

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-338

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

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 10/09/20 Filing Description: Amendments to the Termination of Trading and the Exercise and Assignment Rules of the Monthly and Weekly Options on the Mexican Peso/U.S. Dollar (MXN/USD) Futures Contract and Currency Fixing Time of the Related 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:

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: See Filing.

Rule Numbers: See Filing.

October 9, 2020

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. Notification Regarding Amendments to the Termination of Trading and the Exercise and Assignment Rules of the Monthly and Weekly Options on the Mexican Peso/U.S. Dollar (MXN/USD) Futures Contract and Currency Fixing Time of the Related Futures Contract. CME Submission No. 20-338

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to the amend the termination of trading time of the Monthly and Weekly Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures contract (the “Contracts”) from 9:00 a.m. Central Time (CT) to 11:30 a.m. CT as in Appendix A below as well as changes to the CME Currency Fixing Price time for MXN/USD Futures from 9:00 a.m. CT to 11:30 a.m. (CT). (collectively, the “Rule Amendments”) effective Sunday, November 15, 2020 for trade date Monday, November 16, 2020 and commencing with the December 2020 contract month and the November Week 3 contracts and beyond.

The Contracts are listed for trading on the CME trading floor¹ and the CME Globex electronic trading platform and for submission for clearing only on CME ClearPort.

The Rule Amendments are intended to align the Contracts more closely with OTC FX option market conventions and thereby enhance trading and clearing of the Contracts. The Rule Amendments align the termination of the Contracts’ termination of trading time to the over-the-counter (OTC) MXN/USD option time which is 11:30 a.m. CT.

There is open interest in the December 2020 contract months and beyond. Market participants are overwhelmingly supportive of the Rule Amendments and believe they will significantly align the Contracts to the current OTC options convention and encourage future growth in this market.

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:

¹ CME Group closed its Chicago trading floor as of the close of business Friday, March 13, 2020, as a precaution to reduce large gatherings that can contribute to the spread of coronavirus in line with the advice of medical professionals. Updates can be found at:

<https://www.cmegroup.com/company/information.html>

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- **Availability of General Information:** The Exchange will release a Special Executive Report (“SER”) regarding the actions described herein well in advance of the effective date to ensure notification to market participants and holders of open interest. 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 Contracts will continue to be listed for trading on the CME trading floor and the CME Globex electronic trading platform.

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.

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A - Amendments to Termination of Trading and Exercise and Assignment Rules
Appendix B - Amendments to CME Chapter 256A (blackline format)

Appendix A

Contract	Commodity Code	Current Rule	Amended Rule
MXN/USD Monthly Options	MP	9:00 a.m. Central Time	11:30 a.m. Central Time
MXN/USD Weekly Options	M1-5		
MXN/USD Futures Fixing	ZYM	<p>Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 8:59:00 to 8:59:59 a.m. on the day of determination of the CME currency fixing price.</p> <p>Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60- second interval.</p> <p>Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.</p>	<p>Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from 11:29:00 to 11:29:59 a.m. on the day of determination of the CME currency fixing price.</p> <p>Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval.</p> <p>Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.</p>

Appendix B
CME Rulebook
(additions underscored; deletions ~~everstruck~~)

Chapter 256A
Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures

256A01. OPTIONS CHARACTERISTICS

256A01.I. Termination of Trading and Expiration Days for Options

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

Trading in monthly options in the March quarterly cycle (i.e., March, June, September and December) shall terminate at ~~9:00~~ 11:30 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

2. Monthly Options Not in the March Quarterly Cycle ("Serial Options")

Trading in monthly options not in the March quarterly cycle (i.e., January, February, April, May, July, August, October and November) shall terminate at ~~9:00~~ 11:30 a.m. Central time on the second Friday immediately preceding the third Wednesday of the contract month. If the foregoing date for termination is a scheduled Exchange holiday, trading in monthly options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

3. Weekly Friday Options

Trading in weekly Friday options shall terminate at ~~9:00~~ 11:30 a.m. Central time on those Fridays that are not also the termination of trading of a monthly option as described in the preceding sections 1 and 2. If the foregoing date for termination is a scheduled Exchange holiday, trading in weekly Friday options shall terminate on the immediately preceding Business Day. In the event that the underlying futures market does not open on the scheduled expiration day, the option expiration shall be extended to the next day on which the underlying futures market is open for trading.

256A02. EXERCISE AND ASSIGNMENT

256A02.A.1. Exercise of Options

All in-the-money options are automatically exercised by the Clearing House on the day of expiration for the option. All out-of-the-money options are abandoned by the Clearing House on the day of expiration for the option. To determine whether an option is in or out of the money on this day, the Exchange shall calculate the relevant "CME currency fixing price" from GLOBEX-traded underlying futures contracts as follows:

Tier 1 Take the 60-second average of sale (trade) prices, weighted by volume from ~~8:59:00 to 8:59:59~~ 11:29:00 to 11:29:59 a.m. on the day of determination of the CME currency fixing price.

Tier 2 If less than twenty or no sales (trades) occurred during the 60-second interval noted above, take the midpoint of each bid & ask spread where available and average the resulting midpoints over the 60-second interval.

Tier 3 If no sales (trades) and no bid and ask prices occurred during the 60-second interval, then Exchange staff shall derive the CME currency fixing price (as a synthetic futures price) from quote vendor spot rates and appropriate maturity forward points.

An option is in-the-money if the fixing price of the underlying futures contract lies above or is equal to the exercise price in the case of a call, or lies below the exercise price in the case of a put.
