

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-092

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 03/11/2016 Filing Description: Listing of the U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Swap

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 |

Official Product Names: See filing.

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:

March 11, 2016

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 40.2(a) Certification. Notification Regarding the Listing of the U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Swap Contract.
CME SEF Submission No. 16-092**

Dear Mr. Kirkpatrick:

At the request of the Commodity Futures Trading Commission (“CFTC” or “Commission”) staff, Chicago Mercantile Exchange Inc., a registered swap execution facility (“SEF”), (“CME SEF” or “Exchange”) is providing the Commission with this notification that it is self-certifying the listing of the U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Swap contract (the “Contract”) for trading. As part of the Exchange’s original SEF application and pursuant to CME Submission No. 13-502 dated November 6, 2013, the Exchange initially notified the Commission of the listing of the Contract.

The Contract specifications are as follows:

Rule Chapter Number and Contract Title	Chapter 10 U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Swap
Commodity Code	BUW
Contract Size	20 Gross Tons
Listing Schedule (all venues)	24 consecutive calendar months
Termination of Trading	Contract shall terminate on the 10th calendar day of the contract month. If 10th calendar day falls on a holiday or weekend, the price will settle on the first immediately following business day. Business days are based on the U.S. Public Holiday calendar.
Minimum Price Fluctuation	\$0.01 per Gross Ton

The original filing of the product chapter erroneously included Rule 10102.D. (“Position Limits, Exemptions, Position Accountability and Reportable Levels”). The Exchange is deleting Rule 10102.D. Appendix A provides Chapter 10 in blackline format.

The Exchange reviewed the SEF core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that listing the Contract may have some bearing on the following Core Principles:

- Monitoring of Trading and Trade Processing: Trading in this Contract will be subject to the SEF rules (“Rulebook”) which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process.
- Contracts Not Readily Subject to Manipulation: This Contract is not readily subject to manipulation as a result of the deep liquidity and robustness of the underlying futures market and settlement index.
- Compliance with Rules: Trading in this Contract will be subject to the rules in the Rulebook which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in this Contract will also be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 of the Rulebook. Activity in this product is subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- Timely Publication of Trading Information: The Exchange will publish information on the Contract’s specification on its website, together with daily trading volume, open interest and price information. Trading volume, open interest and price information will be published daily on the Exchange’s website and via quote vendors.
- Financial Integrity of Contracts: The Contract will be cleared by the Clearing House of the Chicago Mercantile Exchange Inc. which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- Trade Information: All required trade information is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- Position Limits and Position Accountability: This swap product is a Permitted Transaction as defined in Regulation 37.9. A SEF may demonstrate compliance with this Core Principle by sending the Commission a list of its Permitted Transactions that are traded on the SEF.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to the listing of the Contract.

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>.

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

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A: Rulebook Chapter (blackline format)
Appendix B: Outstanding Derivatives Notional Exposure; Trading Liquidity; Pricing Data;
Pricing Sources, Models and Procedures

APPENDIX A

CME SEF Rulebook

Chapter 10: U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Swap

10100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all swap contracts bought or sold on the CME SEF for cash settlement based on the Floating Price (as defined below). The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the CME SEF or other rules as referred to therein.

10101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the price assessment published on the 10th of that given calendar month for the U.S. Midwest #1 Busheling Scrap by AMM. If the 10th falls into a holiday or weekend, the price will settle on the immediately following business day.

10102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by CME SEF.

10102.B. Trading Unit

The contract quantity shall be 20 gross tons. Each swap contract shall be valued as the contract quantity multiplied by the settlement price.

10102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per gross ton. The minimum price fluctuation shall be \$0.01 per gross ton.

~~10102.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 CME SEF, 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.~~

10102.E. Termination of Trading

The contract shall terminate on the 10th calendar day of the contract month. If the 10th calendar day falls into a holiday or weekend, the price will settle on the immediately following business day. Business days are based on the U.S. Public Holiday calendar.

10103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

10104. CLEARING GUARANTEE

No order or trade in this contract may be entered or executed upon any CME SEF platform unless a NYMEX Clearing Member, as the term is defined under NYMEX Rules, guarantees and assumes complete responsibility for the financial obligations of the participant on whose behalf such order or trade is entered.

