EFP EFR BTIC	\$2.65

Other Fees	Fee
Position Adjustments/Position Transfers	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee (waived until 3/31/2018)	\$0.40