

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 18-319

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

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): August 23, 2018 Filing Description: Amendments to Expiration Time on Last Trading Day for Nineteen (19) Options on CME Foreign Exchange ("FX") Futures 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.

August 23, 2018

**VIA ELECTRONIC PORTAL**

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. Notification Regarding Amendments to Expiration Time on Last Trading Day for Nineteen (19) Options on CME Foreign Exchange ("FX") Futures Contracts. CME Submission No. 18-319**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying amendments to CME Rules pertaining to the expiration time on the last trading day for options on the nineteen (19) CME Foreign Exchange ("FX") futures contracts (the "Contracts") listed in Appendix A effective Sunday, September 9, 2018 for trade date Monday, September 10, 2018.

Specifically, CME will change the expiry time on the last trading day of the Contracts from 2:00 pm Central Time ("CT") to 9:00 am CT for all option contracts expiring **after** Sunday, June 9, 2019. The Exchange will implement this change on the said effective date to all newly-listed option contract expirations without open interest that shall be listed for trading on the CME Globex electronic trading system and for submission for clearing on CME ClearPort. Amendments to the Contracts are contained in Appendix C in blackline format.

As shown in Appendix B, the June 2019 – Week 2 option expiries will be the first Wednesday and weekly option expiries with the newly amended 9:00 am CT expiry time on the last trading day. In addition, the July and September 2019 option expiries will be the first monthly and quarterly option expiries with the newly revised 9:00 am CT expiry time on the last trading day.

Please see CME Submission 18-066 dated March 12, 2018 regarding delisting previously-listed contract months of the premium-quoted European 9 am weekly, monthly, and quarterly option contracts on the Australian Dollar/US Dollar ("AUD/USD"), Canadian Dollar/US Dollar ("CAD/USD"), British Pound/US Dollar ("GBP/USD"), Euro/US Dollar ("EUR/USD"), Japanese Yen/US Dollar ("JPY/USD"), and Swiss Franc/US Dollar ("CHF/USD") futures contracts that terminate and expire on their last trade date based upon the 9 am CT daily settlement prices of the corresponding underlying futures contracts.

CME is implementing the rule amendments to further align the Exchange's highly liquid FX option complex with the current market conventions of the over-the-counter ("OTC") FX option market.

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act” or “CEA”) and identified that the rule amendments to CME Rules pertaining to the expiration time on the last trading day for the Contracts may have some bearing on the following Core Principles:

- **Compliance with Rules:** CME shall continue its normal practice to establish, monitor, and enforce compliance with the rules for the Contracts, including the terms and conditions of the Contracts’ newly revised rules and procedures for expiration times on the last trading day.
- **Contracts Not Readily Subject to Manipulation:** Changing the expiration time of the Contracts from 2:00 pm to 9:00 am CT will not make the Contracts more susceptible to market manipulation. CME is amending the expiration time on the last trading day of the Contracts to be in alignment with the global 10:00 am New York time expiry convention of the OTC FX option market. The Exchange expects this realignment will make the Contracts more accessible to global participants and will unlock significant long-term growth opportunities for the Exchange that will maximize market liquidity and depth, pricing transparency, increased capital efficiencies, and client diversification of the Contracts traded on the central limit order book of CME Globex and submitted for clearing on CME ClearPort.
- **Prevention of Market Disruption:** Changes to the expiration time of the Contracts from 2:00 pm to 9:00 am CT will only be applied to newly listed option expiries, which will have zero open interest when they are initially listed for trading on CME Globex and for submission for clearing only on CME ClearPort. Further, these changes will not impede the Exchange’s capacity and responsibility to prevent manipulation, price distortion, and disruptions to the Contracts through currently established market surveillance, compliance, and enforcement practices and procedures.
- **Availability of General Information:** CME will amend the CME rulebook accordingly on the effective date, which is publically available on the CME Group website. In addition, the Exchange will publish a Special Executive Report (“SER”) to advise the marketplace of these amendments. The SER will also be posted on the CME Group website.
- **Daily Publication of Trading Information:** In amending the expiration time of the Contracts from 2:00 pm to 9:00 am CT, CME shall continue its regular practice to make public daily information on the settlement prices, volume, open interest, and opening and closing ranges for all actively traded expiries in these options.
- **Execution of Transactions:** Amending the expiration time of the Contracts from 2:00 pm to 9:00 am CT will have no impact on the CME Globex central limit order book for the Contracts. These changes will not impede the CME’s ability as a designated contract market to provide a competitive, open, and efficient market mechanism for executing transactions that protects the price discovery and daily/final settlement processes of the Contracts.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), CME hereby certifies that the rule amendments to the Contracts comply with the Act, including all regulations under the Act. There were no substantive opposing views to this proposal.

CME 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 [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A - List of CME FX Options Contracts to be Amended under Current Proposal to Change the Expiration Time for Expiring FX Options on the Last Trading Day from 2:00 PM Central Time to 10:00 AM Eastern Time (attached under separate cover)

Appendix B - First Wednesday, Weekly, Monthly, and/or Quarterly Expiries for the CME FX Options Contracts (attached under separate cover)

Appendix C - Amendments to CME FX Options Rulebook Chapters (blackline format) (attached under separate cover)

Appendix D - Position Limits, Position Accountability and Reportable Level Table in Chapter 5 of the CME Rulebook (effective September 10, 2018) (blackline format) (attached under separate cover)

Appendix E - Position Limits, Position Accountability and Reportable Level Table in Chapter 5 of the CME Rulebook (effective June 10, 2019) (blackline format) (attached under separate cover)