

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-238

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

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

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/29/18

Filing Description: CME Rule 589. ("Special Price Fluctuation Limits") for Foreign Exchange (FX) Futures and Options Contracts.

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:

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

Official Product Name:

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: See filing.

Rule Numbers: See filing.

June 29, 2018

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to CME Rule 589. (“Special Price Fluctuation Limits”) for Foreign Exchange (FX) Futures and Options Contracts.
CME Submission No. 18-238**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is self-certifying amendments to CME Rule 589. (“Special Price Fluctuation Limits”) for foreign exchange (“FX”) futures and options contracts effective on Sunday, July 29, 2018, for trade date Monday, July 30, 2018.

Specifically, CME Rule 589.B.3. (“Foreign Exchange Contracts”) states that there shall be no special price fluctuation limits for any primary FX futures contract expiries or any associated product contract expiries of the primary FX futures contract on the last trading day of an expiring primary FX futures contract month. Rule 589.B.3. is being amended such that there will be no price limits in the expiring primary FX futures contract month only, and that any non-expiring contract months of the primary foreign exchange futures contract or any contract months of any associated products of the primary FX futures contract shall have price fluctuation limits.

The potential volatile nature of the FX futures and options on futures and the underlying FX spot markets necessitates any non-expiring contract months of the primary FX futures contract or any contract months of any associated product retain their price fluctuation limits on the last trading day of an expiring primary FX futures contract in order to facilitate price discovery and thereby ensure cash-futures convergence in the FX futures and options on futures complex.

The Exchange reviewed the designated contract market core principles (“DCM Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the amendments to CME Rule 589.B.3. may have some bearing on the following Core Principles:

- **Compliance with Rules:** CME Rule 589.B.3. is being amended to clarify the way special price fluctuation limits are applied to FX products. As such, the amendments remain in compliance with this Core Principle.
- **Prevention of Market Disruption:** CME Rule 589.B.3. is expressly intended to prevent unwarranted price movements in products subject to the Rule. The amendments codify the manner in which the limits are applied, and remain in compliance with the Core Principle.

- **Availability of General Information:** As required by this Core Principle, the Exchange will publicly issue a Special Executive Report (“SER”) prior to the amendments becoming effective, and the SER will also be available on the CME Group website.
- **Protection of Market Participants:** CME Rule 589.B.3. is expressly intended to promote fair and equitable trading by ensuring that there are limits on the permissible price movements on any given trading day in the products subject to the Rule. As such, the amendments are in compliance with this Core Principle.

There were no substantive opposing views to this proposal.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange certifies that the amendments comply with the Act and regulations thereunder.

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 contact the undersigned at 212.299.2200 or via email at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1: CME Rule 589.B.3. (blackline format)

EXHIBIT 1

CME Rulebook Chapter 5 Trading Qualifications and Practices

(Additions are underlined; deletions are ~~struck through~~.)

589. SPECIAL PRICE FLUCTUATION LIMITS

589.B. Triggering Events and Temporary Trading Halts

3. Foreign Exchange Contracts

The GCC shall designate a lead primary contract month for purposes of this Rule. Additionally, an expiring contract month of a primary futures contract shall have no special price fluctuation limits on its expiration day~~on the expiration day of an expiring primary futures contract month, there shall be no special price fluctuation limits on any contract months of the primary futures contract or on any contract months of any associated products of the primary futures contract.~~

On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minutes preceding the end of the primary futures contract's settlement price determination period. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the conclusion of the five (5) minute period, at which time a monitoring period, temporary trading halt or special price fluctuation limit expansion, as applicable, will occur.

On each trading day, there shall be no temporary trading halts or expansion of special price fluctuation limits in the primary futures contract or in any associated products of the primary futures contract during the five (5) minute period preceding the close of trading. If a triggering event occurs during this five (5) minute period, trading will continue with the current price limit in effect until the close of trading.