

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 21-303

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/11/21 Filing Description: Amendments to the Minimum Price Fluctuation and the Exercise Price Increment of the Monthly and Weekly Options on the Brazilian Real /U.S. Dollar (BRL/USD) Futures Contract and Expansion of the BRL/USD Monthly Option Listing Schedule on CME Globex

**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 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 checked="" 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: See filing.

Rule Numbers: See filing.



Christopher Bowen  
 Managing Director and Chief Regulatory Counsel  
 Legal Department

August 11, 2021

**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 40.6(a) Certification. Amendments to the Minimum Price Fluctuation and the Exercise Price Increment of the Monthly and Weekly Options on the Brazilian Real /U.S. Dollar (BRL/USD) Futures Contract and the Expansion of the BRL/USD Monthly Option Listing Schedule on CME Globex.  
 CME Submission No. 21-303**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to CME Chapter 257A (“Options on Brazilian Real/U.S. Dollar (BRL/USD) Futures”), to decrease the minimum price fluctuation and the strike price increment of the Monthly and Weekly Options on Brazilian Real/U.S. Dollar (BRL/USD) Futures (“the Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort as described in Exhibit 1 below and expand the Monthly Options on Brazilian Real/U.S. Dollar (BRL/USD) Futures listing schedule on CME Globex as described in Exhibit 2 below (collectively, the “Rule Amendments”) effective Sunday, September 12, 2021 for trade date Monday, September 13, 2021.

**Exhibit 1**

Contract Title	CME Globex and CME ClearPort Code	Current Minimum Price Fluctuation	Decreased Minimum Price Fluctuation	Current Strike Price Increment	Decreased Strike Price Increment
Monthly Options on Brazilian Real/U.S. Dollar (BRL/USD) Futures	BR	\$0.00005 per Brazilian real = \$5.00	\$0.00001 per Brazilian real = \$1.00	\$0.0050 per Brazilian real	\$0.0010 per Brazilian real
Weekly Options on Brazilian Real/U.S. Dollar (BRL/USD) Futures	1R-5R				

**Exhibit 2**

Contract Title	CME Globex and CME ClearPort Code	Current CME Globex Listing Schedule	Expanded CME Globex Listing Schedule
Monthly Options on Brazilian Real/U.S. Dollar (BRL/USD) Futures	BR	Three (3) consecutive contract months	Twelve (12) consecutive contract months

The Rule Amendments are intended to align the Contracts more closely with OTC BRL/USD option market conventions and thereby enhance trading and clearing of the Contracts. The Exchange is increasing the listing schedule for BRL/USD monthly options from 3 month to 12 months to align the listing schedules on CME Globex with that on CME ClearPort.

Amendments to Rule 257A01.C. ("Price Increments") of Chapter 257A are provided in Appendix A below in blackline format.

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 Rule Amendments may have some bearing on the following Core Principles:

- **Availability of General Information:** The Exchange will release a Special Executive Report ("SER") regarding the actions described herein to ensure notification to market participants. The SER will also be posted on the CME Group website.
- **Daily Publication of Trading Information:** CME will continue to publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contracts.
- **Execution of Transactions:** Following the implementation of the Rule Amendments, the Exchange will continue to provide a competitive, open, and efficient market and mechanism for executing transactions that protects the price discovery process of trading for the Contracts. The Exchange is extending the BRL/USD monthly option listing schedule for trading on CME Globex to align with the listing schedule on CME ClearPort.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), CME hereby certifies that the Rule Amendments comply with the Act, including the regulations under the Act. There were no substantive opposing views to the 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: Appendix A - Amendments to CME Chapter 257A (blackline format)

## Appendix A

### **CME Rulebook**

(additions underscoring; deletions ~~struck through~~)

### **Chapter 257A**

### **Options on Brazilian Real/U.S. Dollar (BRL/USD) Futures**

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#### **257A01. OPTIONS CHARACTERISTICS**

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##### **257A01.C. Price Increments**

~~The price of an option shall be quoted in U.S. dollars per Brazilian real. Each \$.00005 per Brazilian real (one-half tick) shall represent \$5.00. For example, a quote of .00870 represents an option price of \$870.00 (87.0 points x \$5.00 per one-half point). The minimum fluctuation shall be one-half tick (\$.00005).~~

The price of an option shall be quoted in U.S. dollars per Brazilian real. The minimum price increment shall be \$.00001 per Brazilian real and represent \$1.00 (contract size of BRL100,000\*\$0.00001). For example, a quote of .00871 represents an option price of \$871.00 (100,000\*0.00871).

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##### **257A01.J. Exercise Prices**

Regular exercise prices shall be stated in terms of U.S. dollars per Brazilian real at intervals of ~~\$0.005~~ \$0.001, e.g., \$1.115, \$1.120, \$1.125, \$0.1950, \$0.1960, \$0.1970, etc.

[Remainder of Rule Unchanged.]