10105. DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") ITS AFFILIATES NOR AMERICAN METAL MARKET ("AMM") GUARANTEES THE ACCURACY NOR COMPLETENESS OF THE INDEX OR ANY OF THE DATA INCLUDED THEREIN. NYMEX, ITS AFFILIATES OR AMM MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE

RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX, TRADING AND/OR CLEARING BASED ON THE INDEX, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR AMM HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

APPENDIX B

Derivatives Trading Liquidity and Notional Exposure

While there is some trading in the NYMEX U.S. Midwest #1 Busheling Ferrous (AMM) Futures contract (BUS), the derivatives market in scrap steel is in its early stages and is likely to continue to grow. CME Clearing is not aware of ferrous scrap OTC derivatives and forward transaction market activity.

Trading liquidity data for the NYMEX U.S. Midwest #1 Busheling Ferrous (AMM) Futures contract (BUS) is provided in Table 1 below.

Table 1. U.S. Midwest #1 Busheling Ferrous (AMM) Futures (BUS)

Month	Volume	Notional Value for Monthly Volume	ADV	Notional Value for ADV
Sep-12	66	\$516,199	3	\$23,464
Oct-12	220	\$1,478,048	10	\$67,184
Nov-12	175	\$1,364,090	8	\$62,358
Dec-12	45	\$350,379	2	\$15,572
Jan-13	267	\$2,077,100	13	\$101,132
Feb-13	50	\$375,240	3	\$22,514
Mar-13	264	\$2,203,133	13	\$108,488
Apr-13	159	\$1,262,937	7	\$55,601
May-13	665	\$5,018,223	30	\$226,386
Jun-13	35	\$264,159	2	\$15,095
Jul-13	125	\$1,026,825	6	\$49,288
Aug-13	0	\$0	0	\$0
Sep-13	0	\$0	0	\$0
Oct-13	0	\$0	0	\$0
Nov-13	2	\$17,248	0	\$0
Dec-13	0	\$0	0	\$0
Jan-14	0	\$0	0	\$0
Feb-14	0	\$0	0	\$0
Mar-14	0	\$0	0	\$0
Apr-14	0	\$0	0	\$0
May-14	34	\$25,840	2	\$15,200
Jun-14	0	\$0	0	\$0
Jul-14	0	\$0	0	\$0
Aug-14	0	\$0	0	\$0
Sep-14	0	\$0	0	\$0
Oct-14	0	\$0	0	\$0
Nov-14	0	\$0	0	\$0

Dec-14	0	\$0	0	\$0
Jan-15	0	\$0	0	\$0
Feb-15	0	\$0	0	\$0
Mar-15	0	\$0	0	\$0
Apr-15	550	\$2,750,000	25	\$125,000
May-15	0	\$0	0	\$0
Jun-15	0	\$0	0	\$0
Jul-15	0	\$0	0	\$0
Aug-15	0	\$0	0	\$0
Sep-15	8	\$37,469	0	\$0
Oct-15	0	\$0	0	\$0
Nov-15	0	\$0	0	\$0
Dec-15	0	\$0	0	\$0
Jan-16	0	\$0	0	\$0
Feb-16	0	\$0	0	\$0
Total	2,665	\$18,766,890	124	\$887,282

Source: CME Group

Statement on Pricing Data

Pricing data for the NYMEX U.S. Midwest #1 Busheling Ferrous (AMM) Futures contract (BUS) and U.S. Midwest #1 Busheling Ferrous Scrap (AMM) Swap (BUW) is readily available. Both contracts reference the U.S. Midwest #1 Busheling Ferrous Scrap Index for settlement values. The U.S. Midwest #1 Busheling Ferrous Scrap Index is administered by the American Metal Market (“AMM”), which has been reporting on the U.S. scrap metal market for over 100 years. Information regarding the U.S. Midwest #1 Busheling Ferrous Scrap Index, including its calculation methodology, is publicly available. The AMM Midwest Scrap Index methodology is enclosed as Appendix 1-A (AMM Midwest Scrap Index – Methodology).

U.S. Midwest #1 Busheling Ferrous Scrap S Price



Source: AMM

Pricing Sources, Models and Procedures

The AMM U.S. Midwest #1 Busheling Ferrous Scrap Index methodology aims to use the input of high-quality data. AMM has been reporting on the U.S. scrap market for over 100 years and therefore has significant experience and knowledge in providing benchmark prices to the industry. The index is based on transactions, which are reported to AMM by market participants conducting trades on a delivered Midwest mill basis, and is not restricted to a panel or selected group of market participants. The Midwest #1 Busheling Ferrous Scrap Index also utilizes aggregate transaction data, where available, in order to maximize the tonnage proportion of buyers and sellers in the market represented in the final index. AMM is impartial and has no financial or other interest in the level or direction of the AMM U.S. Midwest #1 Busheling Ferrous Scrap Index.