

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-368

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 08/23/21 Filing Description: Amendments to the Cash Settlement Rule of the Brazilian Real/U.S. Dollar (BRL/USD), Chilean Peso/U.S. Dollar (CLP/USD) and U.S. Dollar/Chilean Peso (USD/CLP) Futures Contracts

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.

August 23, 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 Cash Settlement Rule of the Brazilian Real/U.S. Dollar (BRL/USD), Chilean Peso/U.S. Dollar (CLP/USD) and U.S. Dollar/Chilean Peso (USD/CLP) Futures Contracts. CME Submission No. 21-368

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the Cash Settlement Rule of the: Brazilian Real/U.S. Dollar (BRL/USD) Futures (Rulebook Chapter 257; CME Globex Code: 6L, CME ClearPort Code: BR); U.S. Dollar/Chilean Peso (USD/CLP) Futures (Chapter 345; CME Globex and ClearPort Code: CHL); and Chilean Peso/U.S. Dollar (CLP/USD) Futures (Chapter 246; CME Globex and CME ClearPort Code: CHP) contracts (collectively, the “Contracts”) effective Sunday, December 5, 2021 for trade date Monday, December 6, 2021.

Specifically, CME is amending the Cash Settlement Rule of the Contracts such that the deferral period following a Price Source Disruption will be reduced from 30 consecutive calendar days to 14 consecutive calendar days. In addition, the Exchange will remove the “Exchange Rate Divergence” provision for the cash settlement procedures for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort (collectively, the “Rule Amendments”).

The EMTA BRL Working Group has recommended, effective December 3, 2021, the use of updated Template Terms for BRL and CLP transactions. The amendments cover the removal of the Exchange Rate Divergence provision from the BRL Template Terms and the update of the Maximum Days of Postponement from 30 days to 14 days for the BRL and CLP Template Terms. CME is amending BRL/USD, USD/CLP and CLP/USD futures to incorporate the EMTA Template Terms into its rules and align the Contracts more closely with OTC market conventions and thereby enhance trading and clearing of the Contracts.

The Rule Amendments 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.
- **Prevention of Market Disruption:** Following the implementation of the Rule Amendments, the Exchange will continue to have the capacity and responsibility to prevent disruptions of the cash-settlement process for the Contracts in the event of a price source disruption.

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 Rule Amendments.

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

Attachment: Appendix A - Amendments to CME Chapter 257, CME Chapter 345 and CME Chapter 346
(blackline format)

Appendix A CME Rulebook

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

Chapter 257 Brazilian Real/U.S. Dollar (BRL/USD) Futures

25702. SETTLEMENT PROCEDURES

25702.A. [Reserved]

25702.B. Cash Settlement

All Brazilian real/U.S. dollar futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a price equal to the Final Settlement Price. The CME Brazilian real/U.S. dollar currency futures contract Final Settlement Price shall be equal to the reciprocal of the spot exchange rate for Brazilian real per U.S. dollar, defined as the average offered rate calculated by the Central Bank of Brazil on the last Business Day of the month for the Central Bank of Brazil immediately preceding the contract month, to 5 decimal places ("BRL PTAX" or "BRL09" rate). This rate is reported by the Banco Central do Brasil on its website at www.bcb.gov.br by approximately 1:15 p.m., São Paulo time. All open positions shall be cash settled to the reciprocal of this rate on the Business Day following the last Business Day of the month for the Central Bank of Brazil.

1. Procedures for a Price Source Disruption

In the event of a Price Source Disruption as defined by the 1998 FX and Currency Option Definitions ~~(which shall include the term "Exchange Rate Divergence" as defined by the EMTA Template Terms for BRL/USD Non-Deliverable FX Forward Transactions)~~, the Clearing House shall defer cash settlement to a subsequent day.

2. Procedures for the Cessation of a Price Source Disruption

Upon the cessation of a Price Source Disruption after a deferral period commences, CME shall determine the Final Settlement Price using the reciprocal of such Rate rounded to 5 decimal places and the Brazilian real/U.S. dollar futures contract shall be settled on such day. If, however, ~~30~~ 14 consecutive calendar days pass without the cessation of the Price Source Disruption, CME shall otherwise determine the Final Settlement Price.

