

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-293

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 07/17/2020 Filing Description: Expansion of the Strike Price Listing Schedule of the Options on Bitcoin Futures Contract

**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: 350

**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

**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: Options on Bitcoin Futures Contract.

Rule Numbers: 350A.

July 17, 2020

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
 Office of the Secretariat  
 Commodity Futures Trading Commission  
 3 Lafayette Centre  
 1155 21<sup>st</sup> Street, N.W.  
 Washington, D.C. 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Expansion of the Strike Price Listing Schedule of the Options on Bitcoin Futures Contract. CME Submission No. 20-293**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to Rule 350A.1. (“Options Characteristics”) of the Options on Bitcoin Futures contract (the “Contract”) (Rulebook Chapter 350A; CME Globex and CME ClearPort Code: BTC) to expand the strike price listing schedule for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on Sunday, August 2, 2020 for trade date Monday, August 3, 2020 as more specifically described in the table below.

Contract Title	Current Listing Schedule	Expanded Listing Schedule
<b>Options on Bitcoin Futures</b>	<b>All contract months:</b>	<b>All contract months:</b>
	100000 point strike	100000 point strike
	10000 point strike increments from 10000-600% above the ATM strike price	10000 point strike increments from 10000-600% above the ATM strike price
	1000 point strike increments from 1000-400% above the ATM strike price	1000 point strike increments from 1000-400% above the ATM strike price
		Dynamic strike creation in 25 point strike increments
	<b>Nearest two contract months:</b>	<b>Nearest four contract months:</b>
500 point strike increments from 50% below to 50% above the ATM strike price and 100 point strike increments from 20% below to 10% above the ATM strike price	500 point strike increments from 50% below to 50% above the ATM strike price	
	<b>Nearest three contract months:</b>	
	100 point strike increments from 30% below to 30% above the ATM strike price	
	<b>Nearest two contract months:</b>	
If underlying future price falls below 5000, 50 point strike increments from 20% below to 10% above the ATM strike price	If underlying future price falls below 5000, 50 point strike increments from 20% below to 10% above the ATM strike price	

Amendments to Rule 350A.1. are provided in Exhibit 1 below in blackline format.

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

**Compliance with Rules**

The Exchange shall continue their normal practice to establish, monitor, and enforce compliance with the rules for the Contract, including the amendments for the contract.

**Prevention of Market Disruption**

The Exchange has the capacity to detect abnormal price movements and unusual trading volumes, including such abnormal price movements or trading volumes as may be associated with bilaterally negotiated trades, and they hold the authority to take remedial action as appropriate.

**Execution of Transactions**

The amendments will further enable the Exchange to continue their current practice of providing a competitive, open, and efficient market mechanism for executing transactions.

**Availability of General Information**

The Exchange shall disseminate a Special Executive Report (“SER”) regarding the amendments. The SER will also be posted on the CME Group website.

**Daily Publication of Trading Information**

Trading volume, open interest and price information will be published daily on the Exchange’s website and via quote vendors.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange certifies that the amendments comply with the Act, including regulations under the Act. 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-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](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1 - Amendments to Rule 350A.1. Options on Bitcoin Futures Contract  
(blackline format)

**EXHIBIT 1**  
**CME Rulebook**  
**Chapter 350A**  
**Options on Bitcoin Futures**  
(additions underlined, deletions ~~struck through~~)

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**350A01. OPTION CHARACTERISTICS**

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**350A01.E. Exercise Prices**

**1. Regularly-Listed Exercise Prices**

**Monthly Options**

On any Business Day, the Exchange shall ensure that Monthly put and call options are listed for trading at all eligible exercise prices, as follows:

**100000 Point Exercise Prices**

For Monthly options exercisable into a given Underlying Futures Contract (Rule 350A01.D.1.), the Exchange shall ensure that such put and call options are listed for trading at the 100000 exercise price level.

**10000 Point Exercise Prices**

For Monthly options exercisable into a given Underlying Futures Contract (Rule 350A01.D.1.), the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10000 Index points (e.g., 10000, 20000, 30000) and that lie within a range from 10000 Index points to 600 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 10000.

**1000 Point Exercise Prices**

For Monthly options exercisable into a given Underlying Futures Contract (Rule 350A01.D.1.), the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 1000 Index points (e.g., 9000, 10000, 11000) and that lie within a range from 1000 Index points to 400 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 1000.

**500 Point Exercise Prices**

For options exercisable into Underlying Futures Contracts for ~~either the nearest or the second-nearest~~ **each of the four nearest** Underlying Futures Contract Months, the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 500 Index points (e.g., 9500, 10000, 10500) and that lie within a range from 50 percent below to 50 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 500.

**100 Point Exercise Prices**

For options exercisable into Underlying Futures Contracts for ~~either the nearest or the second-nearest~~ **each of the three nearest** Underlying Futures Contract Months, the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 100 Index points (e.g., 9500, 9600, 9700) and that lie within a range from ~~[20]~~**30** percent below to ~~[40]~~**30** percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 100.

**50 Point Exercise Prices**

For options exercisable into Underlying Futures Contracts for either the nearest or the second-nearest Underlying Futures Contract Months, if the daily settlement price of such Underlying Futures Contract on the preceding Business Day is below 5000 price points, then the Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 50 Index points (e.g., 4850, 4900, 4950) and that lie within a range from 20 percent below to 10 percent above the preceding Business Day's daily settlement price of the Underlying Futures Contract as rounded to the nearest integer multiple of 50.

Additional exercise prices may be listed on a discretionary basis on any Business Day up to and including the termination of trading in such options.

**2. Dynamically-Listed Exercise Prices**

**Upon demand and at the discretion of the Exchange, an option with an out-of-current-range exercise price may be listed for trading as a User-Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 25 Index points. The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.**

[Remainder of rule unchanged.]