3. Procedures after ~~30~~ 14-Day Deferral Period

After the lapse of ~~30~~ 14 consecutive calendar days without the cessation of the Price Source Disruption, CME Rule 812 shall apply to determine the Final Settlement Price.

Chapter 345 U.S. Dollar/Chilean Peso (USD/CLP) Futures

34502. SETTLEMENT PROCEDURES

34502.A. [Reserved]

34502.B. Cash Settlement

All U.S. dollar/Chilean peso futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a Final Settlement Price equal to the "Dólar Observado", as determined on the termination of trading day but reported by the Banco Central de Chile (BCC) on the Business Day following the termination of trading day on the BCC's website (<http://www.bcentral.cl/index.asp>) and rounded to 2 decimal places. This rate is widely used by the interbank foreign exchange market to cash settle non-deliverable forward contracts for U.S. dollars versus Chilean

pesos. All open positions shall be cash settled to this rate on the Business Day following the last Business Day of the month for the BCC.

1. Procedures if No BCC Dólar Observado Rate is Available

In the event that there is a price source disruption and the Dólar Observado rate is not calculated by the BCC on the termination of trading day and/or broadcasted on the Business Day following the termination of trading day, the Clearing House shall defer cash settlement to a subsequent day.

2. Procedures if BCC Dólar Observado Rate is Available after Commencement of a Deferral Period

Upon publication of the BCC Dólar Observado rate after a deferral period commences, CME shall determine the Final Settlement Price using such Rate rounded to 2 decimal places and the U.S. dollar/Chilean peso futures contract shall be settled on such day. If, however, ~~30~~ 14 consecutive calendar days pass without publication of the BCC Dólar Observado rate, CME shall otherwise determine the Final Settlement Price. See section 3.

3. Procedures after ~~30~~ 14-Day Deferral Period

After the lapse of ~~30~~ 14 consecutive calendar days without publication of the BCC Dólar Observado rate, then Rule 812 shall apply to determine the Final Settlement Price.

Chapter 346 Chilean Peso/U.S. Dollar (CLP/USD) Futures

34602. SETTLEMENT PROCEDURES

34602.A. [Reserved]

34602.B. Cash Settlement

All Chilean peso/U.S. dollar futures contracts remaining open after the close of trading on the termination of trading day shall be liquidated by cash settlement at a Final Settlement Price equal to the reciprocal of the "Dólar Observado", as determined on the termination of trading day but reported by the Banco Central de Chile (BCC) on the Business Day following the termination of trading day on the BCC's website (<http://www.bcentral.cl/index.asp>) and rounded to 7 decimal places. This rate is widely used by the interbank foreign exchange market to cash settle nondeliverable forward contracts for U.S. dollars versus Chilean pesos. All open positions shall be cash settled to this rate on the Business Day following the last Business Day of the month for the BCC.

1. Procedures if No BCC Dólar Observado Rate is Available

In the event that there is a price source disruption and the Dólar Observado rate is not calculated by the BCC on the termination of trading day and/or broadcasted on the Business Day following the termination of trading day, the Clearing House shall defer cash settlement to a subsequent day.

2. Procedures if BCC Dólar Observado Rate is Available after Commencement of a Deferral Period

Upon publication of the BCC Dólar Observado rate after a deferral period commences, CME shall determine the Final Settlement Price using such Rate rounded to 7 decimal places and the U.S. dollar/Chilean peso futures contract shall be settled on such day. If, however, ~~30~~ 14 consecutive calendar days pass without publication of the BCC Dólar Observado rate, CME shall otherwise determine the Final Settlement Price. See section 3.

3. Procedures after ~~30~~ 14-Day Deferral Period

After the lapse of ~~30~~ 14 consecutive calendar days without publication of the BCC Dólar Observado rate, then Rule 812 shall apply to determine the Final Settlement Price.